



**WILMAR INTERNATIONAL LIMITED**

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

**LETTER TO SHAREHOLDERS DATED 30 MARCH 2022**

**IN RELATION TO**

- 1. THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE;  
AND**
- 2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE.**

---

# CONTENTS

---

## LETTER TO SHAREHOLDERS

|                                                             | Page |
|-------------------------------------------------------------|------|
| 1. Introduction .....                                       | 1    |
| 2. Definitions .....                                        | 2    |
| 3. The Proposed Renewal of the IPT Mandate .....            | 4    |
| 4. The Proposed Renewal of the Share Purchase Mandate ..... | 8    |
| 5. Directors' Recommendations .....                         | 17   |
| 6. Directors' and Substantial Shareholders' Interests ..... | 18   |
| 7. Directors' Responsibility Statement .....                | 20   |

---

# LETTER TO SHAREHOLDERS

---

## WILMAR INTERNATIONAL LIMITED

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

### Board of Directors:

#### Executive Directors

Mr Kuok Khoon Hong (Chairman and Chief Executive Officer)  
Mr Pua Seck Guan (Chief Operating Officer)  
Ms Teo La-Mei (Group Legal Counsel and Company Secretary)

#### Non-Executive and Non-Independent Directors

Mr Kuok Khoon Ean  
Mr Kuok Khoon Hua  
Mr Raymond Guy Young  
Mr Juan Ricardo Luciano (Alternate to Mr Raymond Guy Young)

#### Non-Executive and Independent Directors

Mr Lim Siong Guan (Lead Independent Director)  
Mr Tay Kah Chye  
Mr Kwah Thiam Hock  
Mr Kishore Mahbubani  
Mr Teo Siong Seng  
Mr Soh Gim Teik  
Dr Chong Yoke Sin

### Registered office:

28 Biopolis Road  
Wilmar International  
Singapore 138568

30 March 2022

To: The Shareholders of Wilmar International Limited (the "**Company**")

Dear Sir/Madam

## 1. INTRODUCTION

### 1.1 Notice of Annual General Meeting

We refer to:

- (a) the notice of annual general meeting of the Company dated 30 March 2022 (the "**Notice of AGM**") convening the forthcoming annual general meeting of the Company to be held on Thursday, 21 April 2022 at Level 1, Auditorium, 28 Biopolis Road, Wilmar International, Singapore 138568 and by way of electronic means (the "**forthcoming AGM**");
- (b) Ordinary Resolution No. 12 relating to the proposed renewal of the interested person transactions mandate, as proposed in the Notice of AGM; and
- (c) Ordinary Resolution No. 13 relating to the proposed renewal of the share purchase mandate, as proposed in the Notice of AGM.

### 1.2 Letter to Shareholders

The purpose of this letter to shareholders (this "**Letter**") is to provide Shareholders (as defined below) with information relating to Ordinary Resolution No. 12 and Ordinary Resolution No. 13 proposed in the Notice of AGM.

### 1.3 Singapore Exchange Securities Trading Limited

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Letter.

---

# LETTER TO SHAREHOLDERS

---

## 1.4 Advice to Shareholders

Shareholders who are in any doubt as to the action they should take, should consult their stockbrokers or other professional advisers immediately.

If a Shareholder has sold or transferred all his Shares (as defined below), the Shareholder should immediately forward this Letter together with the Notice of AGM and the proxy form to the purchaser or transferee, bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

## 2. DEFINITIONS

In this Letter, the following definitions shall apply unless the context otherwise requires:

|                                  |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Act"</b>                     | : | The Companies Act 1967 of Singapore, as may be amended or modified from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"AGM"</b>                     | : | The annual general meeting of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>"approved exchange"</b>       | : | A stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"associate"</b>               | : | (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual), means: <ul style="list-style-type: none"><li>(i) his immediate family member (that is, the spouse, child, adopted child, step-child, sibling and parent);</li><li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</li><li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;</li></ul> (b) in relation to a substantial shareholder or a controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more |
| <b>"Audit Committee"</b>         | : | The audit committee of the Company comprising Mr Tay Kah Chye (Chairman), Mr Kwah Thiam Hock and Mr Lim Siong Guan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"Board"</b>                   | : | The board of directors of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>"CDP"</b>                     | : | The Central Depository (Pte) Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>"Chapter 9"</b>               | : | Chapter 9 of the Listing Manual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Constitution"</b>            | : | The constitution of the Company, as may be amended or modified from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>"controlling shareholder"</b> | : | A person who (a) holds directly or indirectly 15% or more of the total voting rights in the Company (unless the SGX-ST determines that such person is not a controlling shareholder); or (b) in fact exercises control over the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>"Directors"</b>               | : | The directors of the Company as at the Latest Practicable Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

---

# LETTER TO SHAREHOLDERS

---

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"entity at risk"</b>                         | : (i) The listed company;<br>(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or<br>(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group or the listed group and its interested person(s), has control over the associated company                                                                                                                                         |
| <b>"EPS"</b>                                    | : Earnings per Share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>"FY2021"</b>                                 | : Financial year ended 31 December 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>"Group"</b>                                  | : The Company and its subsidiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"interested person"</b>                      | : A director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder                                                                                                                                                                                                                                                                                                                                   |
| <b>"interested person transaction" or "IPT"</b> | : A transaction between an entity at risk and an interested person                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>"Latest Practicable Date"</b>                | : 3 March 2022, being the latest practicable date prior to the printing of this Letter                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Listing Manual"</b>                         | : The listing manual of the SGX-ST, as may be amended or modified from time to time                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>"Market Day"</b>                             | : A day on which the SGX-ST is open for securities trading                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>"NTA"</b>                                    | : Net tangible assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>"Off-Market Share Purchase"</b>              | : A Share Purchase by the Company (if effected otherwise than on the SGX-ST) pursuant to an equal access scheme or schemes (as defined under Section 76C of the Act) for the purchase of Shares from the Shareholders                                                                                                                                                                                                                                                                                             |
| <b>"On-Market Share Purchase"</b>               | : A Share Purchase by the Company effected on the SGX-ST through ready market, through one or more duly licensed stockbrokers appointed by the Company for the purpose                                                                                                                                                                                                                                                                                                                                            |
| <b>"Ordinary Resolution"</b>                    | : The ordinary resolution as set out in the Notice of AGM                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"Registrar"</b>                              | : The Registrar of Companies appointed under the Act and includes any Deputy or Assistant Registrar of Companies                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>"Related Expenses"</b>                       | : Brokerage, stamp duty, commission, applicable goods and services tax and other related expenses                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>"Shareholders"</b>                           | : The registered holders of Shares except where the registered holder is CDP, the term <b>"Shareholders"</b> shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and whose securities accounts are credited with such Shares. The terms <b>"Depositor"</b> and <b>"Depository Register"</b> shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act 2001 of Singapore |

