

## Forward Looking Strategy

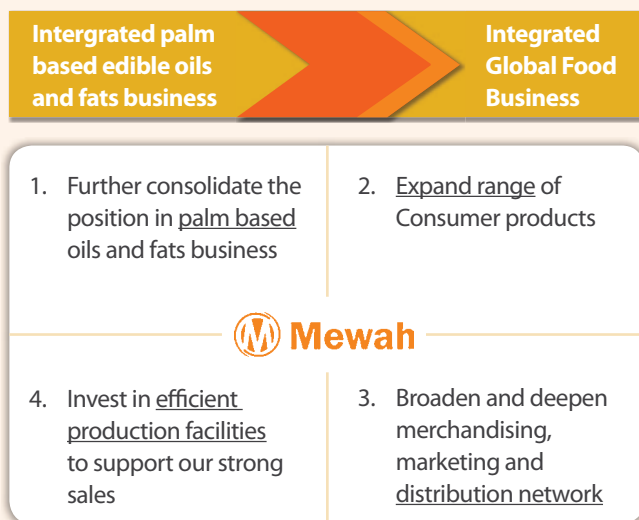
Over the last five decades, we have become an integrated palm based edible oil and fats business. We strive to position ourselves as an integrated global food business by further strengthening our position within the oils and fats business by investing in and expanding the range of consumer products, broadening and deepening our marketing and distribution network and investing in efficient production facilities.



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## Our Strategy

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To meet the objective, we have taken the following initiatives:

In December 2010, we had completed the acquisition of 52.0% of the issued equity of Molly Foods bvba, a company incorporated in Belgium which, through its wholly owned subsidiary, Bloom Land Enterprises Limited a company incorporated in Hong Kong, owns 100% of BeCe S.à.r.l., a company incorporated in Togo, involved primarily in importing commodities, including edible oils and fats products produced by the Group, for sale in West Africa. We further increased the stake to 70.0% in Q1 2011. The acquisition will help us to consolidate our integrated position in the downstream part of the value chain, broaden and depend our marketing and distribution network and open opportunities for other consumer products having manufacturing and distribution synergies with our current business.

In Q4 2011, we completed the increase in specialty oils and fats capacity by 600 MT per day in Malaysia. The demand for specialty fats such as cocoa butter substitutes and cocoa butter alternatives for chocolate and confectionery industries is increasing rapidly. Palm based specialty fats offer alternatives to the industries at relatively lower costs without materially affecting the quality of final products.

In Q4 2011, we also completed the facilities to produce consumer products such as soap and shortening in Malaysia. The products will add value to our by-products which otherwise have lesser liquidity and are generally sold at lower values.

In August 2011, we announced an investment to produce dairy products in Malaysia. The project at an estimated cost of US\$49 million is expected to be completed by the first half of 2013. As palm oil is one of the important raw materials for the production of dairy products, the investment will have production synergies with our current palm oil business. The investment is also expected to have significant marketing and distribution synergies with our current consumer pack segment.

We are exploring more consumer products that could be sold as a basket-of-products to our existing and prospective customers. We have so far received very encouraging results for rice. We have started sourcing rice from Asia and selling in Africa under our own brands and expect rice to become an important part of our portfolio in future. We are building capabilities to position ourselves an integrated global food business.

We have recently started investing in a new refinery, packing plant and related logistics facilities in East Java, Indonesia. The refinery is expected to have installed capacity of 630,000 MT per annum, increasing our total capacity to 3.43 million by end of financial year 2013. The investment will further consolidate our position as integrated palm oil business by not only adding more refining capacity but also diversifying our manufacturing base to Indonesia which has taken over Malaysia as the largest producer of palm oil. It will also increase our access to CPO, increase operational and logistics flexibility and provide marketing synergies.