Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

8,000,000 European Style Cash Settled Short Certificates

relating to the ordinary shares of Wilmar International Limited

with a Daily Leverage of -5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S$0.50 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the "**Certificates**") to be issued by SG Issuer (the "**Issuer**") unconditionally and irrevocably guaranteed by Société Générale (the "**Guarantor**"), and is supplemental to and should be read in conjunction with a base listing document dated 18 June 2021 including such further base listing documents as may be issued from time to time (the "**Base Listing Document**") for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see "Placing and Sale" contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products[1] and Specified Investment Products (SIPs)[2], and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 18 June 2021 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 26 April 2022.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

25 April 2022

[1] As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.
[2] As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates.

Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

Table of Contents

RISK FACTORS

The following are risk factors relating to the Certificates:

(a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;

(b) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;

(c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;

(d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;

(e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;

(f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

(g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;

(h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 30 to 34 and the examples and illustrations of adjustments set out in the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section of this document for more information;

(i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

(j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);

(k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below);

(l) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

(m) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(n) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);

(o) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

(p) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens the following day or (ii) a sharp intraday increase in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 50 to 51 of this document for more information;

(q) In the case of extreme market conditions or where the Air Bag Mechanisms are triggered simultaneously, trading in the Certificates may be suspended for an extended period, which may be up to an additional 15 minutes, to facilitate the intra-day adjustment under the Air Bag Mechanism;

(r) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The

Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 36 to 37 of this document for more information;

(s) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;

(t) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

(u) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

(v) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

(w) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

(x) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:

– Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and

– The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

(y) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;

(z) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;

(aa) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):

(i) investors should note that no definitive certificate will be issued in relation to the Certificates;

(ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;

(iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and

(iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

(bb) the US Foreign Account Tax Compliance Act ("**FATCA**") withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor's broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(cc) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under "TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986." Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(dd) risk factors relating to the BRRD

French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force on 2 July 2014. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Act 2015**"). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("**SRM**") and a Single Resolution Fund (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism ("**SSM**"). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

Under the SRM Regulation, a centralised power of resolution is established and entrusted to the SRB acting in cooperation with the national resolution authorities. In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The application of any measure under the BRRD and the SRM Regulation or any suggestion of such application with respect to the Issuer, the Guarantor or the Group could materially adversely affect the rights of Certificate Holders, the price or value of an investment in the Certificates and/or the ability of the Issuer or the Guarantor to satisfy its obligations under any Certificates, and as a result investors may lose their entire investment.

Moreover, if the Issuer's or the Guarantor's financial condition deteriorates, the existence of the Bail-in Power, the exercise of write-down/conversion powers or any other resolution tools by the Resolution Authority independently of a resolution measure or in combination with a resolution measure when it determines that the Issuer, the Guarantor or the Group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The current regime will evolve as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called “EU Banking Package”, the following legislative texts have been published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the “**BRRD II**”); and
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity (“**TLAC**”) of credit institutions and investment firms (the “**SRM II Regulation**” and, together with the BRRD II, the “**EU Banking Package Reforms**”).

The EU Banking Package Reforms will introduce, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet (“**FSB TLAC Term Sheet**”), by adapting, among others, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions’ ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC will be implemented in accordance with the FSB TLAC Term Sheet, which impose a level of “Minimum TLAC” that will be determined individually for each global systemically important bank (“**G-SIB**”), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets through January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the “**CRR**”), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the “**CRR II**”), EU G-SIBs, such as Societe Generale, will have to comply with TLAC requirements, on top of the MREL requirements, as from the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale will have to comply at the same time with TLAC and MREL requirements.

Consequently, criteria for MREL-eligible liabilities will be closely aligned with those laid down in the CRR, as amended by the CRR II for the TLAC-eligible liabilities, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet the MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance while only an additional return is linked to that derivative component and depends on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL will be set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance any may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The scope of liabilities used to meet the MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in the BRRD, as amended by the BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that the MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail- in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks).

If the SRB finds that there could exist any obstacles to resolvability by the Issuer or the Guarantor and/or the Group, a higher MREL requirement could be imposed. Any failure by the Issuer or the Guarantor, as applicable, and/or the Group to comply with its MREL may have a material adverse effect on the Issuer’s business, financial conditions and results of operations.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	8,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Wilmar International Limited (the **"Underlying Stock"**)
ISIN:	LU2348852513
Company:	Wilmar International Limited (RIC: WLIL.SI)
Underlying Price[3] and Source:	S$4.47 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 0.50
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	6.90%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost[6]:	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	19 April 2022
Closing Date:	25 April 2022

[3] These figures are calculated as at, and based on information available to the Issuer on or about 25 April 2022. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 25 April 2022.
[4] Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to "Fees and Charges" below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.
[5] Please note that the Gap Premium is calculated on a 360-day basis.
[6] These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Expected Listing Date:	26 April 2022
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 17 April 2024
Expiry Date:	24 April 2024 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	23 April 2024 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 41 to 56 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of (1 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)), where:

"**t**" refers to "**Observation Date**" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Exchange Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Inverse Strategy and the value of the Certificate on that fifth Exchange Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 41 to 56 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the "Specific Definitions relating to the Leverage Inverse Strategy" section on pages 19 to 24 below.

Initial Exchange Rate: 1

Final Exchange Rate: 1

Air Bag Mechanism:	The "**Air Bag Mechanism**" refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more ("**Air Bag Trigger Price**") during the trading day (which represents approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the "Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")" section on pages 23 to 24 below and the "Description of Air Bag Mechanism" section on pages 47 to 49 of this document for further information of the Air Bag Mechanism.
Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Singapore Dollar ("**SGD**")
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (the "**SGX-ST**")
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day and Exchange Business Day:	A "**Business Day**" or an "**Exchange Business Day**" is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited ("**CDP**")

Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.
Further Information:	Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

$\mathbf{LSL_t}$	means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$\mathrm{LSL_1} = 1000$

On each subsequent Observation Date(t):

$$\mathrm{LSL_t} = \mathrm{Max}\left[\mathrm{LSL_{t-1}} \times \left(1 + \mathrm{LR_{t-1,t}} - \mathrm{FC_{t-1,t}} - \mathrm{SB_{t-1,t}} - \mathrm{RC_{t-1,t}}\right), 0\right]$$

$\mathbf{LR_{t-1,t}}$ means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$\mathrm{LR_{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right)$$

$\mathbf{FC_{t-1,t}}$ means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$\mathrm{FC_{t-1,t}} = (\mathrm{Leverage} - 1) \times \frac{\mathrm{Rate_{t-1}} \times \mathrm{ACT(t-1,t)}}{\mathrm{DayCountBasisRate}}$$

$\mathbf{SB_{t-1,t}}$ means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$\mathrm{SB_{t-1,t}} = -\mathrm{Leverage} \times \frac{\mathrm{CB} \times \mathrm{ACT(t-1,t)}}{\mathrm{DayCountBasisRate}}$$

CB means the Cost of Borrowing applicable that is equal to: 2.00%

$\mathbf{RC_{t-1,t}}$ means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows :

$$\mathrm{RC_{t-1,t}} = \mathrm{Leverage} \times (\mathrm{Leverage} - 1) \times \left(\left|\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right|\right) \times \mathrm{TC}$$

TC means the Transaction Costs applicable (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to :

0.04%

"Stamp Duty" refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.

Leverage -5

$\mathbf{S_t}$ means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.

$\mathbf{Rate_t}$	means, in respect of each Observation Date(t), the daily Singapore Overnight Rate Average (SORA) provided by the Monetary Authority of Singapore as administrator of the benchmark (or a successor administrator), as published on BLOOMBERG/SIBCSORA Index or any successor page, being the rate as of day (t-2) at 09:00 Singapore time, provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on Refinitiv Screen (SORA=MAST) or any successor page.
$\mathbf{Rfactor_t}$	means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula : $$Rfactor_t = 1 - \frac{Div_t}{\mathbf{S_{t-1}}}$$ where Div_t is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.
ACT(t-1,t)	ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).
DayCountBasisRate	365
Benchmark Fallback	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Reference Rate Event	means, in respect of the Reference Rate any of the following has occurred or will occur: (i) a Reference Rate Cessation; (ii) an Administrator/Benchmark Event; or (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in

order to comply with the recommendations in the Financial Stability Board's paper titled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.

Reference Rate Cessation means, for a Reference Rate, the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

(iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

Administrator/Benchmark Event means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.

Reference Rate(s) means the rate(s) used in the Leverage Inverse Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")

Extraordinary Strategy Adjustment for Performance Reasons

If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date,** noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Inverse Strategy Closing Level on the Intraday Restrike Date ($\mathrm{LSL_{IRD}}$) should be computed as follows :

$$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}} \times \left(1 + \mathrm{ILR_{IR(n),IR(C)}} - \mathrm{IRC_{IR(n),IR(C)}}\right), 0\right]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}}, 0\right]$$

$\mathbf{ILSL_{IR(k)}}$

means, in respect of IR(k), the Intraday Leverage Inverse Strategy Level in accordance with the following provisions :

(1) for k = 1 :

$$\mathrm{ILSL_{IR(1)}} = \mathrm{Max}\left[\mathrm{LSL_{IRD\text{-}1}} \times \left(1 + \mathrm{ILR_{IR(0),IR(1)}} - \mathrm{FC_{IRD\text{-}1,IRD}} - \mathrm{SB_{IRD\text{-}1,IRD}} - \mathrm{IRC_{IR(0),IR(1)}}\right), 0\right]$$

(2) for k > 1 :

$$\mathrm{ILSL_{IR(k)}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(k-1)}} \times \left(1 + \mathrm{ILR_{IR(k-1),IR(k)}} - \mathrm{IRC_{IR(k-1),IR(k)}}\right), 0\right]$$

$\mathbf{ILR_{IR(k-1),IR(k)}}$

means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows :

$$\mathrm{ILR_{IR(k-1),IR(k)}} = \mathrm{Leverage} \times \left(\frac{\mathrm{IS_{IR(k)}}}{\mathrm{IS_{IR(k-1)}}} - 1\right)$$

$\mathbf{IRC_{IR(k-1),IR(k)}}$

means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows :

$$\mathrm{IRC_{IR(k\text{-}1),IR(k)}} = \mathrm{Leverage} \times (\mathrm{Leverage}\text{-}1) \times \left(\left|\frac{\mathrm{IS_{IR(k)}}}{\mathrm{IS_{IR(k\text{-}1)}}}\text{-}1\right|\right) \times \mathrm{TC}$$

$\mathbf{IS_{IR(k)}}$

means the Underlying Stock Price in respect of IR(k) computed as follows :

(1) for k=0

$$\mathrm{IS_{IR(0)}} = \mathrm{S_{IRD-1}} \times \mathrm{Rfactor_{IRD}}$$

(2) for k=1 to n

means in respect of IR(k), the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to IR(C)

$$\mathrm{IS_{IR(C)}} = \mathrm{S_{IRD}}$$

In each case, subject to the adjustments and provisions of the Conditions.

IR(k)	For k=0, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date; For k=1 to n, means the k^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.
IR(C)	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
n	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
Intraday Restrike Event	means in respect of an Observation Date(t) : (1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS_{IR(0)}}$ as of such Calculation Time. (2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS_{IR(k)}}$ as of such Calculation Time.
Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.
TimeReferenceOpening	means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
Intraday Restrike Event Observation Period	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing. Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.
Intraday Restrike Event Time	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

(a) *Form*. The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 18 June 2021, made by SG Issuer (the "**Issuer**") and Société Générale (the "**Guarantor**"); and

(ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the "**Certificate Holders**") are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

(b) *Status and Guarantee*. The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a "**Guarantee Obligation**").