---

# LETTER TO SHAREHOLDERS

---

|                                   |   |                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Share Option"</b>             | : | Share options granted pursuant to the Wilmar Executives Share Option Scheme 2009 (which was approved and adopted on 29 April 2009) and the Wilmar Executives Share Option Scheme 2019 (which was approved by the Shareholders and adopted on 24 April 2019), which may be amended or modified from time to time |
| <b>"Share Purchase"</b>           | : | Purchase of Shares by the Company pursuant to the Share Purchase Mandate                                                                                                                                                                                                                                        |
| <b>"Share Purchase Committee"</b> | : | The share purchase committee, comprising of Mr Kuok Khoon Hong (Chairman) and Mr Pua Seck Guan, is authorised to administer the Share Purchase Mandate                                                                                                                                                          |
| <b>"Share Purchase Mandate"</b>   | : | The proposed general mandate to authorise the Directors of the Company to purchase, on behalf of the Company, Shares in accordance with the terms as set out in this Letter                                                                                                                                     |
| <b>"Shares"</b>                   | : | Ordinary shares in the capital of the Company                                                                                                                                                                                                                                                                   |
| <b>"subsidiary holdings"</b>      | : | Shares held by subsidiaries of the Company, if applicable in the circumstances referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act                                                                                                                                                              |
| <b>"Substantial Shareholder"</b>  | : | A person who has an interest in one or more voting Shares (excluding Treasury Shares) in the Company and the total votes attached to that Share, or those Shares is not less than 5% of the total votes attached to all the voting Shares (excluding Treasury Shares) of the Company                            |
| <b>"Take-over Code"</b>           | : | The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time                                                                                                                                                                                                                   |
| <b>"Treasury Shares"</b>          | : | Shares which (a) were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Act applies; and (b) have been held by the Company continuously since the Shares were so purchased                                                                                     |

The Company has engaged Chang See Hiang & Partners as its legal adviser for the corporate actions set out in this Letter.

### **3. THE PROPOSED RENEWAL OF THE IPT MANDATE**

#### **3.1 Chapter 9 of the Listing Manual**

Chapter 9 governs a transaction between an entity at risk and an interested person. The objective of Chapter 9 (as stated in Rule 901 of the Listing Manual) is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

#### **3.2 Materiality thresholds, announcement requirements and shareholders' approval**

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and are hence excluded from the ambit of Chapter 9, an immediate announcement, or, an immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed group's latest NTA) are reached or exceeded.

In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

3.2.1 5% of the listed group's latest audited NTA; or

3.2.2 5% of the listed group's latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person during the same financial year.

---

# LETTER TO SHAREHOLDERS

---

## 3.3 Shareholders' general mandate

Chapter 9 allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

## 3.4 IPT Mandate

At the AGM held on 15 April 2021 ("**2021 AGM**"), the Company obtained approval from its Shareholders for the entity at risk to enter into certain types of transactions with interested persons ("**IPT Mandate**") to take effect until the forthcoming AGM. Details of the IPT Mandate were set out in the Company's Letter to Shareholders dated 24 March 2021.

The Company is seeking to renew the IPT Mandate at the forthcoming AGM to take effect until the next AGM. There is no change to the scope and terms of the IPT Mandate which is proposed to be renewed. Details of the IPT Mandate are set out in the following paragraphs 3.5 to 3.8.

## 3.5 Scope of the IPT Mandate

The IPT Mandate will cover a wide range of transactions arising in the normal course of business operations of the entity at risk that are entered into with certain classes of interested persons.

The IPT Mandate will not cover any transaction by an entity at risk with an Interested Person (as defined in paragraph 3.7) which has a value below S\$100,000 as such transactions are not normally aggregated under Chapter 9, unless the SGX-ST requires.

Transactions with interested persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual and/or any applicable law. Transactions conducted under the IPT Mandate are not separately subject to Rules 905 and 906 of Chapter 9 pertaining to threshold and aggregation requirements.

## 3.6 Duration of the IPT Mandate

The IPT Mandate will take effect from the date of the passing of the Ordinary Resolution relating thereto at the forthcoming AGM and will continue in force until the next AGM. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM, subject to satisfactory review by the Audit Committee of its continued application to the interested person transactions.

## 3.7 Classes of Interested Persons

The IPT Mandate will apply to transactions (as described below) with the following persons ("**Interested Persons**"):

- (1) Archer Daniels Midland Company ("**ADM**") and its associates ("**ADM Group**"); and
- (2) any Director (that may be appointed from time to time) and the Chief Executive Officer of the Company and their respective associates who are or may be, directly or indirectly, interested in a transaction or proposed transaction with the Group.

## 3.8 Categories of Interested Person Transactions

The following recurrent transactions with the Interested Persons (the "**Mandated Transactions**") are in connection with the provision to, or the obtaining from, the Interested Persons of products and services in the Group's normal course of business or which are necessary for its day-to-day operations or which are of a revenue or trading nature (but not in respect of the purchase or sale of assets, undertakings or businesses) comprising:

- (1) sale of palm oil and lauric products, soy bean, soy bean oil and other edible oils;
- (2) purchase of materials such as fresh palm fruit bunches, crude palm oil, soy bean, coal and other materials;
- (3) the payment of advances for purchases of products and materials;

---

# LETTER TO SHAREHOLDERS

---

- (4) the provision of office premises, storage facilities, transport and logistics services and brokerage services;
- (5) the rental / lease of land;
- (6) provision of loans and guarantees;
- (7) the entry into of licence agreements or arrangements for the use of trade names and logos;
- (8) payment of technical consultation and other professional fees; and
- (9) the transactions and agreements described in Sections 14.1(d) (in respect of the annual payment of the technical consultation fee by the ADM Group), 14.2 (in respect of on-going IPTs) and 14.3 (in respect of potential and proposed IPTs) of the Circular dated 10 June 2006 issued by the Company.

