

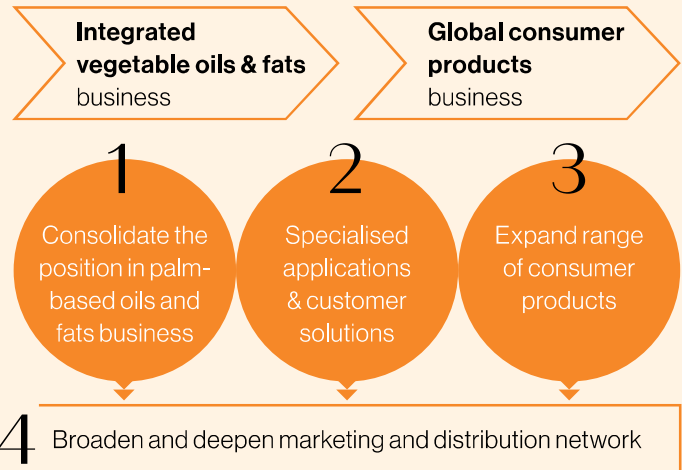
FORWARD LOOKING STRATEGY

One Strong Portfolio and Many Growth Possibilities

We are amongst the leading producers 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. We continue to build a strong platform by investing in manufacturing facilities within or adjacent to our value chain and adding new products to our portfolio. These initiatives have their own gestation periods.

Palm oil exports from Malaysia and Indonesia are expected to be tight going forward due to lower production growth and biodiesel mandate enhancement programs. This supply side shortfall should provide support to palm oil prices as the demand growth stability is expected in line with global food and energy demand. However, factors such as US China trade deal, prices in competitive space of soft oil sector and crude oil, various tariff and duty structure will continue to influence CPO prices.

The present uncertainty and volatility require continuous



monitoring and assessment. COVID-19 outbreak has created turbulence in the global markets. The strong control measures taken by leading economies globally is expected to restrict the impact on the business sentiments hopefully to a shorter time frame, with the palm oil demand expected to be not hugely impacted with a lasting impact. The food and fuel demand are projected to stay robust over the long term matching higher income levels and population growth. With our large integrated manufacturing facilities, wide distribution networks and long-established reputed brands we have the right size and mix to successfully capture and deliver value to our long-term stakeholders.





To enhance our value chain, we had earlier invested in a biodiesel plant next to our Westport refinery. This has opened new growth opportunities for us. We have doubled the capacity of our biodiesel plant this year. The intent of Malaysia government's progress towards B20 biodiesel program combined with the already mandated B30 biodiesel program of Indonesia government is an important catalyst for the palm oil industry.

During the year we also commissioned two Gas-turbine cogeneration plants in Westport and Pasir Gudang refineries. This will lead to utility cost savings besides contributing to climate change mitigation.

Our ownership of three small vessels has brought logistic efficiencies as well as sharpened our internal capabilities in logistics management.

Our dairy based products manufacturing facility in Malaysia has facilitated significant marketing and distribution synergies with our current Consumer Pack segment. Our tin-can making facility besides reducing the lead time from order to delivery has also increased our flexibility in fulfilling customised packaging requirement of our consumers. This year we have increased our evaporated milk plant packing capacity. We are actively working towards adding more varieties to our dairy based products.

We continue our focus on developing and offering 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. Like dairy based products and rice, we continue to explore more consumer products that can be synergised into common product baskets to our existing and prospective customers.

We continue to make efforts to improve our customer reach across the globe by increasing our own presence in key geographies, supported by our subsidiaries for local distribution in locations such as Africa, Australia & USA.