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the "**Code**").

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

(i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the "**Law**") on 11 December 2016;

(ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;

(iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and

(iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

(c) Transfer. The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

(e) *Bail-In*. By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer's liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

(C) the cancellation of the Certificates; and/or

(D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the "**Statutory Bail-In**");

(ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the "**M&F Code**"):

(A) ranking:

(1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the M&F Code;

(2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and

(3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and

(B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and

(C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer's obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself, and as if any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the "**Contractual Bail-in**").

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

"**Amounts Due**" means any amounts due by the Issuer under the Certificates.

"**Bail-In Power**" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

"**MREL**" means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

"**Relevant Resolution Authority**" means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

2. Certificate Rights and Exercise Expenses

(a) *Certificate Rights*. Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

(i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and

(ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

(b) *Exercise Expenses*. Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

(c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

(a) *Exercise*. Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).

(b) *Automatic Exercise*. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

(c) *Settlement*. In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

(d) *CDP not liable*. CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

(a) *Potential Adjustment Event*. Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

(b) *Definitions*. "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

(iii) an extraordinary dividend;

(iv) a call by the Company in respect of the Underlying Stock that is not fully paid;

(v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a "poison pill" being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

(vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.

(c) *Merger Event, Tender Offer, Nationalisation and Insolvency*. If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;

(ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or

(iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the "**Option Reference Source**") make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

(d) *Definitions*. "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. "**Merger Event**" means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. "**Nationalisation**" means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

(e) *Other Adjustments*. Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

(f) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

(a) *Meetings of Certificate Holders*. The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

(a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

(b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

(a) Delisting. If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).

(b) Issuer's Determination. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

(a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer, Société Générale and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"**Change in law**" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

(b) *Early Termination for Holding Limit Event*. The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

"**Holding Limit Event**" means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

(c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.

(d) *Termination*. If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Substitution of the Issuer

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the "**Substituted Obligor**"), it shall give at least 90 days' notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

15. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

16. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

17. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	Wilmar International Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	8,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 18 June 2021 (the "**Master Instrument**") and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the "**Master Warrant Agent Agreement**") and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates
Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples

	thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 26 April 2022.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589
Further Issues:	Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the "**Certificates**") are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will decrease and are seeking short-term leveraged inverse exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

(i) <u>For Certificate Holders who trade the Certificates intraday</u>: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and

(ii) <u>For Certificate Holders who hold the Certificates overnight</u>: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees

Daily Fees	=	**Daily Management Fee Adjustment** 1 – Management Fee x ACT (t-1;t) / 360 x **Daily Gap Premium Adjustment** 1 – Gap Premium (t-1) x ACT (t-1;t) / 360

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

		t[7]=0		t=1		t=2		t=i
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance[8] x Daily Fees	x	Leverage Inverse Strategy daily performance x Daily Fees	x …	Leverage Inverse Strategy Daily performance x Daily Fees

		t=0		**Product of the daily Leverage Inverse Strategy Performance**		**Product of the Daily Fees (Hedging Fee Factor)**
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance	x	Daily Fees x Daily Fees

		t=0				
Final Value of Certificates	=	Notional Amount	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

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[7] "t" refers to "**Observation Date**" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.

[8] Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of Wilmar International Limited
Expected Listing Date:	**03/07/2018**
Expiry Date:	**18/07/2018**
Initial Reference Level:	**1,000**
Initial Exchange Rate:	**1**
Final Reference Level:	**1,200**
Final Exchange Rate:	**1**
Issue Price:	**0.50 SGD**
Notional Amount per Certificate:	**0.50 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**6.90%**
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n**th** Exchange Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

HFF(0) = 100%

On Next Calendar Day (assuming it is an Exchange Business Day):

$$\text{HFF (1)} = \text{HFF (0)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t} - 1;\text{t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t} - 1;\text{t)}}{360}\right)$$

$$\text{HFF (1)} = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 6.90\% \times \frac{1}{360}\right)$$

$$\text{HFF (1)} = 100\% \times 99.9989\% \times 99.9808\% \approx 99.9797\%$$

Assuming 2nd Exchange Business Day falls 3 Calendar Days after 1st Exchange Business Day:

$$\text{HFF (2)} = \text{HFF (1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t} - 1;\text{t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t} - 1;\text{t)}}{360}\right)$$

$$\mathrm{HFF}\ (2) = 99.9797\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 6.90\% \times \frac{3}{360}\right)$$

$$\mathrm{HFF}\ (2) = 99.9797\% \times 99.9967\% \times 99.9425\% \approx 99.9189\%$$

The same principle applies to the following Exchange Business Days:

$$\mathrm{HFF}\ (n) = \mathrm{HFF}\ (n-1) \times \left(1 - \text{Management Fee} \times \frac{\mathrm{ACT}\ (t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\mathrm{ACT}\ (t-1; t)}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.6962% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9797%
5/7/2018	99.9594%
6/7/2018	99.9392%
9/7/2018	99.8784%
10/7/2018	99.8581%
11/7/2018	99.8379%
12/7/2018	99.8176%
13/7/2018	99.7974%
16/7/2018	99.7367%
17/7/2018	99.7165%
18/7/2018	99.6962%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

= [(1200 x 1) / (1000 x 1) – 0] x 99.6962%

= 119.64%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 119.64% x 0.50 SGD

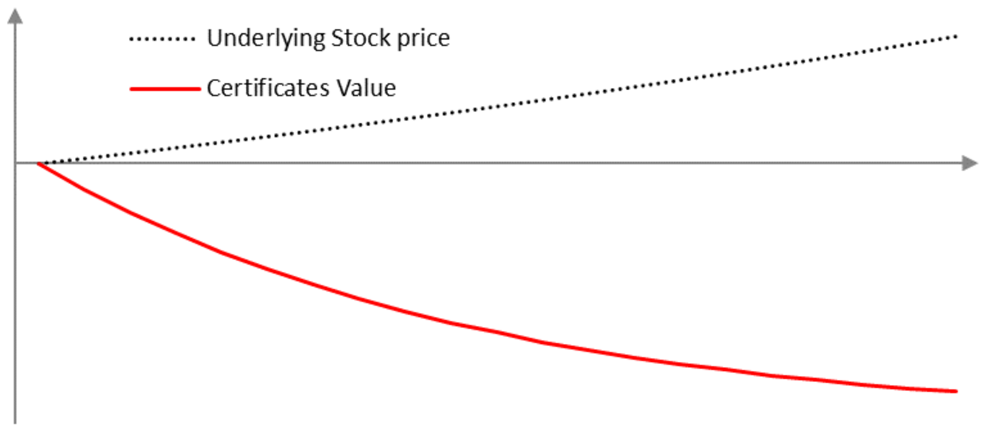
= 0.598 SGD

Illustration on how returns and losses can occur under different scenarios

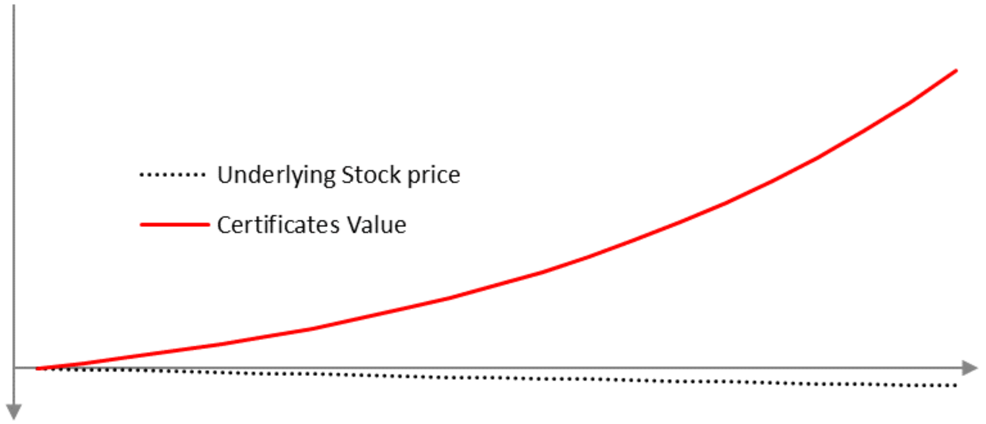
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

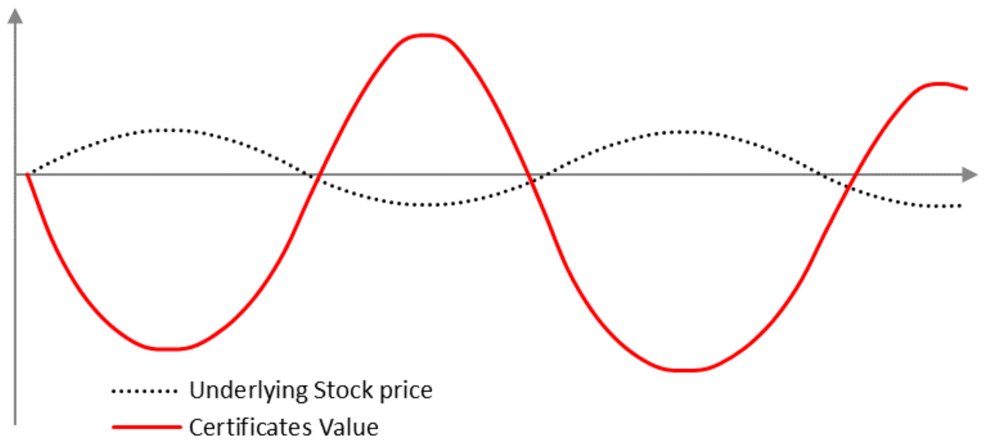
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	0.5	0.45	0.40	0.36	0.33	0.30
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	0.5	0.55	0.61	0.67	0.73	0.81
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	10.0%	-10.0%	10.0%	-10.0%
Price at end of day	0.5	0.45	0.50	0.45	0.49	0.44
Accumulated Return		-10.00%	-1.00%	-10.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its maximum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy, 30 minutes after the Air Bag trigger.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered and does not take into account the mid-day break. Investors cannot sell or purchase any Certificates during this period.