## 3.9 Review Procedures

The Company has in place an internal control system to ensure that the Mandated Transactions are made at an arm's length basis and on normal commercial terms consistent with its usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to non-Interested Persons, and are not prejudicial to the interests of the Company and the minority Shareholders. In particular, the following review procedures have been put in place:

- (1) when supplying items or services to an Interested Person, the sale price or fee, and the terms, of at least two latest successful sale or supply of a similar nature to non-Interested Persons will be used for comparison. The sale price or fee for the supply of goods or services shall not be lower than the lowest sale price or fee of these other transactions (of a similar nature) with non-Interested Persons;
- (2) when purchasing items from or engaging the services of an Interested Person, at least two latest successful purchases or quotations for the purchase or provision of same or similar items or services from non-Interested Persons will be obtained (where available) for comparison. The purchase price or fee shall not be higher than the most competitive price or fee of these other transactions (of a similar nature) with non-Interested Persons. In determining the most competitive price or fee, non-price factors, including but not limited to quality, delivery time, and track record will be taken into account;
- (3) when obtaining or providing loans, the Audit Committee's approval in respect thereof shall be required and the Audit Committee shall ensure that the interest rate quoted and other salient terms are no less favourable than that given by *bona fide* third party lenders or the prevailing market rate or terms. In the event that a Director of the Company is interested in any such Mandated Transaction, that Director will abstain from approving that particular transaction;
- (4) when giving guarantees, credit support or entering into licensing agreements, the Audit Committee will review and approve the terms thereof to ensure that it is not prejudicial to the interests of the Company and the minority Shareholders. In the event that a Director of the Company is interested in any such Mandated Transaction, that Director will abstain from approving that particular transaction;
- (5) when renting properties from or to an Interested Person, the Audit Committee shall take appropriate steps to ensure that such rent is commensurate with prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties (in terms of area and location) and obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The rent payable or to be received shall be based on the most competitive market rental rate of similar properties (in terms of area and location), based on the results of the relevant enquiries. When it is not possible to obtain or establish the prevailing market rates through the methods described above, the matter will be referred to the Audit Committee and the Audit Committee will determine whether the rental fees to be paid or received are fair and reasonable and consistent with the Group's usual business practices; and
- (6) for shared services, a fee shall be charged to the Interested Person based on the time cost charges of the employees involved and an agreed mark up, in accordance with the terms of the agreement. Where the time spent exceeds that set out in the agreement, additional charges would be applicable, based on the actual excess time spent.

---

# LETTER TO SHAREHOLDERS

---

For (1) and (2) above, in the event that it is not possible for appropriate information (for comparative purposes) to be obtained, the respective heads of the finance department in Indonesia, Malaysia or Singapore (where applicable) of the Group (with no interest, direct or indirect, in the Mandated Transaction), will determine whether the price, fees and/or the other terms offered by the Interested Persons are fair and reasonable. In so determining, that head of the finance department will consider whether the price, fees and/or other terms is in accordance with usual business practices and pricing policies and is consistent with the usual margins and/or terms to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken at an arm's length and on normal commercial terms.

In respect of other transactions regarded as IPTs (within the meaning of the Listing Manual), a person regarded as independent of the transaction by the Audit Committee will be appointed to review and approve such transactions.

The Company shall monitor the transactions with Interested Persons entered into by the Group and categorise these transactions as follows:

- (i) a Category 1 Mandated Transaction is one where the value thereof is in excess of 5% of the NTA of the Group; and
- (ii) a Category 2 Mandated Transaction is one where the value thereof is below or equal to 5% of the NTA of the Group.

All Category 1 Mandated Transactions must be approved by the Audit Committee prior to its entry. Category 2 Mandated Transactions need not be approved by the Audit Committee prior to its entry but shall be reviewed and reported upon by the internal auditor of the Group on a quarterly basis and such report shall be reviewed by the Audit Committee upon receipt. In its review of each quarterly report, the Audit Committee will also review the payment terms, payment period(s) and settlement of the transactions in respect thereof to ensure that they are not prejudicial to the interests of the Company and its minority Shareholders. The internal auditor shall also, in its report to the Audit Committee, report whether such Mandated Transactions were carried out in accordance with the abovesaid internal control procedures. The internal auditor of the Company, and the Audit Committee (independent of the internal auditor), where either of it deems fit or necessary, may carry out additional reviews.

The Company will maintain a register of Interested Persons. This register will be updated monthly and will be sent to a designated person in the Plantation and Refinery division of the Group as well as a designated person in each member of the Group. The purpose of this register is to enable that designated person to identify the Interested Persons so as to facilitate the recording of all Mandated Transactions excluding those below S\$100,000, in accordance with Chapter 9. The Company will also maintain a register of transactions carried out with Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into).

On a monthly basis, the designated person in each member of the Group will submit details of all Mandated Transactions, including the value in respect thereof, (excluding those below S\$100,000, in accordance with Chapter 9) entered into during the previous calendar month to the designated person in the Plantation and Refinery division of the Group, who will then transmit that information to the designated person in the Company. A "nil" return is required if there are no such transactions for the previous calendar month. The Group's internal audit plan will also incorporate a review of the transactions entered into in the relevant financial year pursuant to the IPT Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to. The Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures in respect of such transactions are adhered to.

If during the periodic reviews, the Audit Committee is of the view that the internal control procedures as stated above are not sufficient to ensure that the Mandated Transactions are conducted at an arm's length basis and on normal commercial terms and may be prejudicial to the interests of the Company and the minority Shareholders, the Audit Committee shall make a recommendation to the Board for the Company to obtain Shareholders' approval for a fresh mandate based on new guidelines and review procedures.

In the event that a member of the Audit Committee is interested in any of the Mandated Transactions, that member will abstain from reviewing that particular transaction. Any decision to proceed with such an agreement or arrangement would be recorded for review by the remaining members of the Audit Committee.

The Audit Committee will also review the transactions with interested persons periodically and ensure that the prevailing rules of the SGX-ST (in particular, Chapter 9) are complied with.

---

# LETTER TO SHAREHOLDERS

---

## 3.10 Rationale for and benefits of the IPT Mandate

In view of the time-sensitive nature of commercial transactions, it would be advantageous to the Company to obtain the IPT Mandate to enter into the Mandated Transactions, provided that all such transactions are carried out at an arm's length basis and on normal commercial terms. The IPT Mandate (if approved) will eliminate, among others, the need for the Company to convene separate general meetings on each occasion to seek its Shareholders' approval as and when potential transactions with Interested Persons arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising its corporate objectives and adversely affecting its business opportunities.

The Mandated Transactions are entered into or, are to be entered into, by the Group in the ordinary course of business. They are recurring transactions which are likely to occur with some degree of frequency and could arise at any time and from time to time.

Sales to the Interested Persons represent an additional source of revenue for the Group. With regard to purchases, the Group will benefit from having access to quotations from the Interested Persons, in addition to obtaining quotations from third parties, and with the various quotations available for assessment, this will ensure that the Group obtains competitive prices for goods and services of similar quality and specifications. The Group will benefit from the familiarity that the Interested Persons possess in relation to the specifications and requirements that it requires for such goods and services, built on its mutual course of dealing over the years. This gives the Group assurance that the quality of goods and services provided by the Interested Persons would meet its requirements and standards. The terms that the Group extends to the Interested Persons (both for sales, as well as purchases) will not be more favourable than that which it extends to non-Interested Persons.

## 3.11 Disclosures in Annual Report and Financial Statements

Relevant disclosures will be made in the annual report and the financial statements of the Company in accordance with the requirements of Chapter 9 and other listing rules of the Listing Manual.

