

FORWARD LOOKING STRATEGY

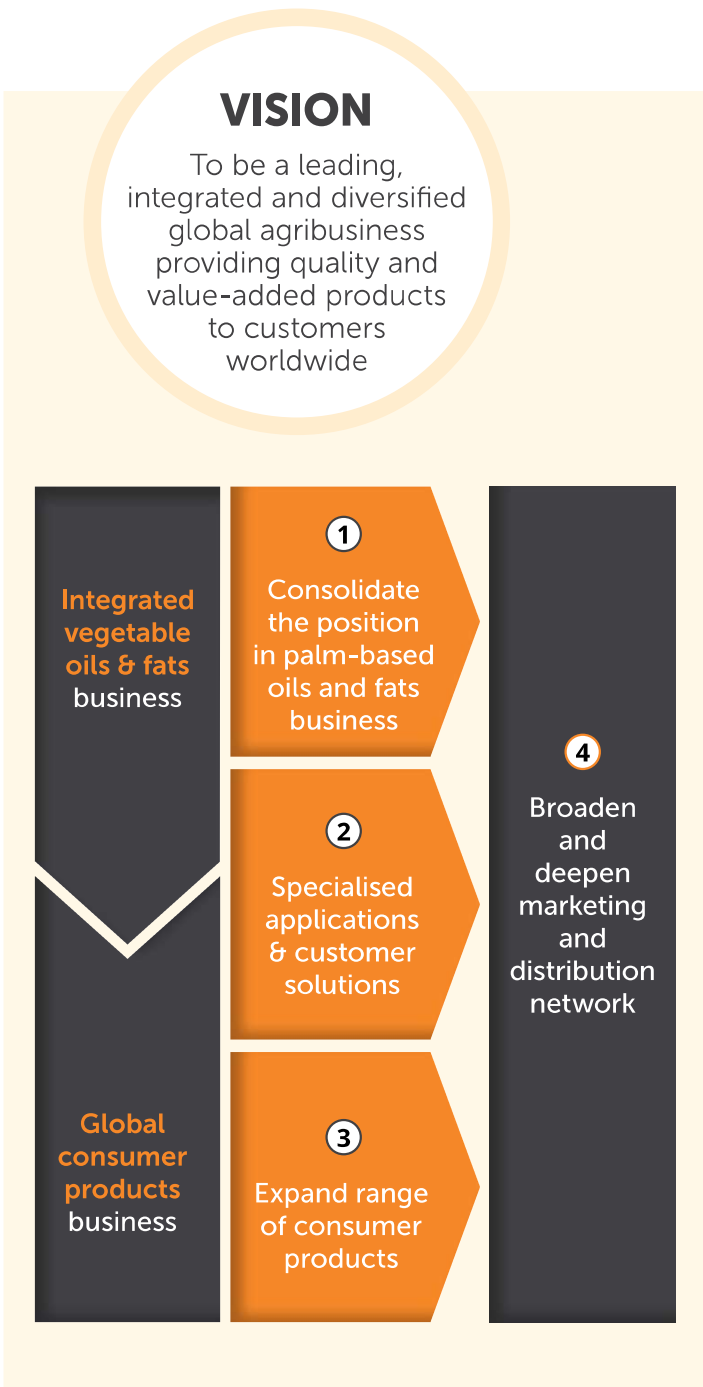
ONE STRONG PORTFOLIO AND MANY GROWTH POSSIBILITIES

We are a major player in the edible oils and fats industry with an integrated supply chain from midstream to downstream, comprising large integrated refineries, global distribution capabilities and a wide range of consumer products sold under own brands. This value chain allows us to efficiently satisfy the needs of both our customers and suppliers alike. We always seek to stay ahead of the curve of the global consumer products business by expanding our range of consumer products, cross-offering specialised applications and customer solutions. This is also achieved by broadening and deepening our marketing and distribution network.

The palm oil industry continues to be challenging with geopolitical uncertainties, protectionistic policies and uncertain weather conditions. The industry is also struggling with long standing labour shortage and rising operating costs. These factors will continue to accentuate the bearish sentiment in the overall market. The impact of the recent EU resolution to ban palm-related biodiesel by January 2021, however, has limited impact on the Group as our major markets are Middle East, Africa, Asia and Australia. Nevertheless, the industry will experience some consolidation, and this trend will benefit stronger players like us. Our resilient performance even during tough times has confirmed our competitive position in the industry. We continue to build a strong platform by investing in manufacturing facilities within the palm oil value chain and also by adding new products to our portfolio.

To enhance our value chain, we invested in a biodiesel plant four years ago, next to our Westport refinery. This has opened up new growth opportunities. We are currently increasing the capacity of the plant.

We have also ventured into the shipping industry by acquiring three small tankers. Ownership of these tankers will enhance the logistics requirements of our value chain.





Five years ago, we completed the installation of a manufacturing facility in Malaysia to produce dairy products. It has provided significant marketing and distribution synergies with our current Consumer Pack segment. We plan to add more flexibility to our packing lines and add more dairy based products. Last year, we installed a can-making facility in order to supply the packaging for our sweetened condensed and evaporated milk products.

We continue to develop our distribution businesses with an objective that the platform will be robust and dynamic enough to cater to the expected increase in volume and the active markets activity which we are selling into.

We continue to explore more consumer products that can be sold as a basket of products to our existing and prospective customers. We have added rice to our product portfolio, including Basmati rice. We source from Asia and sell to Africa and Middle East under our own brands. Working closely with the customers, we continue to develop and offer specialised applications and customer solutions for different industries such as confectionaries, bakeries, food ingredients and the infant nutrition businesses. Investing in brands remains of paramount importance to us.

We continue to make efforts to improve our customer reach across the globe by partnering with local players and increasing our own presence in key geographies. We have also set up subsidiaries for local distribution in various locations in Africa & USA.