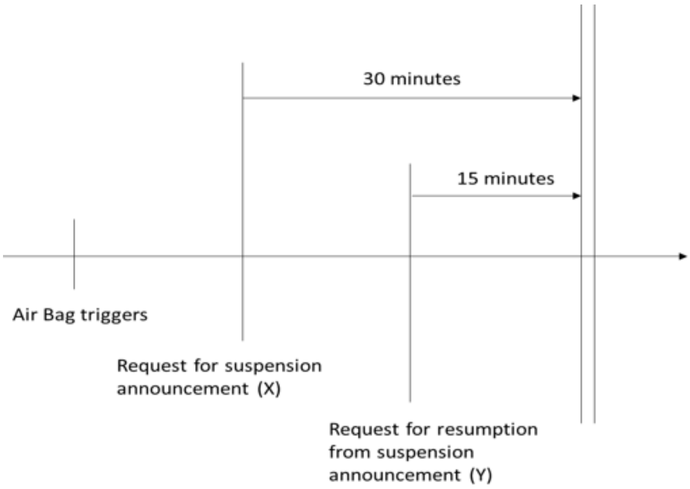
The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

Air Bag Mechanism timeline

<table>
<tr><th>Air Bag Trigger</th><th>Observation Period</th><th>Resumption of Trading</th></tr>
<tr><td>More than 45 minutes before Market Close</td><td rowspan="2">First 15 minutes after Air Bag Trigger</td><td>Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger</td></tr>
<tr><td>Less than 45 minutes before Market Close and more than 15 minutes before Market Close</td><td rowspan="2">Next trading day at Market Open</td></tr>
<tr><td>15 minutes or less than 15 minutes before Market Close</td><td>From Air Bag Trigger to Market Close</td></tr>
</table>

With **Market Close** defined as:

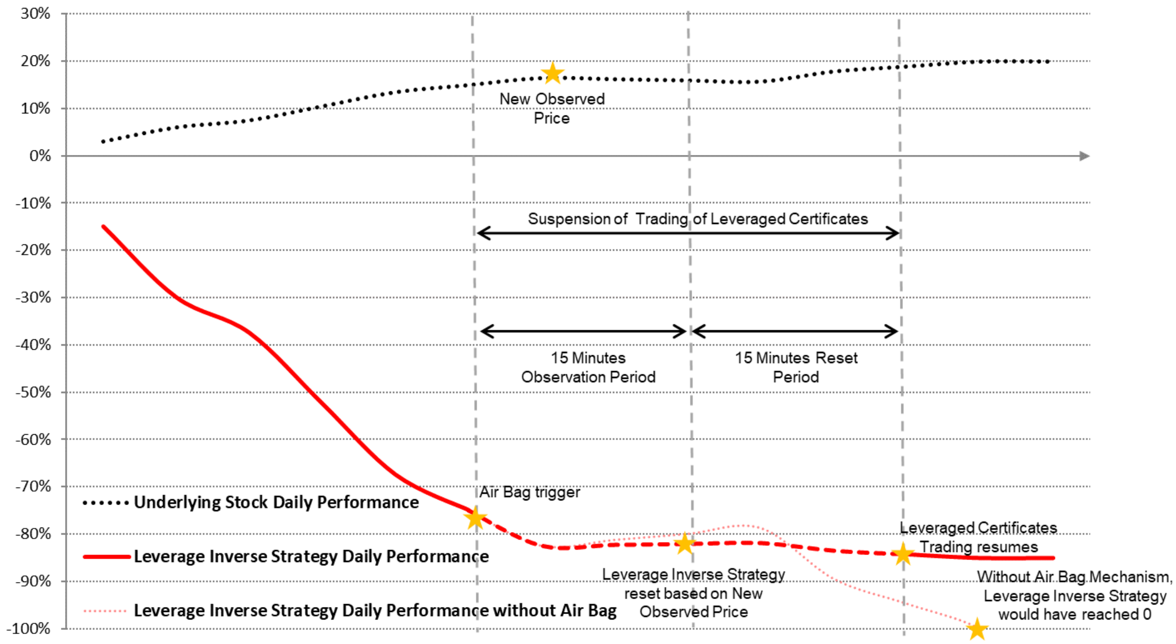
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



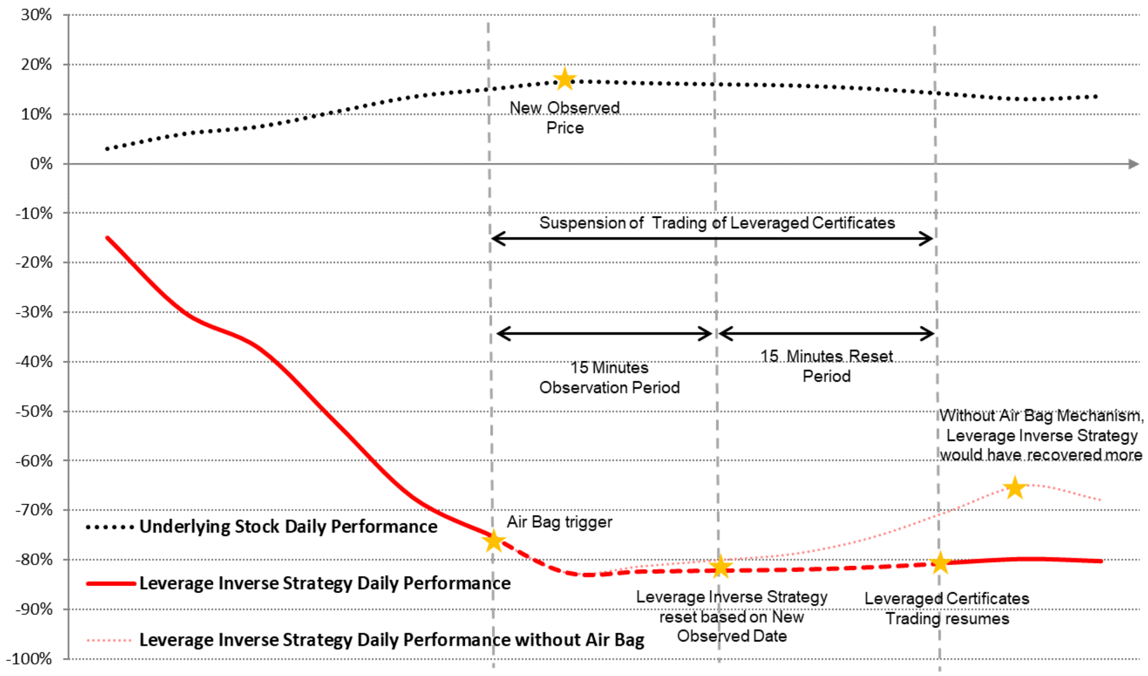
- The later between X+30 minutes or Y+15 minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time of the underlying asset, the Certificates will resume at 9 a.m. on the next SGX-ST trading day

Illustrative examples of the Air Bag Mechanism[9]

Scenario 1 – Upward Trend after Air Bag trigger



Scenario 2 – Downward Trend after Air Bag trigger



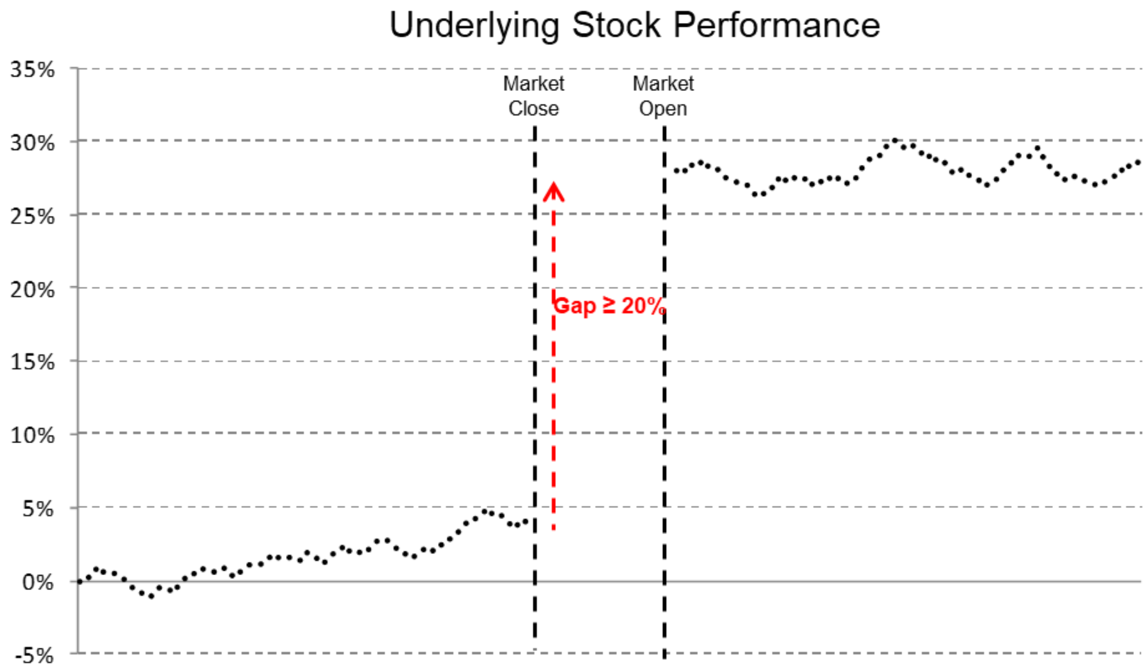
[9] The illustrative examples are not exhaustive.

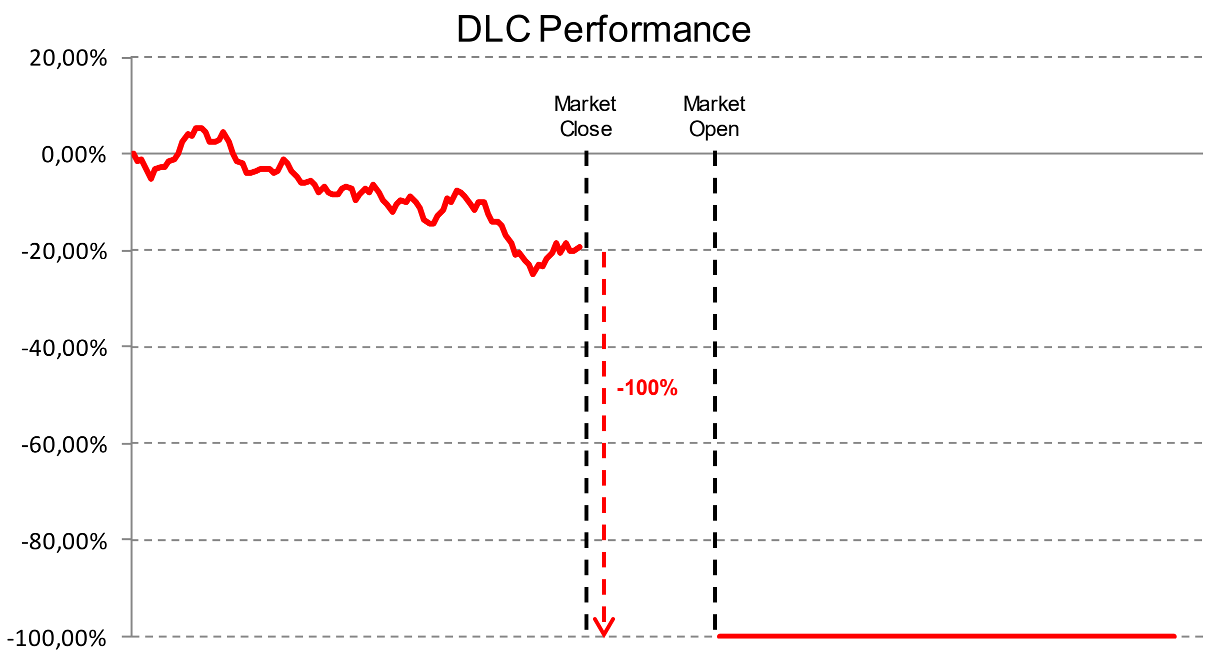
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