## 3.12 Audit Committee Statement

The Audit Committee, having considered the scope, rationale for and benefit of, and the compliance and review procedures of the IPT Mandate, confirms that (i) the methods and procedures for determining transaction prices of the Mandated Transactions as set out in paragraph 3.9 above, have not changed since the last Shareholders' approval obtained at the 2021 AGM; and (ii) the methods and procedures in (i) above are sufficient to ensure that such Mandated Transactions will be carried out on normal commercial terms which are not prejudicial to the interests of the Company and its minority Shareholders.

## 4. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

### 4.1 The Share Purchase Mandate

- 4.1.1 The Act allows companies to purchase or otherwise acquire their own shares in the manner stated in the Act if their constitutions allow them to do so. Article 56 of the Constitution expressly permits the Company to purchase or otherwise acquire, *inter alia*, its issued Shares.
- 4.1.2 At the 2021 AGM, the Shareholders had approved a mandate (the "**2021 Share Purchase Mandate**") to enable the Company to purchase or otherwise acquire its issued Shares as permitted under and in accordance with the provisions of the Act. The rationale for, the authority and limits on, and the financial effects of, the 2021 Share Purchase Mandate were set out in the Company's Letter to Shareholders dated 24 March 2021.
- 4.1.3 The 2021 Share Purchase Mandate was expressed, *inter alia*, to continue in force until (i) the date on which the next AGM is held or required by law to be held; or (ii) the date on which the Share Purchases are carried out to the full extent mandated; or (iii) the date on which the authority conferred by the 2021 Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting, whichever is the earliest.
- 4.1.4 The 2021 Share Purchase Mandate will be expiring on 21 April 2022, being the date of the forthcoming AGM. The Directors proposed that approval for the renewal of the Share Purchase Mandate be sought at the forthcoming AGM.

---

# LETTER TO SHAREHOLDERS

---

## 4.2 Rationale for the Share Purchase Mandate

- 4.2.1 The proposed renewal of the Share Purchase Mandate will continue to give the Company the flexibility to undertake Share Purchases at any time, subject to market conditions, during the period that the Share Purchase Mandate is in force. The Directors believe that the Share Purchase Mandate will provide the Company with a mechanism to facilitate the return of any surplus cash in excess of the Group's working capital requirements in an expedient and cost-efficient manner. The Directors further believe that Share Purchases may also buffer short-term share price volatility and offset the effects of share price speculation. Where Shares are purchased by the Company and are held as Treasury Shares, it will also enable the Company to transfer the Treasury Shares for the purposes of the Company's employees' share option scheme(s). The use of Treasury Shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.
- 4.2.2 If and when circumstances permit, the Share Purchase Committee will decide whether to effect the Share Purchases via On-Market Share Purchases or Off-Market Share Purchases, after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost-effective and efficient approach.
- 4.2.3 The Share Purchases would be made only as and when the Share Purchase Committee considers it to be in the best interests of the Company and in appropriate circumstances which the Share Purchase Committee believes will not result in any material adverse effect on the liquidity and the orderly trading of the Shares, as well as the working capital requirements and the gearing level of the Group.

## 4.3 Authority and Limits on the Share Purchase Mandate

The authority and limits placed on the Share Purchases under the proposed renewal of the Share Purchase Mandate are set out below:

### 4.3.1 Maximum number of Shares

- (a) Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. In accordance with Rule 882 of the Listing Manual, the total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate shall not exceed 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the date of the forthcoming AGM at which approval for the renewal of the Share Purchase Mandate is being sought (the "**Approval Date**"). Shares which are held as Treasury Shares and subsidiary holdings will be disregarded for the purpose of computing the 10% limit.

As at the Latest Practicable Date, the Company holds 107,519,400 Treasury Shares and there are no Shares held as subsidiary holdings.

- (b) For illustrative purposes only, on the basis of 6,295,881,706 issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that (i) no further Shares are issued on or prior to the forthcoming AGM, (ii) no further Shares are purchased and held as Treasury Shares, (iii) no Shares are held as subsidiary holdings, (iv) the Company does not reduce its share capital, and (v) no Treasury Shares are used, sold, transferred or cancelled, then not more than 629,588,170 Shares (representing 10% of the total number of issued Shares, excluding Treasury Shares and subsidiary holdings, as at that date) may be purchased by the Company pursuant to the Share Purchase Mandate.

### 4.3.2 Duration of Authority

Share Purchases may be made, at any time and from time to time, on and from the Approval Date up to:

- (i) the date on which the next AGM is held or required by law to be held; or
- (ii) the date on which the Share Purchases are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied,

whichever is the earliest.

---

# LETTER TO SHAREHOLDERS

---

## 4.3.3 Manner of Share Purchases

- (a) Share Purchases may be made by way of:
  - (i) an On-Market Share Purchase; and/or
  - (ii) an Off-Market Share Purchase.
- (b) The Share Purchase Committee may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Act, as it considers fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. However, an Off-Market Share Purchase effected in accordance with an equal access scheme must satisfy all the following conditions:
  - (i) offers shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
  - (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
  - (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
    - (1) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
    - (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
    - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.
- (c) In addition, the Listing Manual provides that, in making an Off-Market Share Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:
  - (i) the terms and conditions of the offer;
  - (ii) the period and procedures for acceptance;
  - (iii) the reasons for the proposed Share Purchase;
  - (iv) the consequences, if any, of Share Purchases that will arise under the Take-over Code or other applicable take-over rules;
  - (v) whether the Share Purchase, if made, could affect the listing of the Shares on the SGX-ST;
  - (vi) details of any Share Purchases made by the Company during the previous 12 months (whether On-Market Share Purchases or Off-Market Share Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
  - (vii) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

---

# LETTER TO SHAREHOLDERS

---

## 4.3.4 Maximum Purchase Price

- (a) The purchase price (excluding Related Expenses) to be paid for a Share will be determined by the Share Purchase Committee.
- (b) However, the maximum purchase price to be paid for the Shares as determined by the Share Purchase Committee pursuant to the Share Purchase Mandate must not exceed:
  - (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined below) of the Shares excluding Related Expenses; and
  - (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price of the Shares excluding Related Expenses,(the “**Maximum Price**”).
- (c) For the above purposes, “**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 Market Days on which transactions in the Shares were recorded, before the day on which the On-Market Share Purchase was made, or as the case may be, the date of the making of offer for an Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day of the On-Market Share Purchase or, as the case may be, the date of the making of the offer for an Off-Market Share Purchase; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

## 4.4 **Status of purchased Shares under the Share Purchase Mandate**

4.4.1 Under Section 76B of the Act, any Share which is purchased shall, unless held as a Treasury Share, be deemed cancelled immediately on purchase, and all rights and privileges attached to that Share will expire on cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as Treasury Shares.

4.4.2 Some of the provisions on Treasury Shares under the Act are summarised below:

- (a) Maximum Holdings

The number of Shares held as Treasury Shares shall not at any time exceed 10% of the total number of issued Shares. For this purpose, any subsidiary holdings shall be included in computing the 10% limit.