Scenario 1 – Overnight rise of the Underlying Stock

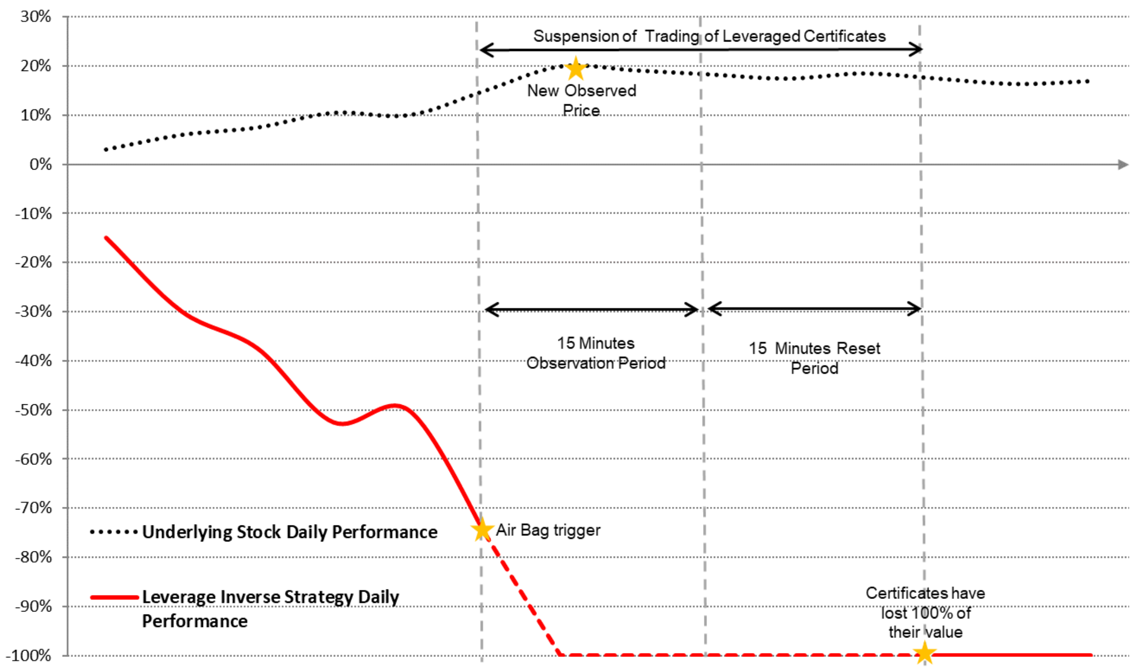
On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more above the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens the following day, and the Certificates would lose their entire value in such event.





Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{\mathrm{S}_{t-1}}\right] \times \frac{1}{1+M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price rises by 15% exclusively because of the dilutive effect of a corporate action.

Where:

DivExc_t is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

S_{t-1} = \$100

S_t = \$51

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0)}{100}\right] \times \frac{1}{1+1} = 50\%$$

As a consequence:

$$\mathrm{LR_{t-1,t}} = \text{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{51}{100 \times 50\%} - 1\right) = -10\%$$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.45	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $57.5, which is 15% above $50, the Underlying Stock Reference Price.

2. <u>Share Consolidation</u>

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$\mathrm{S_{t-1}}$ = $100

$\mathrm{S_t}$ = $202

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0)}{100}\right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$\mathrm{LR_{t-1,t}} = \text{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{202}{100 \times 200\%} - 1\right) = -5\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.475	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $230, which is 15% above $200, the Underlying Stock Reference Price.

3. <u>Rights Issues</u>

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of $40.

S_{t-1} = $100

S_t = $84

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

R = $40 (i.e. subscription price of $40)

M = 0.5 (i.e. 1 new share for every 2 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100}\right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.375	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $92, which is 15% above $80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

S_{t-1} = \$100

S_t = \$85

$Div_t = \$0$

$DivExc_t = \$0$

R = \$0

M = 0.2 (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100}\right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{85}{100 \times 83.33\%} - 1\right) = -10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.45	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$95.83, which is 15% above \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

S_{t-1} = \$100

S_t = \$84

$Div_t = \$0$

$DivExc_t = \$20$

R = \$0

M = 0

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100}\right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$\mathrm{LR}_{\mathrm{t-1,t}} = \text{Leverage } \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = -25\%$$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.50	0.375	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $92, which is 15% above $80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of the SGX-ST at http://www.sgx.com. The Issuer has not independently verified any of such information.

Wilmar International Limited ("**Wilmar**" or the "**Company**") was incorporated in Singapore on 14 August 1999. The Company changed its name from Ezyhealth Asia Pacific Ltd to Wilmar International Limited on 14 July 2006 upon the completion of the acquisition of the palm oil and related assets from Wilmar Holdings Pte Ltd.

Wilmar is Asia's leading agribusiness group. Its business activities include oil palm cultivation, oilseeds crushing, edible oils refining, sugar, specialty fats, oleochemicals and biodiesel manufacturing and grains processing. Headquartered in Singapore, Wilmar has over 300 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries to support a well established processing and merchandising business. Wilmar also manufactures and distributes fertilisers and owns a fleet of vessels. The Group is backed by a multi-national staff force of more than 88,000 people.

Over the years, Wilmar has established a resilient integrated agribusiness model that captures the entire value chain of the agricultural commodity processing business, from origination and processing to the branding, merchandising and distribution of a wide range of agricultural products. The Group is a leader in the supply of high quality processed agricultural products to the food manufacturing industry, industrial and consumer food catering businesses and has strong leadership positions in consumer-packed products in its targeted markets. Through scale, integration and the logistical advantages of our business model, Wilmar is able to extract margins at every step of the value chain, resulting in significant operational synergies and cost efficiencies.

The information set out in Appendix I of this document relates to the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2021 and has been extracted and reproduced from an announcement by the Company released on 30 March 2022 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at http://www.sgx.com.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

(a)	Maximum bid and offer spread	:	(i) when the best bid price of the Certificate is S$10 and below: 10 ticks or S$0.20 whichever is greater; and (ii) when the best bid price of the Certificate is above S$10: 5% of the best bid price of the Certificate.
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Certificates
(c)	Last Trading Day for Market Making	:	The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) where the Certificates are suspended from trading for any reason;

(iv) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;

(v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;

(vi) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;

(vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;

(viii) if the stock market experiences exceptional price movement and volatility;

(ix) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealings; and

(x) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix II of this document is a reproduction of the press release dated 10 February 2022 containing the Guarantor's consolidated financial results for the fourth quarter ended 31 December 2021.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 105 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.

2. Settlement of trades done on a normal "ready basis" on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed "Summary of the Issue" above.

3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.

4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2020 or the Guarantor since 31 December 2021, in the context of the issuance of Certificates hereunder.

5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:

   (a) the Guarantee;

   (b) the Master Instrument; and

   (c) the Master Warrant Agent Agreement.

   None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

   The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.

8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor

should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:

   (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;

   (b) the latest financial reports (including the notes thereto) of the Issuer;

   (c) the latest financial reports (including the notes thereto) of the Guarantor;

   (d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;

   (e) the Base Listing Document;

   (f) this document; and

   (g) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

 (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

 (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

 (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

 (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

 (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

 (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

(a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the

Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (ii) it is not purchasing any Certificates for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term "**United States**" includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term

“**U.S. person**” means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the “**CEA**”) or any rules thereunder of the CFTC (the “**CFTC Rules**”), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person).

APPENDIX I

REPRODUCTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 OF WILMAR INTERNATIONAL LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2021 and has been extracted and reproduced from an announcement by the Company released on 30 March 2022 in relation to the same.

FINANCIAL STATEMENTS

FINANCIAL REVIEW

CAPITAL STRUCTURE

As at 31 December 2021, shareholders' funds grew by US$1.04 billion to US$19.92 billion on the back of record net profits recognised in FY2021. We continue to maintain an efficient capital structure that supports our business operations and maximises returns to shareholders while preserving the strength of our balance sheet. Higher working capital requirements led net loans and borrowings (net of cash, bank deposits and other deposits with financial institutions) to increase to US$17.24 billion. This resulted in a higher net debt to equity ratio of 0.87x as at 31 December 2021 (31 December 2020: 0.72x).

Given the nature of our business, the level of financing for our working capital requirements fluctuates in accordance with prices of agricultural commodities and business volume, and a significant proportion of our borrowings are used for such working capital financing. Our working capital comprise very liquid or near cash assets like inventories and trade receivables. Inventories are primarily agricultural commodities with a ready market, while trade receivables have short turnover period and are substantially supported by documentary credits. Taking the above into consideration, our adjusted net debt (excluding liquid working capital) to equity ratio which better reflects our Group's debt position, remains healthy and stable at 0.27x as at 31 December 2021 (31 December 2020: 0.27x).

Our investments in property, plant and equipment are funded through cash flows generated from operations while working capital requirements and investments in subsidiaries, joint ventures and associates are predominately funded through loans and borrowings. Our focus to grow the Group's business for the long term and develop businesses with synergies for our existing operations, as well as constructing integrated processing facilities to increase our competitiveness, have resulted in higher capital expenditure (including advances paid) of US$2.53 billion for FY2021. Since our Group's listing, our total long-term assets have grown by 3 times to US$23.77 billion (FY2007: US$7.88 billion) while total equity grew by 2.8 times to US$22.60 billion (FY2007: US$8.18 billion).

As at 31 December	**2021** **US$ million**	2020 US$ million
Shareholders' funds	**19,923.9**	18,882.4
Net loans and borrowings	**17,237.7**	13,605.5
Net debt to equity	**0.87x**	0.72x
Liquid working capital:		
Inventories (excluding consumables)	**11,157.0**	8,976.8
Trade receivables	**6,833.4**	5,277.9
Less: Current liabilities (excluding loans and borrowings)	**(6,101.4)**	(5,687.2)
	11,889.0	8,567.5
Net loans and borrowings (excluding liquid working capital)	**5,348.7**	5,038.0
Adjusted net debt to equity	**0.27x**	0.27x

FINANCIAL REVIEW

CAPITAL MANAGEMENT AND TREASURY POLICIES

Net Debt

Our total net debt of US$17.24 billion comprised:

As at 31 December	2021 US$ million	2020 US$ million
Short-term loans and borrowings	**22,291.8**	17,145.9
Long-term loans and borrowings	**6,822.7**	6,003.6
	29,114.5	23,149.5
Cash and bank balances (current & non-current)	**8,680.0**	5,928.2
Other deposits with financial institutions (current)	**3,196.8**	3,615.8
	11,876.8	9,544.0
Net loans and borrowings	**17,237.7**	13,605.5

Higher commodity prices during the year led to higher working capital requirements, resulting in an increase in net debt by US$3.63 billion to US$17.24 billion. As of 31 December 2021, about 86% of our short-term loans and borrowings were trade financing lines with minimal refinancing risks as they were backed by trade flows and were self-liquidating. Long-term loans and borrowings comprised of committed loans due from 2023 onwards. Our loans and borrowings were predominantly on floating rates.

Majority of our loans and borrowings were denominated in United States Dollar (US$) while the rest are borrowings in the local currencies of the countries where our subsidiaries operate in. This mainly comprised loans and borrowings denominated in Chinese Renminbi (RMB), Indonesian Rupiah (IDR) and Australian Dollars (AUD).

Financial risk management

We operate in several countries and are exposed to a variety of financial risks including credit risk, liquidity risk, interest rate risk, foreign currency risk, commodity price risk and market price risk. Risk management is discussed in greater details under "Risk Management" and "Notes to the Financial Statements" sections, and has been summarised as follows:

- **Credit risk.** Majority of our export sales require documentary credits from customers. Our domestic sales are executed on cash terms or where appropriate, credit terms are granted. We conduct thorough credit assessments before granting credit terms and limits to our customers, who are then monitored closely for adherence. The terms and limits are reviewed periodically and revised where necessary, taking into account customers' credit worthiness and market conditions.

- **Liquidity risk.** We maintain sufficient liquidity by monitoring our cash flow closely and maintaining sufficient credit facilities, including the use of trade financing for our raw material purchases. We also aim to maintain flexibility in funding by having available credit facilities with different banks in various countries.

- **Interest rate risk.** We have minimal exposure to interest rate risk as most of our loans and borrowings are short-term and trade related, with interest cost typically priced into our products and passed on to customers. For long-term borrowings, we may use financial instruments such as interest rate swaps to hedge or minimise the interest rate risk.

- **Foreign currency risk.** Currency risk arises as entities in the Group regularly transact or borrow in currencies other than their respective functional currencies, including US$, RMB, IDR, MYR, INR and AUD. We seek to manage our currency risk by constructing natural hedges where sales and purchases matches in the same currency or through financial instruments, such as foreign currency forward contracts. We are also exposed to currency translation risk arising from our net investments in foreign operations, which are not hedged as these currency positions are considered long-term in nature and the cost of hedging is higher than its benefits.

FINANCIAL REVIEW

- **Commodity price risk.** The prices of agricultural commodities can be very volatile, exposing us to commodity price risk as our sale and purchase commitments do not usually match at the end of each business day. We use forward physical and/or derivative contracts to mitigate such risk.

- **Market price risk.** Market price risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices (other than commodity price, interest or exchange rates). We are exposed to equity price risk arising from our investment securities.

CASH FLOW, FUNDING AND LIQUIDITY

Cash flow

As of 31 December 2021, the Group continued to maintain a robust and stable cash and cash equivalents balance of US$2.59 billion (31 December 2020: US$2.58 billion). Strong operating cash flows before working capital changes of US$3.99 billion was generated on the back of record net profits recognised in FY2021. However, higher working capital requirements from high commodity prices and increased sales activities resulted in an overall cash outflow from operating activities of US$45.0 million for the year.

	FY2021 US$ million	FY2020 US$ million
Total cash and bank balances	**8,680.0**	5,928.2
Less: Fixed deposits pledged for bank facilities	**(3,964.2)**	(1,136.1)
Less: Other deposits with more than 3 months maturity	**(2,023.3)**	(2,085.9)
Less: Bank overdrafts	**(104.9)**	(122.7)
Cash and cash equivalents	**2,587.6**	2,583.5
Net cash flows (used in)/generated from operating activities	**(45.0)**	552.8
Net cash flows used in investing activities	**(2,356.1)**	(1,806.9)
Net cash flows generated from financing activities	**2,405.3**	1,788.7
Net increase in cash held	**4.2**	534.6
Turnover days:		
Inventories	**69**	63
Trade receivables	**32**	32
Trade payables	**12**	14

Note: Turnover days are calculated by averaging the monthly turnover days. Monthly turnover days are computed using revenue and cost of sales for the month.

Other major applications and source of funds in FY2021 were as follows:

- US$2.53 billion was used to fund our capital expenditure for plantations development, property, plant and equipment (FY2020: US$1.98 billion). Major additions of property, plant and equipment during the year included refineries, oilseeds crushing, flour and rice milling plants in China and Indonesia, as well as for the construction of new vessels, and development of our central kitchen businesses in China.

- US$2.41 billion was generated from financing activities, mainly from higher loan drawdowns on the back of higher working capital requirements. This was offset by higher fixed deposits pledged with financial institutions as of 31 December 2021.

Cash and cash equivalents were held in US$ and the local currencies of the respective countries where we operate in, most notably in RMB.

FINANCIAL REVIEW

Funding and liquidity

As at 31 December 2021, total short-term debt stood at US$22.29 billion. Our liquid assets comprising cash, bank and structured deposits, marketable securities, receivables and inventories amounted to US$21.75 billion, which included short-term cash and bank balances of US$2.69 billion. In addition, we have committed undrawn credit facilities of US$2.10 billion and approximately US$23.74 billion of uncommitted trade financing and short-term loan facilities available. Therefore, we do not foresee any problem in meeting our maturing short-term debt obligations.

Our capital expenditure for FY2022 is expected to be met mainly by internal resources. China's expansion plans will also be partially funded by the remaining proceeds raised from the listing of YKA back in FY2020.

Operationally, assuming no major fluctuations in the prices of agricultural commodities, our funding requirements coincide with the seasonality of sales. Our seasonal peak sales period is typically in the second half of the year. The additional funding requirements in this period would be met by our healthy liquidity position.

Our covenants with lenders are not restrictive on our ability to utilise additional credit facilities.

SHAREHOLDERS' RETURNS AND SHARE BUY-BACKS

For FY2021, our Board of Directors has proposed a final dividend of 10.5 Singapore cents per share. Together with the interim dividend of 5.0 Singapore cents per share paid on 27 August 2021, total dividend for FY2021 will amount to 15.5 Singapore cents per share (FY2020: 13.0 Singapore cents per share). This will result in a dividend payout ratio of approximately 38% of net profit (FY2020: 40% of net profit).

We have been declaring dividends at our half-year and year-end periods to our shareholders. In considering the level of dividend payments, our Board takes into account various factors including but not limited to the projected levels of capital expenditure and other investment plans; as well as our working capital requirements and general financing condition. Over the years, the amount of dividends declared to our shareholders has been increasing and the total dividends (interim and final) declared in FY2021 will be our highest dividend declared since listing.

During the year, the company re-purchased 28.0 million of its ordinary shares for a consideration of US$97.5 million as part of its share buyback programme. Currently, we have a share buy-back mandate which will be expiring on 21 April 2022, being the date of the forthcoming Annual General Meeting. Shareholders' approval for the proposed renewal of the mandate will be sought at the Annual General Meeting on the same day. Share purchases would only be made when it is in the best interests of the Company and in appropriate circumstances which will not materially and adversely affect the liquidity and orderly trading of the Company's shares, including the working capital requirements and gearing level of the Group.

During the year, the Company has re-issued approximately 7.0 million treasury shares pursuant to the employee share option plans.

ACCOUNTING POLICIES

Our financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) "SFRS(I)". The preparation of our financial statements also requires management to exercise judgements and use estimates and assumptions. Significant accounting judgements, estimates and assumptions, which are discussed in greater details under "Notes to the Financial Statements", include:

- Assessment for impairment of goodwill and brands which requires an estimate of the expected future cash flows from cash-generating units and a suitable discount rate for present value calculation.

- Provision for income taxes and deferred taxes involves significant judgement as there are transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Wilmar International Limited (the "Company" or "Wilmar") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

DIRECTORS

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

KUOK Khoon Hong
PUA Seck Guan
TEO La-Mei
KUOK Khoon Ean
KUOK Khoon Hua
Raymond Guy YOUNG
LIM Siong Guan
TAY Kah Chye
KWAH Thiam Hock
Kishore MAHBUBANI
TEO Siong Seng
SOH Gim Teik
CHONG Yoke Sin (appointed on 7 May 2021)
Juan Ricardo LUCIANO is alternate to Raymond Guy YOUNG

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the Register of Directors' Shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967 (the "Act"), an interest in shares and share options of the Company and its related corporations as stated below:

	Direct Interest			Deemed Interest		
Name of Director	**As at 1.1.2021**	**As at 31.12.2021**	**As at 21.01.2022**	**As at 1.1.2021**	**As at 31.12.2021**	**As at 21.01.2022**
The Company						
(Ordinary Shares)						
Kuok Khoon Hong	1,990,000	2,500,000	2,500,000	807,307,435	805,307,435	805,307,435
Pua Seck Guan	–	–	–	860,000	860,000	860,000
Teo La-Mei	1,197,000	1,452,000	1,452,000	–	–	–
Kuok Khoon Ean	400,000	400,000	400,000	55,667,479	59,942,479	59,942,479
Kuok Khoon Hua	680,000	1,017,021	1,017,021	54,946,021	58,884,000	58,884,000
Tay Kah Chye	200,000	100,000	100,000	200,000	300,000	300,000
Kwah Thiam Hock	300,000	300,000	300,000	200,000	200,000	200,000
Kishore Mahbubani	–	–	–	10,000	510,000	510,000
Teo Siong Seng	20,000	20,000	20,000	–	–	–
(Share options exercisable at S$3.04 per share)						
Kuok Khoon Hong	510,000	–	–	–	–	–
Pua Seck Guan	340,000	340,000	340,000	–	–	–
Teo La-Mei	255,000	–	–	–	–	–
Kuok Khoon Ean	500,000	500,000	500,000	–	–	–
Kuok Khoon Hua	500,000	500,000	500,000	–	–	–
Tay Kah Chye	500,000	500,000	500,000	–	–	–
Kwah Thiam Hock	500,000	500,000	500,000	–	–	–
Kishore Mahbubani	500,000	–	–	–	–	–
(Share options exercisable at S$3.94 per share)						
Kuok Khoon Hong	1,500,000	1,500,000	1,500,000	–	–	–
Pua Seck Guan	1,000,000	1,000,000	1,000,000	–	–	–
Teo La-Mei	750,000	750,000	750,000	–	–	–
Kuok Khoon Ean	500,000	500,000	500,000	–	–	–
Kuok Khoon Hua	500,000	500,000	500,000	–	–	–
Raymond Guy Young	500,000	500,000	500,000	–	–	–
Lim Siong Guan	500,000	500,000	500,000	–	–	–
Tay Kah Chye	500,000	500,000	500,000	–	–	–
Kwah Thiam Hock	500,000	500,000	500,000	–	–	–
Kishore Mahbubani	500,000	500,000	500,000	–	–	–
Teo Siong Seng	500,000	500,000	500,000	–	–	–
Soh Gim Teik	300,000	300,000	300,000	–	–	–

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

DIRECTORS' STATEMENT

SHARE OPTION SCHEMES

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

The Wilmar ESOS 2009 was adopted to replace the Wilmar Executive Share Option Scheme 2000 ("Wilmar ESOS 2000"). Wilmar ESOS 2009 was approved by shareholders at the Company's extraordinary general meeting ("EGM") held on 29 April 2009 and it expired on 28 April 2019.

For the entire duration of the Wilmar ESOS 2009, the Company granted options for a total of 221,555,000 ordinary shares of the Company in accordance with the rules of the aforesaid scheme. As at 31 December 2021, options for a total of 54,445,100 ordinary shares were exercised, options for a total of 153,151,500 ordinary shares had lapsed/expired and options for a total of 13,958,400 ordinary shares remain valid until their respective expiry dates.

2017 Grant

On 8 September 2017, the Company granted options to subscribe for a total of 62,585,000 ordinary shares of the Company at S$3.04 per share (at a 7.32% discount to the Market Price (as defined below)) to Directors of the Company and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2021, the number of outstanding options that were not exercised under this option grant was 13,958,400.

All options granted under the 2017 Grant are valid for a period of five years from the date of the grant and are exercisable in the following manner:

For Executive Directors and executives

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

For Non-Executive Directors

- After 2nd anniversary of the date of grant – 100% of the options granted

Wilmar Executives Share Option Scheme 2019 ("Wilmar ESOS 2019")

The Wilmar ESOS 2019, the rules of which were set out in a circular to shareholders dated 4 April 2019, was approved by shareholders at the Company's EGM held on 24 April 2019. It was adopted to replace the Wilmar ESOS 2009 which expired on 28 April 2019.

Under the rules of the Wilmar ESOS 2019:

(a) the eligible participants may be granted options to subscribe for ordinary shares in the Company at a price equal to the average of the closing prices of the Company's shares traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") for a period of five consecutive market days immediately preceding the date of the grant of the option ("Market Price") or at a discount to the Market Price up to a maximum of 20%;

(b) the maximum number of ordinary shares (in respect of the options) that may be granted under the Wilmar ESOS 2019, after taking into account (i) the total number of new ordinary shares issued and issuable in respect of all other share-based incentive schemes of the Company; and (ii) the number of treasury shares and subsidiary holdings delivered in respect of options granted under all other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) on the date immediately preceding the relevant date of grant;

(c) controlling shareholders and associates of controlling shareholders will not be eligible to participate in the Wilmar ESOS 2019; and

(d) there is no restriction on the eligibility of any participant to participate in any other share options or share incentive schemes implemented by the Company or any of its subsidiaries or by any associated company or otherwise.