- (b) Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings; and for the purposes of the Act, the Company shall be treated as having no right to vote in respect of Treasury Shares and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company’s assets may be made, to the Company in respect of the Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a sub-division or consolidation of any Treasury Share into Treasury Shares of a greater or smaller number, as the case may be, is allowed so long as the total value of the Treasury Shares after the sub-division or consolidation is the same as before.

---

# LETTER TO SHAREHOLDERS

---

(c) Disposal and Cancellation

Where Shares purchased or acquired by the Company are held as Treasury Shares, the Company may at any time but subject always to the Take-over Code:

- (i) sell the Treasury Shares for cash;
- (ii) transfer the Treasury Shares for the purposes of or pursuant to any share scheme, whether for the Company's employees, Directors or other persons;
- (iii) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Treasury Shares; or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

4.4.3 The Share Purchase Committee will decide whether the Shares purchased under the Share Purchase Mandate will be held as Treasury Shares and/or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time. It is presently intended by the Company that Shares which are purchased under the Share Purchase Mandate will be held as Treasury Shares.

4.4.4 In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of Treasury Shares sold, transferred, cancelled and/or used;
- (d) number of Treasury Shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of Treasury Shares against the total number of issued Shares in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the Treasury Shares sold, transferred, cancelled and/or used.

## 4.5 Reporting Requirements

4.5.1 The Listing Manual specifies that a listed company shall notify the SGX-ST of any On-Market Share Purchases not later than 9.00 a.m. on the Market Day following the day on which the On-Market Share Purchase was made, and of any Off-Market Share Purchases not later than 9.00 a.m. on the second Market Day after the close of acceptance of the offer for the Off-Market Share Purchase. The notification of such Share Purchases to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

4.5.2 The Company shall lodge with the Registrar a notice of Share Purchase within 30 days of such Share Purchase. Such notification shall include the date of the purchases, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Treasury Shares held, the Company's issued share capital before and after the purchases, the amount of consideration paid by the Company for the purchases, whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

---

# LETTER TO SHAREHOLDERS

---

## 4.6 Source of Funds

- 4.6.1 The Company may only apply funds for the Share Purchases in accordance with the Constitution and applicable laws in Singapore.
- 4.6.2 The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance its Share Purchases.
- 4.6.3 The Act stipulates that any purchases of Shares may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the Share Purchases is made out of profits, such consideration will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. However, where the consideration paid by the Company for the Share Purchases is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced. The Act further stipulates that a payment for such purchase of shares shall include any Related Expenses.

## 4.7 Financial Effects

- 4.7.1 The financial effects on the Company and the Group arising from the Share Purchases will depend on, *inter alia*, whether the Share Purchases are made out of capital and/or profits, the aggregate number of Shares purchased, the price paid for such Shares, the amount (if any) borrowed and whether the Shares are held in treasury or cancelled.
- 4.7.2 **For illustrative purposes only**, the financial effects on the Company and the Group arising from the Share Purchases, based on the audited financial statements of the Company and the Group for FY2021, are prepared assuming the following:
- (a) the Share Purchases comprised 629,588,170 Shares (representing the maximum 10% allowed under the Share Purchase Mandate of the 6,295,881,706 issued Shares excluding Treasury Shares and subsidiary holdings, as at the Latest Practicable Date);
  - (b) in the case of On-Market Share Purchases, the Maximum Price was S\$4.66 (being 5% above the Average Closing Price prior to the Latest Practicable Date) and accordingly, the maximum amount of funds (excluding Related Expenses) required for effecting such On-Market Share Purchases of 629,588,170 Shares would amount to approximately US\$2,159,965,000;
  - (c) in the case of Off-Market Share Purchases, the Maximum Price was S\$5.33 (being 20% above the Average Closing Price prior to the Latest Practicable Date) and accordingly, the maximum amount of funds (excluding Related Expenses) required for effecting such Off-Market Share Purchases of 629,588,170 Shares would amount to approximately US\$2,470,518,000;
  - (d) the Share Purchases took place on 1 January 2021;
  - (e) the Share Purchases were funded by a combination of internal source of funds and external borrowings;
  - (f) there was no issuance of new Shares after the Latest Practicable Date; and
  - (g) there was no sale, transfer, cancellation and/or use of Treasury Shares after the Latest Practicable Date.

# LETTER TO SHAREHOLDERS

|                                                                 | Group                             |                                            |                                                      |                                            |                                                      |
|-----------------------------------------------------------------|-----------------------------------|--------------------------------------------|------------------------------------------------------|--------------------------------------------|------------------------------------------------------|
|                                                                 | Before Share Purchase<br>US\$'000 | On-Market Share Purchases                  |                                                      | Off-Market Share Purchases                 |                                                      |
|                                                                 |                                   | Purchased Shares are cancelled<br>US\$'000 | Purchased Shares held as Treasury Shares<br>US\$'000 | Purchased Shares are cancelled<br>US\$'000 | Purchased Shares held as Treasury Shares<br>US\$'000 |
| <b><u>As at 31 December 2021</u></b>                            |                                   |                                            |                                                      |                                            |                                                      |
| Current assets                                                  | 31,814,998                        | 30,735,015                                 | 30,735,015                                           | 30,579,739                                 | 30,579,739                                           |
| Current liabilities                                             | 28,393,231                        | 29,497,483                                 | 29,497,483                                           | 29,656,248                                 | 29,656,248                                           |
| Net asset value (NAV)                                           | 19,923,875                        | 17,739,640                                 | 17,739,640                                           | 17,425,598                                 | 17,425,598                                           |
| Share capital                                                   | 8,458,995                         | 6,299,030                                  | 8,458,995                                            | 5,988,477                                  | 8,458,995                                            |
| Net debt <sup>(1)</sup>                                         | 17,237,705                        | 19,397,670                                 | 19,397,670                                           | 19,708,222                                 | 19,708,222                                           |
| Profit after tax and non-controlling interests                  | 1,890,390                         | 1,866,120                                  | 1,866,120                                            | 1,862,631                                  | 1,862,631                                            |
| Number of Shares outstanding as at 31 December 2021 ('000)      | 6,295,171                         | 5,665,583                                  | 5,665,583                                            | 5,665,583                                  | 5,665,583                                            |
| Weighted average number of Shares as at 31 December 2021 ('000) | 6,308,080                         | 5,678,492                                  | 5,678,492                                            | 5,678,492                                  | 5,678,492                                            |
| <b><u>Financial Ratios*</u></b>                                 |                                   |                                            |                                                      |                                            |                                                      |
| NAV per share <sup>(2)</sup> (cents)                            | 316.5                             | 313.1                                      | 313.1                                                | 307.6                                      | 307.6                                                |
| Net debt gearing <sup>(3)</sup> (times)                         | 0.9                               | 1.1                                        | 1.1                                                  | 1.1                                        | 1.1                                                  |
| Current ratio <sup>(4)</sup> (times)                            | 1.1                               | 1.0                                        | 1.0                                                  | 1.0                                        | 1.0                                                  |
| Basic EPS <sup>(5)</sup> (cents)                                | 30.0                              | 32.9                                       | 32.9                                                 | 32.8                                       | 32.8                                                 |

## Notes:

(1) "Net debt" represents total borrowings less cash and bank balances and other deposits with financial institutions.

(2) "NAV per Share" represents net asset value after non-controlling interests divided by the number of Shares as at 31 December 2021.

(3) "Net debt gearing" represents net debt divided by shareholders' funds.

(4) "Current ratio" represents current assets divided by current liabilities.

(5) "Basic EPS" represents profit after tax and non-controlling interests divided by the weighted average number of Shares as at 31 December 2021.

\* rounded to the nearest one decimal place

# LETTER TO SHAREHOLDERS

|                                                                 | Company                           |                                            |                                                      |                                            |                                                      |
|-----------------------------------------------------------------|-----------------------------------|--------------------------------------------|------------------------------------------------------|--------------------------------------------|------------------------------------------------------|
|                                                                 | On-Market Share Purchases         |                                            | Off-Market Share Purchases                           |                                            |                                                      |
|                                                                 | Before Share Purchase<br>US\$'000 | Purchased Shares are cancelled<br>US\$'000 | Purchased Shares held as Treasury Shares<br>US\$'000 | Purchased Shares are cancelled<br>US\$'000 | Purchased Shares held as Treasury Shares<br>US\$'000 |
| <b>As at 31 December 2021</b>                                   |                                   |                                            |                                                      |                                            |                                                      |
| Current assets                                                  | 5,687,268                         | 5,686,235                                  | 5,686,235                                            | 5,686,235                                  | 5,686,235                                            |
| Current liabilities                                             | 5,684,774                         | 7,892,222                                  | 7,892,222                                            | 8,209,754                                  | 8,209,754                                            |
| Net asset value (NAV)                                           | 9,492,402                         | 7,283,921                                  | 7,283,921                                            | 6,966,389                                  | 6,966,389                                            |
| Share capital                                                   | 8,895,134                         | 6,735,169                                  | 8,895,134                                            | 6,424,616                                  | 8,895,134                                            |
| Net debt <sup>(1)</sup>                                         | 307,691                           | 2,467,656                                  | 2,467,656                                            | 2,778,209                                  | 2,778,209                                            |
| Profit after tax and non-controlling interests                  | 692,318                           | 643,802                                    | 643,802                                              | 636,823                                    | 636,823                                              |
| Number of Shares outstanding as at 31 December 2021 ('000)      | 6,295,171                         | 5,665,583                                  | 5,665,583                                            | 5,665,583                                  | 5,665,583                                            |
| Weighted average number of Shares as at 31 December 2021 ('000) | 6,308,080                         | 5,678,492                                  | 5,678,492                                            | 5,678,492                                  | 5,678,492                                            |
| <b>Financial Ratios*</b>                                        |                                   |                                            |                                                      |                                            |                                                      |
| NAV per share <sup>(2)</sup> (cents)                            | 150.8                             | 128.6                                      | 128.6                                                | 123.0                                      | 123.0                                                |
| Net debt gearing <sup>(3)</sup> (times)                         | 0.0                               | 0.3                                        | 0.3                                                  | 0.4                                        | 0.4                                                  |
| Current ratio <sup>(4)</sup> (times)                            | 1.0                               | 0.7                                        | 0.7                                                  | 0.7                                        | 0.7                                                  |
| Basic EPS <sup>(5)</sup> (cents)                                | 11.0                              | 11.3                                       | 11.3                                                 | 11.2                                       | 11.2                                                 |

## Notes:

(1) "Net debt" represents total borrowings less cash and bank balances and other deposits with financial institutions.

(2) "NAV per Share" represents net asset value after non-controlling interests divided by the number of Shares as at 31 December 2021.

(3) "Net debt gearing" represents net debt divided by shareholders' funds.

(4) "Current ratio" represents current assets divided by current liabilities.

(5) "Basic EPS" represents profit after tax and non-controlling interests divided by the weighted average number of Shares as at 31 December 2021.

\* rounded to the nearest one decimal place

---

# LETTER TO SHAREHOLDERS

---

Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the proposed Share Purchase Mandate would authorise the Company to purchase up to 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the date that the Share Purchase Mandate is obtained, the Company may not necessarily purchase or be able to purchase 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) in full.

## 4.8 Tax implications arising from Share Purchases

Shareholders who are in doubt as to their respective tax positions or any tax implications of Share Purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

## 4.9 Listing Manual relating to Share Purchases

- 4.9.1 While the Listing Manual does not expressly prohibit purchase of shares by a listed company during any particular time or times, the Company will not undertake any Share Purchases pursuant to the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price sensitive information has been publicly announced. In particular, the Company will not buy any Shares during the period commencing 2 weeks before the announcement of the Company's executive financial summary results for each of the first and third quarters of its financial year, or one month before the announcement of the Company's half year and full year financial statements, as the case may be, and ending on the date of announcement of the relevant results or statements.
- 4.9.2 The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued Shares (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed, is at all times held by the public. The "public", as defined under the Listing Manual, are persons other than directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, and the associates of such persons. Based on the Registers of Directors' Shareholdings and the Register of Substantial Shareholders maintained by the Company and the information received by the Company as at the Latest Practicable Date, approximately 29.78% of the total number of issued Shares are held by public Shareholders. Assuming the Company exercises the Share Purchase Mandate in full and purchases 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) through On-Market Share Purchases from the public, the number of Shares in the hands of the public would be reduced to approximately 21.98% of the total number of issued Shares. Accordingly, the Company is of the view that there is a sufficient number of Shares held by public Shareholders which would permit the Company to undertake purchases of its Shares up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST.
- 4.9.3 In undertaking any Share Purchases, the Share Purchase Committee will use its best efforts to ensure that, notwithstanding such Share Purchases, a sufficient float held by the public will be maintained so that the Share Purchases will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

## 4.10 Take-over Code implications arising from Share Purchases

- 4.10.1 The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any Share Purchases, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("Rule 14"). Consequently, depending on the number of Shares purchased by the Company and the Company's total number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.
- 4.10.2 Under the Take-over Code, persons acting in concert or concert parties comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely, (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts), and (ii) a company, its parent company, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with one another, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid for the purchase of voting rights. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