DIRECTORS' STATEMENT

SHARE OPTION SCHEMES (CONTINUED)

Wilmar Executives Share Option Scheme 2019 ("Wilmar ESOS 2019") (continued)

The Wilmar ESOS 2019 is administered by the Remuneration Committee ("RC"). The members of the RC are Mr Kwah Thiam Hock (Chairman), Mr Tay Kah Chye and Mr Lim Siong Guan, all of whom are Independent Directors. The RC is authorised to determine, *inter alia*, the persons to be granted options, the number of options to be granted, whether the options continue to be valid in the event of cessation of employment (as provided under the rules of Wilmar ESOS 2019), the exercise price (including any adjustments thereto) and to recommend modifications to the Wilmar ESOS 2019 (if deemed appropriate).

2020 Grant

On 29 September 2020, the Company granted options to subscribe for a total of 40,380,000 ordinary shares of the Company at S$3.94 per share (at a 10% discount to the Market Price) to Directors of the Company and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2021, the number of outstanding options that were not exercised under this option grant was 39,755,000. The options are valid for a period of five years (including the respective vesting periods) from the date of grant and are exercisable in the following manner:

For Executive Directors and executives

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

For Non-Executive Directors

- After 2nd anniversary of the date of grant – 100% of the options granted

SHARE OPTIONS EXERCISED

Options for a total of 6,986,700 ordinary shares of the Company were exercised by option holders during the financial year under review pursuant to Wilmar ESOS 2009.

UNISSUED SHARES UNDER OPTION

As at the end of the financial year, unissued ordinary shares of the Company under options were as follows:

Date of Grant	As at 1.1.2021	No. of options granted	No. of options lapsed/ expired	No. of options exercised	As at 31.12.2021	Exercise Price	Exercise Period
Wilmar ESOS 2009							
08.09.2017	6,585,400	–	(24,700)	(2,304,000)	4,256,700	S$3.04	09.09.2019 to 08.09.2022
08.09.2017	5,249,200	–	(24,700)	(2,234,100)	2,990,400	S$3.04	09.09.2020 to 08.09.2022
08.09.2017	9,246,300	–	(86,400)	(2,448,600)	6,711,300	S$3.04	09.09.2021 to 08.09.2022
Sub-total	21,080,900	–	(135,800)	(6,986,700)	13,958,400		
Wilmar ESOS 2019							
29.09.2020	16,541,400	–	(541,200)	–	16,000,200	S$3.94	30.09.2022 to 29.09.2025
29.09.2020	11,741,400	–	(41,200)	–	11,700,200	S$3.94	30.09.2023 to 29.09.2025
29.09.2020	12,097,200	–	(42,600)	–	12,054,600	S$3.94	30.09.2024 to 29.09.2025
Sub-total	40,380,000	–	(625,000)	–	39,755,000		
Grand Total	61,460,900	–	(760,800)	(6,986,700)	53,713,400		

DIRECTORS' STATEMENT

UNISSUED SHARES UNDER OPTION (CONTINUED)

The information on Directors of the Company participating in the Wilmar ESOS 2009 is as follows:

Name of Directors	Aggregate options granted during the financial year	Aggregate options granted since commencement of the option scheme to 31.12.2021	Aggregate options exercised since commencement of the option scheme to 31.12.2021	Aggregate options lapsed/expired since commencement of the option scheme to 31.12.2021	Aggregate options outstanding as at 31.12.2021
Kuok Khoon Hong	–	6,500,000	3,500,000	3,000,000	–
Pua Seck Guan	–	1,000,000	660,000	–	340,000
Teo La-Mei	–	1,400,000	1,400,000	–	–
Kuok Khoon Ean	–	1,900,000	400,000	1,000,000	500,000
Kuok Khoon Hua	–	500,000	–	–	500,000
Tay Kah Chye	–	1,900,000	500,000	900,000	500,000
Kwah Thiam Hock	–	1,900,000	500,000	900,000	500,000
Kishore Mahbubani	–	500,000	500,000	–	–
Total	–	15,600,000	7,460,000	5,800,000	2,340,000

The information on Directors of the Company participating in the Wilmar ESOS 2019 is as follows:

Name of Directors	Aggregate options granted during the financial year	Aggregate options granted since commencement of the option scheme to 31.12.2021	Aggregate options exercised since commencement of the option scheme to 31.12.2021	Aggregate options lapsed/expired since commencement of the option scheme to 31.12.2021	Aggregate options outstanding as at 31.12.2021
Kuok Khoon Hong	–	1,500,000	–	–	1,500,000
Pua Seck Guan	–	1,000,000	–	–	1,000,000
Teo La-Mei	–	750,000	–	–	750,000
Kuok Khoon Ean	–	500,000	–	–	500,000
Kuok Khoon Hua	–	500,000	–	–	500,000
Raymond Guy Young	–	500,000	–	–	500,000
Lim Siong Guan	–	500,000	–	–	500,000
Tay Kah Chye	–	500,000	–	–	500,000
Kwah Thiam Hock	–	500,000	–	–	500,000
Kishore Mahbubani	–	500,000	–	–	500,000
Teo Siong Seng	–	500,000	–	–	500,000
Soh Gim Teik	–	300,000	–	–	300,000
Total	–	7,550,000	–	–	7,550,000

DIRECTORS' STATEMENT

UNISSUED SHARES UNDER OPTION (CONTINUED)

Except as disclosed above, since the commencement of the Wilmar ESOS 2000, Wilmar ESOS 2009 and Wilmar ESOS 2019 ("Option Schemes") until the end of the financial year under review:

- no options have been granted to controlling shareholders of the Company and their associates except for options granted on 21 May 2009 to Mr Kuok Khoon Hong (for 1,000,000 ordinary shares) and former Wilmar Director, Mr Martua Sitorus (for 800,000 ordinary shares), who were controlling shareholders on the date of grant (but are no longer controlling shareholders as at the end of the financial year), which have expired;

- no participant has received 5% or more of the total number of options available under the Option Schemes;

- no options that entitle the holders to participate, by virtue of the options, in any share issue of any other corporation have been granted;

- no options have been granted to Directors and employees of the parent company as the Company does not have a parent company; and

- no options have been granted at a discount except for the options under the 2015 Grant (which expired on 19 June 2020), the 2017 Grant and the 2020 Grant.

AUDIT COMMITTEE

The Audit Committee ("AC") members at the date of this statement are Mr Tay Kah Chye (Chairman), Mr Kwah Thiam Hock and Mr Lim Siong Guan.

The AC performs the functions specified in Section 201B(5) of the Act, the Listing Manual of the SGX-ST, the Singapore Code of Corporate Governance 2018 and the revised Guidebook for Audit Committees in Singapore issued in 2014.

The principal responsibilities of the AC are to assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities. The operations of the AC are regulated by its terms of reference. The Board is of the opinion that the members of the AC have sufficient accounting, financial and management expertise and experience to discharge their duties.

Notwithstanding that the Group has appointed different auditors for certain subsidiaries, joint ventures and associated companies, the Board and the AC are satisfied that such appointments do not compromise the standard and effectiveness of the audit of the Group.

During the year, the AC met four times to review, *inter alia*, the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The AC also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the AC prior to submission to the Board of the Company for adoption. The AC also met with the internal and external auditors, without the presence of the Company's Management, to discuss issues of concern to them.

The AC has, in accordance with Chapter 9 of the Listing Manual of the SGX-ST, reviewed the requirements for approval and disclosure of interested person transactions ("IPTs"), reviewed the procedures set up by the Group and the Company to identify and report and where necessary, seek approval for IPTs and, with the assistance of the internal auditors, reviewed IPTs.

The AC was satisfied that proper risk management procedures were in place and will consider regularly the need to conduct independent risk management reviews.

The AC, having reviewed all non-audit services provided by Ernst & Young LLP ("EY"), the external auditor of the Group, was satisfied with the independence and objectivity of the external auditor and has nominated EY for re-appointment at the forthcoming Annual General Meeting of the Company.

Further details regarding the AC, including the AC's commentary on key audit matters, are disclosed in the Corporate Governance Report in the Company's Annual Report 2021.

DIRECTORS' STATEMENT

AUDITOR

Ernst & Young LLP has expressed its willingness to accept re-appointment as external auditor.

On behalf of the Board of Directors

Kuok Khoon Hong
Director

Pua Seck Guan
Director

15 March 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILMAR INTERNATIONAL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Wilmar International Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment assessment on goodwill and brands

(Refer to Note 15 to the financial statements)
As at 31 December 2021, the Group recorded goodwill and brands of US$5.4 billion, which represents approximately 24% of the Group's net assets. We considered the audit of management's annual goodwill and brands impairment assessment to be a key audit matter because the assessment process involves management exercising significant judgement and making assumptions of future market and economic conditions.

As disclosed in Note 15, the goodwill and brands are allocated to individual cash-generating units ("CGU") which are also the reportable segments for impairment testing. The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections approved by management. The cash flow projections include assumptions of profitability and growth rates. Based on the impairment assessment, management has concluded that the goodwill and brands are not impaired. We checked that the cash flows were based on approved management forecasts, and evaluated management's forecasting process by comparing previous forecasts to actual results. We evaluated the assumptions used by comparing them to historical data as well as recent trends and market outlook, taking into consideration current market condition. We also evaluated the discount rates used to determine the present value by comparing them to external comparable data. Our internal valuation specialists assisted us in performing some of these procedures. Finally, we reviewed the adequacy of the disclosures made on the goodwill and brands impairment assessment in Note 15.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILMAR INTERNATIONAL LIMITED

Accounting for derivative transactions

(Refer to Note 20 and Note 34(a) to the financial statements)
The Group uses derivative financial instruments such as forward currency contracts, cross currency interest rates swaps and various commodity futures, options and swap contracts to hedge its risks associated with interest rates, foreign currency and commodity price fluctuations.

At 31 December 2021, the Group's total derivative financial instruments that were carried at fair value comprised financial assets and financial liabilities of US$575.9 million (current: US$564.0 million) and US$621.9 million (current: US$566.6 million) respectively.

We considered the audit of this to be a key audit matter due to the volume of trades entered into. Our audit procedures included, amongst others, understanding the Group's overall commodity trading process and testing management's controls around the origination and maintenance of complete and accurate information relating to the recording of the derivative contracts. For firm commitment contracts, we checked management's process to derive the market prices and recomputed the unrealised gains/losses on the contracts. For the other types of derivatives, we independently obtained statements from banks and other financial institutions to compare against the fair values of the derivatives recorded, and to verify the existence and ownership of the derivatives. We involved our internal valuation specialists in assessing the reasonableness of the fair values of derivatives.

We also assessed the adequacy of the related disclosures in the Notes 20 and 34(a) to the financial statements.

OTHER INFORMATION

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILMAR INTERNATIONAL LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Tze Yuen.