---

# LETTER TO SHAREHOLDERS

---

- 4.10.3 The circumstances under which Shareholders including Directors of the Company and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code ("**Appendix 2**").
- 4.10.4 In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or, in the event that such Directors and their concert parties hold between 30% and 50% of the voting rights in the Company, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.
- 4.10.5 Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the voting rights in the Company, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.
- 4.10.6 If the Company decides to cease the purchase of Shares before it has purchased in full such number of Shares authorised by its Shareholders at the latest AGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14.
- 4.10.7 Based on the Register of Substantial Shareholders as at the Latest Practicable Date, Kuok group of companies comprising *inter alia*, PPB Group Berhad, Harpole Resources Limited, Noblespirit Corporation and Kuok (Singapore) Limited and other companies within the group ("**Kuok Group**") and its concert parties hold (directly or indirectly) an aggregate of not less than 30% but not more than 50% of the total number of issued Shares. In the event that the Company purchases in full 10% of its Shares pursuant to the Share Purchase Mandate, the Kuok Group and its concert parties will be deemed to acquire more than 1% of the voting shares of the Company in a 6-month period and would incur a mandatory take-over obligation under the Take-over Code for the Shares, unless exempted by the Securities Industry Council of Singapore ("**SIC**").
- 4.10.8 **Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation on their part, if any, to make a mandatory take-over offer under the Take-over Code would arise by reason of any Share Purchases by the Company.**

## **4.11 Details of Share Purchases during the previous 12 months**

As at the Latest Practicable Date, the Company had, pursuant to and in accordance with the terms of the Share Purchase Mandate approved at the 2021 AGM purchased an aggregate of 22,332,000 Shares by way of On-Market Purchase effected on the SGX-ST. The highest and lowest prices paid were S\$5.34 and S\$4.02 per Share, respectively, and the total consideration paid for all purchases was S\$100,678,840 excluding Related Expenses.

## **5. DIRECTORS' RECOMMENDATIONS**

### **5.1 Renewal of the IPT Mandate**

The Directors of the Company (other than the Interested Directors as stated below) have considered the scope, rationale for and benefit of, the compliance and review procedures of the IPT Mandate and the statement of the Audit Committee in respect thereof, and are of the opinion that the renewal of the IPT Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 12 relating to the renewal of the IPT Mandate as set out in the Notice of AGM and to be proposed at the forthcoming AGM.

In view of their association with the relevant Interested Persons, the Interested Directors, being Mr Kuok Khoon Hong, Mr Pua Seck Guan, Mr Kuok Khoon Ean, Mr Kuok Khoon Hua and Mr Raymond Guy Young (and his alternate, Mr Juan Ricardo Luciano), have abstained from making any recommendation on the proposed renewal of the IPT Mandate. Where applicable, these Directors and/or their associates (as the case may be) will also abstain from voting on Ordinary Resolution No. 12 at the forthcoming AGM.

# LETTER TO SHAREHOLDERS

ADM and its associates (including Archer Daniels Midland Asia-Pacific Limited), being Interested Persons, who are also Shareholders, will abstain from voting on Ordinary Resolution No. 12 at the forthcoming AGM.

The Company will disregard any votes cast by the abovementioned parties on Ordinary Resolution No. 12.

## 5.2 Renewal of the Share Purchase Mandate

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution No. 13 as set out in the Notice of AGM and to be proposed at the forthcoming AGM.

## 6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the interests of the Directors in Shares and Share Options of the Company and the interests of Substantial Shareholders in Shares are set out below.

### 6.1 Interests of Directors

| Name of Directors                                        | Number of Shares |                 |                | %(14)                |
|----------------------------------------------------------|------------------|-----------------|----------------|----------------------|
|                                                          | Direct Interest  | Deemed Interest | Total Interest |                      |
| Kuok Khoon Hong <sup>(1)</sup>                           | 2,500,000        | 805,307,435     | 807,807,435    | 12.83                |
| Pua Seck Guan <sup>(2)</sup>                             | –                | 860,000         | 860,000        | 0.01                 |
| Teo La-Mei                                               | 1,452,000        | –               | 1,452,000      | 0.02                 |
| Kuok Khoon Ean <sup>(3)</sup>                            | 400,000          | 59,942,479      | 60,342,479     | 0.96                 |
| Kuok Khoon Hua <sup>(4)</sup>                            | 1,017,021        | 58,884,000      | 59,901,021     | 0.95                 |
| Raymond Guy Young                                        | –                | –               | –              | –                    |
| Lim Siong Guan                                           | –                | –               | –              | –                    |
| Tay Kah Chye <sup>(5)</sup>                              | 100,000          | 300,000         | 400,000        | 0.01                 |
| Kwah Thiam Hock <sup>(6)</sup>                           | 300,000          | 200,000         | 500,000        | 0.01                 |
| Kishore Mahbubani <sup>(7)</sup>                         | –                | 510,000         | 510,000        | 0.01                 |
| Teo Siong Seng                                           | 20,000           | –               | 20,000         | n.m. <sup>(15)</sup> |
| Soh Gim Teik                                             | –                | –               | –              | –                    |
| Chong Yoke Sin                                           | –                | –               | –              | –                    |
| Juan Ricardo Luciano<br>(Alternate to Raymond Guy Young) | –                | –               | –              | –                    |

| Name of Directors                                        | Number of Shares comprised in outstanding Share Options |                                                      |           |
|----------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------|-----------|
|                                                          | Share Options<br>exercisable at S\$3.04<br>per Share    | Share Options<br>exercisable at S\$3.94<br>per Share | Total     |
| Kuok Khoon Hong                                          | –                                                       | 1,500,000                                            | 1,500,000 |
| Pua Seck Guan                                            | 340,000                                                 | 1,000,000                                            | 1,340,000 |
| Teo La-Mei                                               | –                                                       | 750,000                                              | 750,000   |
| Kuok Khoon Ean                                           | 500,000                                                 | 500,000                                              | 1,000,000 |
| Kuok Khoon Hua                                           | 500,000                                                 | 500,000                                              | 1,000,000 |
| Raymond Guy Young                                        | –                                                       | 500,000                                              | 500,000   |
| Lim Siong Guan                                           | –                                                       | 500,000                                              | 500,000   |
| Tay Kah Chye                                             | 500,000                                                 | 500,000                                              | 1,000,000 |
| Kwah Thiam Hock                                          | 500,000                                                 | 500,000                                              | 1,000,000 |
| Kishore Mahbubani                                        | –                                                       | 500,000                                              | 500,000   |
| Teo Siong Seng                                           | –                                                       | 500,000                                              | 500,000   |
| Soh Gim Teik                                             | –                                                       | 300,000                                              | 300,000   |
| Chong Yoke Sin                                           | –                                                       | –                                                    | –         |
| Juan Ricardo Luciano<br>(Alternate to Raymond Guy Young) | –                                                       | –                                                    | –         |

# LETTER TO SHAREHOLDERS

## 6.2 Interests of Substantial Shareholders

| Name of Substantial Shareholders                            | Number of Shares |                 |                | %(14) |
|-------------------------------------------------------------|------------------|-----------------|----------------|-------|
|                                                             | Direct Interest  | Deemed Interest | Total Interest |       |
| Kuok Khoon Hong <sup>(1)</sup>                              | 2,500,000        | 805,307,435     | 807,807,435    | 12.83 |
| Longhlin Asia Limited <sup>(8)</sup>                        | 69,009,921       | 462,242,571     | 531,252,492    | 8.44  |
| Archer Daniels Midland Company <sup>(9)</sup>               | –                | 1,404,173,054   | 1,404,173,054  | 22.30 |
| Archer Daniels Midland Asia-Pacific Limited <sup>(10)</sup> | 615,415,916      | 788,757,138     | 1,404,173,054  | 22.30 |
| ADM Ag Holding Limited                                      | 356,461,795      | –               | 356,461,795    | 5.66  |
| Global Cocoa Holdings Ltd                                   | 356,399,775      | –               | 356,399,775    | 5.66  |
| Kuok Brothers Sdn Berhad <sup>(11)</sup>                    | 230,000          | 1,183,151,955   | 1,183,381,955  | 18.80 |
| PPB Group Berhad                                            | 1,172,614,755    | –               | 1,172,614,755  | 18.63 |
| Kerry Group Limited <sup>(12)</sup>                         | –                | 700,154,586     | 700,154,586    | 11.12 |
| Kerry Holdings Limited <sup>(13)</sup>                      | –                | 347,915,639     | 347,915,639    | 5.53  |

### Notes:

- (1) Mr Kuok Khoon Hong is deemed to be interested in 1,000,000 Shares held by his spouse, 187,364,671 Shares held by Hong Lee Holdings (Pte) Ltd ("**Hong Lee**"), 228,461,271 Shares held by HPR Investments Limited, 20,660,773 Shares held by HPRY Holdings Limited, 343,887,821 Shares held by Longhlin Asia Limited ("**Longhlin**"), 6,650,932 Shares held by Pearson Investments Limited, 5,137,967 Shares held by Jaygar Holdings Limited, 144,000 Shares held by Kuok Hock Swee & Sons Sdn Bhd and 12,000,000 Shares held through trust accounts controlled by him.
- (2) Mr Pua Seck Guan is deemed to be interested in 200,000 Shares held by his spouse and 660,000 Shares registered in the name of a nominee company.
- (3) Mr Kuok Khoon Ean is deemed to be interested in 64,069 Shares held by his spouse, 963,410 Shares held by Balkane Investment Pte Ltd, 32,400,000 Shares held by Kefkong Limited ("**Kefkong**"), 40,000 Shares held by Lochtenny Investments Limited ("**Lochtenny**"), 100,000 Shares held by Allerlon Limited, 7,175,000 Shares held by Dime Group Limited ("**Dime**"), 1,000,000 Shares held by Korneld Company Limited ("**Korneld**"), 16,000,000 Shares held by Luxhart Assets Limited ("**Luxhart**") and 2,200,000 Shares held by Rosy Frontier Limited ("**Rosy Frontier**").
- (4) Mr Kuok Khoon Hua is deemed to be interested in 32,400,000 Shares held by Kefkong, 40,000 Shares held by Lochtenny, 69,000 Shares held by Three Springs Limited, 7,175,000 Shares held by Dime, 1,000,000 Shares held by Korneld, 16,000,000 Shares held by Luxhart and 2,200,000 Shares held by Rosy Frontier.
- (5) Mr Tay Kah Chye is deemed to be interested in 300,000 Shares registered in the name of a nominee company.
- (6) Mr Kwah Thiam Hock is deemed to be interested in 200,000 Shares registered in the name of a nominee company.
- (7) Mr Kishore Mahubani is deemed to be interested in 510,000 Shares registered in the name of a nominee company.
- (8) Longhlin is deemed to be interested in 274,877,900 Shares held in the names of nominee companies and 187,364,671 Shares held by Hong Lee.
- (9) Archer Daniels Midland Company ("**ADMC**") is deemed to be interested in 615,415,916 Shares held by Archer Daniels Midland Asia-Pacific Limited ("**ADMAP**"), 356,461,795 Shares held by ADM Ag Holding Limited ("**ADM Ag**") and 356,399,775 Shares held by Global Cocoa Holdings Ltd ("**Global Cocoa**"). ADCM is deemed to be interested in 75,895,568 Shares in which ADMAP has a deemed interest.
- (10) ADMAP is deemed to be interested in 356,461,795 Shares held by ADM Ag, 356,399,775 Shares held by Global Cocoa and 75,895,568 Shares which were loaned to a financial institution.
- (11) Kuok Brothers Sdn Berhad is deemed to be interested in 1,172,614,755 Shares held by PPB Group Berhad, 1,274,200 Shares held by Gaintique Sdn Bhd, 100,000 Shares held by Min Tien & Co Sdn Bhd, 23,000 Shares held by Hoe Sen (Mersing) Sdn Bhd, and 9,140,000 Shares held by Trendfield Inc.
- (12) Kerry Group Limited is deemed to be interested in 23,678,425 Shares held by Ace Time Holdings Limited, 14,966,453 Shares held by Alpha Model Limited, 500,000 Shares held by Athena Equities Holding Limited ("**Athena**"), 45,579,446 Shares held by Bright Magic Investments Limited, 593,899 Shares held by Crystal White Limited, 31,335,900 Shares held by Dalex Investments Limited ("**Dalex**"), 256,211,778 Shares held by Harpole Resources Limited ("**Harpole**"), 23,188,079 Shares held by Kerry Asset Management Limited ("**KAM**"), 20,617,169 Shares held by Macromind Investments Limited, 203,555 Shares held by Marsser Limited, 33,760,355 Shares held by Natalon Company Limited ("**Natalon**"), 246,600,000 Shares held by Noblespirit Corporation, 564,562 Shares held by Star Medal Limited ("**Star Medal**") and 2,354,965 Shares held by Total Way Investments Limited ("**TWI**").
- (13) Kerry Holdings Limited is deemed to be interested in 500,000 Shares held by Athena, 31,335,900 Shares held by Dalex, 256,211,778 Shares held by Harpole, 23,188,079 Shares held by KAM, 33,760,355 Shares held by Natalon, 564,562 Shares held by Star Medal and 2,354,965 Shares held by TWI.
- (14) As a percentage of the total number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date, comprising 6,295,881,706 Shares.
- (15) Not meaningful.

---

# LETTER TO SHAREHOLDERS

---

## **7. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate and the Share Purchase Mandate, and the Company and its subsidiaries. The Directors are not aware of any facts, the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully,  
For and on behalf of the Board

**Kuok Khoon Hong**  
Chairman and Chief Executive Officer  
Wilmar International Limited

This page has been intentionally left blank.

This page has been intentionally left blank.