Ernst & Young LLP
Public Accountants and Chartered Accountants

Singapore
15 March 2022

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 US$'000	2020 US$'000
Revenue	4	**65,793,619**	50,526,794
Cost of sales	5	**(58,602,446)**	(44,929,244)
Gross profit		**7,191,173**	5,597,550
Other items of income			
Net gain arising from changes in fair value of biological assets	14	**21,335**	6,107
Finance income	6	**335,287**	419,826
Other operating income	7	**255,487**	334,886
Other items of expense			
Selling and distribution expenses		**(3,412,741)**	(2,517,636)
Administrative expenses		**(1,095,798)**	(955,519)
Other operating expenses	7	**(196,813)**	(176,760)
Finance costs	8	**(588,422)**	(651,110)
Non-operating items	9	**36,858**	51,533
Share of results of joint ventures		**63,548**	71,123
Share of results of associates		**155,947**	131,062
Profit before tax	10	**2,765,861**	2,311,062
Income tax expense	11	**(699,602)**	(620,088)
Profit after tax		**2,066,259**	1,690,974
Attributable to:			
Owners of the Company		**1,890,390**	1,534,110
Non-controlling interests		**175,869**	156,864
		2,066,259	1,690,974
Earnings per share attributable to owners of the Company (US cents per share)			
– Basic	12	**30.0**	24.2
– Diluted	12	**29.9**	24.1

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 US$'000	2020 US$'000
Profit after tax	**2,066,259**	1,690,974
Other comprehensive income:		
Items that will not be reclassified subsequently to income statement		
Fair value adjustment on investment securities at fair value through other comprehensive income	**10,880**	(77,187)
Gain/(loss) on disposal of investment securities at fair value through other comprehensive income	**6**	(19,147)
(Loss)/gain on remeasurements of defined benefit plan	**(550)**	25,417
	10,336	(70,917)
Items that may be reclassified subsequently to income statement		
Foreign currency translation	**196,369**	810,410
Fair value adjustment on cash flow hedges	**74,741**	(20,427)
Fair value adjustment on forward elements of forward contracts	**(11,961)**	8,006
	259,149	797,989
Other comprehensive income, net of tax	**269,485**	727,072
Total comprehensive income for the year	**2,335,744**	2,418,046
Attributable to:		
Owners of the Company	**2,122,261**	2,164,511
Non-controlling interests	**213,483**	253,535
	2,335,744	2,418,046

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

BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021	2020	**2021**	2020
		US$'000	US$'000	**US$'000**	US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**14,192,433**	12,773,714	**119,798**	97,627
Investment properties	13	**38,286**	32,475	**–**	–
Bearer plants	14	**638,118**	666,133	**–**	–
Intangible assets	15	**5,393,884**	5,445,692	**–**	–
Investment in subsidiaries	16	**–**	–	**10,468,178**	10,141,987
Investment in joint ventures	17	**631,572**	624,159	**–**	3,800
Investment in associates	17	**2,874,956**	2,726,322	**13,677**	13,677
Investment securities	18	**365,301**	370,808	**–**	–
Deferred tax assets	19	**204,495**	203,494	**–**	–
Derivative financial instruments	20	**11,956**	61,188	**–**	–
Other financial receivables	21	**150,136**	127,642	**313,255**	303,137
Other non-financial assets	21	**63,874**	64,779	**–**	–
Other bank deposits	24	**2,338,437**	–	**–**	–
		26,903,448	23,096,406	**10,914,908**	10,560,228
Current assets					
Inventories	22	**11,738,686**	9,436,151	**–**	–
Trade receivables	23	**6,833,416**	5,277,871	**–**	–
Other financial receivables	21	**4,183,458**	4,548,468	**5,678,762**	5,913,550
Other non-financial assets	21	**1,827,070**	1,804,917	**7,473**	6,337
Derivative financial instruments	20	**563,981**	641,249	**–**	–
Investment securities	18	**326,846**	286,706	**–**	–
Other bank deposits	24	**3,649,000**	3,222,044	**–**	–
Cash and bank balances	24	**2,692,541**	2,706,164	**1,033**	6,371
		31,814,998	27,923,570	**5,687,268**	5,926,258
TOTAL ASSETS		**58,718,446**	51,019,976	**16,602,176**	16,486,486
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	25	**2,009,073**	1,613,448	**–**	–
Other financial payables	26	**2,374,133**	2,084,097	**5,376,050**	5,566,865
Other non-financial liabilities	26	**862,926**	764,248	**–**	–
Derivative financial instruments	20	**566,612**	893,729	**–**	–
Loans and borrowings	27	**22,291,835**	17,145,894	**308,724**	163,593
Tax payables		**288,652**	331,740	**–**	–
		28,393,231	22,833,156	**5,684,774**	5,730,458
NET CURRENT ASSETS		**3,421,767**	5,090,414	**2,494**	195,800

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

BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Note	Group 2021 US$'000	Group 2020 US$'000	Company 2021 US$'000	Company 2020 US$'000
Non-current liabilities					
Other financial payables	26	**276,525**	268,604	**1,425,000**	589,708
Other non-financial liabilities	26	**200,723**	182,678	**–**	–
Derivative financial instruments	20	**55,279**	49,836	**–**	–
Loans and borrowings	27	**6,822,646**	6,003,578	**–**	323,180
Deferred tax liabilities	19	**367,713**	298,817	**–**	–
		7,722,886	6,803,513	**1,425,000**	912,888
TOTAL LIABILITIES		**36,116,117**	29,636,669	**7,109,774**	6,643,346
NET ASSETS		**22,602,329**	21,383,307	**9,492,402**	9,843,140
Equity attributable to owners of the Company					
Share capital	28	**8,458,995**	8,458,995	**8,895,134**	8,895,134
Treasury shares	28	**(304,886)**	(222,039)	**(304,886)**	(222,039)
Retained earnings		**11,726,821**	10,953,237	**696,726**	972,709
Other reserves	29	**42,945**	(307,838)	**205,428**	197,336
		19,923,875	18,882,355	**9,492,402**	9,843,140
Non-controlling interests		**2,678,454**	2,500,952	**–**	–
TOTAL EQUITY		**22,602,329**	21,383,307	**9,492,402**	9,843,140
TOTAL EQUITY AND LIABILITIES		**58,718,446**	51,019,976	**16,602,176**	16,486,486

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company						
	Share capital US$'000	**Treasury shares** US$'000	**Retained earnings** US$'000	**Other reserves** US$'000	**Equity attributable to owners of the Company, total** US$'000	**Non-controlling interests** US$'000	**Equity total** US$'000
2021							
GROUP							
Opening balance at 1 January 2021	8,458,995	(222,039)	10,953,237	(307,838)	18,882,355	2,500,952	21,383,307
Profit for the year	–	–	1,890,390	–	1,890,390	175,869	2,066,259
Other comprehensive income	–	–	6	231,865	231,871	37,614	269,485
Total comprehensive income for the year	–	–	1,890,396	231,865	2,122,261	213,483	2,335,744
Grant of equity-settled share options	–	–	–	6,871	6,871	–	6,871
Share capital contributed by non-controlling shareholders	–	–	–	–	–	41,416	41,416
Acquisition of treasury shares	–	(97,503)	–	–	(97,503)	–	(97,503)
Reissuance of treasury shares pursuant to exercise of share options	–	14,656	–	1,221	15,877	–	15,877
Dividends on ordinary shares	–	–	(968,301)	–	(968,301)	–	(968,301)
Dividends paid to non-controlling shareholders by subsidiaries	–	–	–	–	–	(81,210)	(81,210)
Net transfer to other reserves	–	–	(148,511)	148,511	–	–	–
Total contributions by and distributions to owners	–	(82,847)	(1,116,812)	156,603	(1,043,056)	(39,794)	(1,082,850)
Acquisition of subsidiaries	–	–	–	–	–	27,225	27,225
Acquisition of additional interest in subsidiaries	–	–	–	(37,998)	(37,998)	(20,509)	(58,507)
Liquidation of subsidiaries	–	–	–	–	–	(2,590)	(2,590)
Dilution of interest in subsidiaries	–	–	–	313	313	(313)	–
Total changes in ownership interests in subsidiaries	–	–	–	(37,685)	(37,685)	3,813	(33,872)
Closing balance at 31 December 2021	**8,458,995**	**(304,886)**	**11,726,821**	**42,945**	**19,923,875**	**2,678,454**	**22,602,329**

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company						
	Share capital US$'000	Treasury shares US$'000	Retained earnings US$'000	Other reserves US$'000	Equity attributable to owners of the Company, total US$'000	Non-controlling interests US$'000	Equity total US$'000
2020							
GROUP							
Opening balance at 1 January 2020	8,458,995	(122,579)	10,113,650	(1,687,557)	16,762,509	1,113,609	17,876,118
Profit for the year	–	–	1,534,110	–	1,534,110	156,864	1,690,974
Other comprehensive income	–	–	(19,147)	649,548	630,401	96,671	727,072
Total comprehensive income for the year	–	–	1,514,963	649,548	2,164,511	253,535	2,418,046
Grant of equity-settled share options	–	–	–	3,467	3,467	–	3,467
Share capital contributed by non-controlling shareholders	–	–	–	–	–	22,538	22,538
Acquisition of treasury shares	–	(141,009)	–	–	(141,009)	–	(141,009)
Reissuance of treasury shares pursuant to exercise of share options	–	41,549	–	2,339	43,888	–	43,888
Dividends on ordinary shares	–	–	(618,578)	–	(618,578)	–	(618,578)
Dividends paid to non-controlling shareholders by subsidiaries	–	–	–	–	–	(80,130)	(80,130)
Net transfer to other reserves	–	–	(56,798)	56,798	–	–	–
Total contributions by and distributions to owners	–	(99,460)	(675,376)	62,604	(712,232)	(57,592)	(769,824)
Acquisition of subsidiaries	–	–	–	–	–	3,312	3,312
Acquisition of additional interest in subsidiaries	–	–	–	(154,864)	(154,864)	(9,490)	(164,354)
Disposal of subsidiaries	–	–	–	(1,062)	(1,062)	–	(1,062)
Dilution of interest in subsidiaries	–	–	–	823,493	823,493	1,197,578	2,021,071
Total changes in ownership interests in subsidiaries	–	–	–	667,567	667,567	1,191,400	1,858,967
Closing balance at 31 December 2020	8,458,995	(222,039)	10,953,237	(307,838)	18,882,355	2,500,952	21,383,307

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company				
	Share capital US$'000	Treasury shares US$'000	Retained earnings US$'000	Other reserves US$'000	Equity attributable to owners of the Company, total US$'000
2021					
COMPANY					
Opening balance at 1 January 2021	8,895,134	(222,039)	972,709	197,336	9,843,140
Profit for the year	–	–	692,318	–	692,318
Total comprehensive income for the year	–	–	692,318	–	692,318
Grant of equity-settled share options	–	–	–	6,871	6,871
Acquisition of treasury shares	–	(97,503)	–	–	(97,503)
Reissuance of treasury shares pursuant to exercise of share options	–	14,656	–	1,221	15,877
Dividends on ordinary shares	–	–	(968,301)	–	(968,301)
Total transactions with owners in their capacity as owners	–	(82,847)	(968,301)	8,092	(1,043,056)
Closing balance at 31 December 2021	**8,895,134**	**(304,886)**	**696,726**	**205,428**	**9,492,402**
2020					
COMPANY					
Opening balance at 1 January 2020	8,895,134	(122,579)	1,381,856	233,753	10,388,164
Profit for the year	–	–	167,208	–	167,208
Total comprehensive income for the year	–	–	167,208	–	167,208
Grant of equity-settled share options	–	–	–	3,467	3,467
Acquisition of treasury shares	–	(141,009)	–	–	(141,009)
Reissuance of treasury shares pursuant to exercise of share options	–	41,549	–	2,339	43,888
Dividends on ordinary shares	–	–	(618,578)	–	(618,578)
Transfer to retained earnings	–	–	42,223	(42,223)	–
Total transactions with owners in their capacity as owners	–	(99,460)	(576,355)	(36,417)	(712,232)
Closing balance at 31 December 2020	8,895,134	(222,039)	972,709	197,336	9,843,140

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 US$'000	2020 US$'000
Cash flows from operating activities		
Profit before tax	**2,765,861**	2,311,062
Adjustments for:		
Net gain arising from changes in fair value of biological assets	**(21,335)**	(6,107)
Depreciation of bearer plants	**58,707**	72,483
Depreciation of property, plant and equipment	**1,084,495**	982,958
Net (gain)/loss from changes in fair value of investment properties	**(2,129)**	2,834
(Gain)/loss on disposal of investment in joint ventures	**(2,393)**	998
Gain on disposal of investment in associates	**–**	(2,275)
Fair value gain arising from changes of interest in joint ventures resulting in change of control	**(1,879)**	(1,010)
Amortisation of intangible assets	**3,454**	2,554
Loss on disposal of property, plant and equipment	**6,780**	12,694
Gain on disposal of biological assets	**(390)**	(168)
Loss on disposal/liquidation of subsidiaries	**575**	59
Gain on disposal of investment securities at fair value through profit or loss	**(1,060)**	(2,271)
Grant of share options to employees	**6,871**	3,467
Net fair value (gain)/loss on derivative financial instruments	**(103,633)**	126,986
Net fair value (gain)/loss on investment securities at fair value through profit or loss	**(3,014)**	44,472
Foreign exchange differences arising from translation	**203,986**	117,980
Investment income from investment securities	**(40,751)**	(110,527)
Interest expense	**594,674**	660,216
Interest income	**(335,287)**	(419,826)
Share of results of joint ventures	**(63,548)**	(71,123)
Share of results of associates	**(155,947)**	(131,062)
Operating cash flows before working capital changes	**3,994,037**	3,594,394
Changes in working capital:		
Increase in inventories	**(2,257,517)**	(1,306,492)
Increase in receivables and other assets	**(1,330,359)**	(1,378,586)
Increase in payables	**487,789**	242,187
Cash flows generated from operations	**893,950**	1,151,503
Interest paid	**(535,394)**	(645,177)
Interest received	**283,502**	452,963
Income taxes paid	**(687,102)**	(406,502)
Net cash flows (used in)/generated from operating activities	**(45,044)**	552,787

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 US$'000	2020 US$'000
Cash flows from investing activities		
Net cash flow on acquisition of subsidiaries	**9,442**	(83,360)
Decrease/(increase) in plasma investments	**8,464**	(2,481)
Increase in investment securities at fair value through profit or loss	**(35,132)**	(13,328)
Increase in other non-financial assets	**(54,188)**	–
Payments for property, plant and equipment	**(2,482,070)**	(1,921,835)
Payments for bearer plants	**(44,685)**	(54,146)
Decrease in investment securities at fair value through other comprehensive income	**18,554**	54,244
Investment income from investment securities	**40,751**	110,527
Net cash flow on investment in joint ventures	**(29,214)**	(51,079)
Payments for investment in associates	**(2,233)**	(17,868)
Payments for intangible assets	**(503)**	(1,145)
Dividends received from joint ventures	**11,339**	27,766
Dividends received from associates	**58,383**	55,700
Proceeds from disposal of property, plant and equipment	**85,519**	53,747
Proceeds from disposal of interest/capital reduction in joint ventures	**62,083**	260
Proceeds from disposal/dilution of interest in associates	**–**	24,472
Net cash flow from disposal/liquidation of subsidiaries	**(2,588)**	11,613
Net cash flows used in investing activities	**(2,356,078)**	(1,806,913)
Cash flows from financing activities		
Decrease in net amount due from related parties	**47,071**	4,672
Increase in net amount due from joint ventures	**(11,253)**	(14,148)
Increase in net amount due from associates	**(37,879)**	(23,836)
Increase/(decrease) in advances from non-controlling shareholders	**19,631**	(37,999)
Proceeds from loans and borrowings	**6,338,583**	685,065
Increase in fixed deposits pledged with financial institutions for bank facilities	**(3,313,731)**	(1,646,742)
Decrease in other financial receivables	**462,691**	2,869,677
Decrease/(increase) in other deposits with maturity more than 3 months	**62,672**	(1,110,750)
Interest paid	**(14,288)**	(20,621)
Net cash flow from acquisition of additional interest in subsidiaries	**(58,507)**	(164,354)
Shares buy-back held as treasury shares	**(97,503)**	(141,009)
Dividends paid by the Company	**(968,301)**	(618,578)
Dividends paid to non-controlling shareholders by subsidiaries	**(81,210)**	(80,130)
Proceeds from dilution of interest in subsidiaries	**–**	2,021,071
Proceeds from reissuance of treasury shares by the Company	**15,877**	43,888
Proceeds from issue of ordinary shares by subsidiaries to non-controlling shareholders	**41,416**	22,538
Net cash flows generated from financing activities	**2,405,269**	1,788,744
Net increase in cash and cash equivalents	**4,147**	534,618
Cash and cash equivalents at the beginning of the year	**2,583,496**	2,048,878
Cash and cash equivalents at the end of the year	**2,587,643**	2,583,496

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

Wilmar International Limited (the "Company") is a limited liability company, incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 28 Biopolis Road, Wilmar International, Singapore 138568.

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiaries, joint ventures and associates. The principal activities of the significant subsidiaries are disclosed in Note 39 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below. The financial statements are presented in US Dollars ("USD" or "US$"), which is also the parent company's functional currency, except when otherwise indicated. All values in the tables are rounded to the nearest thousands (US$'000) except when otherwise indicated.

2.2 Changes in accounting policies

Adoption of new and revised SFRS(I)

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards that are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to SFRS(I) 16 Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 3 Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 17 Insurance Contracts	1 January 2023
Amendments to SFRS(I) 17 Insurance Contracts	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8 Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to SFRS(I) 17 Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Business combinations

With the exception of business combinations involving entities under common control, acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability, will be recognised in the income statement.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the income statement.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.14(a). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the income statement on the acquisition date.

Business combinations involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities. No additional goodwill is recognised as a result of the combination. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as equity transaction reserve. The income statement reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity as equity transaction reserve and attributed to owners of the Company.

2.6 Foreign currency

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the income statement of the Group on disposal of the foreign operation.

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their income statements are translated at the weighted average exchange rates for the reporting period. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

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

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Joint Arrangements

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

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

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

(a) Joint operations

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

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

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

(b) Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.9.

2.9 Associates and joint ventures

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

The Group's investments in associates and joint ventures are accounted for using the equity method. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of net fair value of the associate's or joint venture's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate or joint venture in the period in which the investment is acquired.

Under the equity method, the investments in associates and joint ventures are measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The Group's profit or loss reflects its share of the associates' or joint ventures' profit or loss after tax and non-controlling interests in the subsidiaries of associates or joint ventures. Distributions received from associates or joint ventures reduce the carrying amount of the investments. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Associates and joint ventures (continued)

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

The most recent available audited financial statements of the associated companies or joint ventures are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the income statement.

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

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

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at costs. Such costs include the cost of replacing parts of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all items of property, plant and equipment, except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	–	10 to 40 years
Plant and machineries	–	2 to 40 years
Furniture, fittings and office equipment	–	2 to 20 years
Vessels	–	5 to 30 years
Motor vehicles, trucks and aircraft	–	4 to 15 years

The cost of construction-in-progress represents all costs, including borrowing costs, incurred on the construction of the assets. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is completed. No depreciation is provided on construction-in-progress as these assets are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Property, plant and equipment (continued)

Interest on borrowings to finance the construction of property, plant and equipment is capitalised during the period of time that is required to complete and prepare each asset for its intended use. All other borrowing costs are expensed.

Repairs and maintenance costs are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the asset.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

2.11 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement upon derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the property is remeasured to fair value. Any gain arising on remeasurement is recognised in the income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the asset revaluation reserve in equity. Any loss is immediately recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Bearer plants and biological assets

Bearer plants are living plants used in the production or supply of agricultural produce, are expected to bear produce for more than one period, and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants mainly include mature and immature oil palm plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares. Mature plantations are stated at acquisition cost less accumulated depreciation and impairment. Mature plantations are depreciated on a straight line basis and over its estimated useful life of 20-25 years, upon commencement of commercial production.

In general, oil palms are considered mature 30 to 36 months after field planting.

Interest on borrowings to finance the acquisition and construction of bearer plants is capitalised during the period of time that is required to complete and prepare the bearer plants for its intended use. All other borrowing costs are expensed.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the income statement in the year the bearer plant is derecognised.

Produce that grows on mature plantations are measured at fair value less estimated point-of-sale costs. Point-of-sale costs include all costs that would be necessary to sell the produce.

2.13 Plasma investments

Costs incurred during the development phase up to the conversion of the plasma plantation are capitalised as plasma investments. The development of the plasma oil palm plantations is financed by plasma loans, which was received by the plasma farmers (represented by "Cooperatives"), plus additional funding by the Group, should bank financing not be adequate to finance the development costs. Accumulated development costs are presented net of the plasma loans and are presented as "Plasma investments".

When the carrying amount of the plasma investments is higher than its estimated recoverable amount, it is written down immediately to its recoverable amount. The difference between the accumulated development costs of plasma plantations and their conversion value is charged to the income statement.

2.14 Intangible assets

(a) Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Intangible assets (continued)

(a) Goodwill (continued)

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that cash-generating unit (or group of cash-generating units) is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit (or group of cash-generating units) retained.

(b) Other intangible assets

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

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

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

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

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

(i) Brands

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

(ii) Trademarks & licenses and others

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in income statement.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income statement when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to income statement as a reclassification adjustment when the financial asset is derecognised.

(iii) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the income statement in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in the income statement when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (continued)

Subsequent measurement (continued)

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in the income statement.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or the Group has transferred its right to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in the income statement.

2.16 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.17 Impairment of non-financial asset

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Impairment of non-financial asset (continued)

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

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired. These also include bank overdrafts that form an integral part of the Group's cash management. The accounting policy for this category of financial assets is stated in Note 2.15, under amortised cost.

2.19 Inventories

(a) Physical inventories, futures and other forward contracts

Physical inventories of palm based products, oilseeds and grains products, consumer products, sugar and other agricultural commodities are valued at the lower of cost and spot prices prevailing at the end of the reporting period. Cost is determined using the weighted average method.

The Group has committed purchases and sales contracts for palm oil and other agricultural commodities that are entered into as part of its merchandising and processing activities. The prices and physical delivery of the sales and purchases are fixed in the contracts. For committed purchases and sales contracts that are entered into for own use, the contracts are not recognised in the financial statements until physical deliveries take place. For committed purchases and sales contracts that are entered into as part of the merchandising activities, the fair value arising from the contracts are recognised in the financial statements until physical deliveries take place.

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

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

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

(b) Other inventories

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in income statement.

2.21 Borrowings

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

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

2.22 Borrowing costs

Borrowing costs are recognised in the income statement as incurred except to the extent that they are capitalised. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of the qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.23 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Employee benefits (continued)

(b) Employee share option plans

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

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

(c) Provision for employee service entitlements

For certain companies in Indonesia, the Group recognises long-term employee benefits liabilities in order to meet and cover the minimum benefits required to be paid to qualified employees under Government Regulation No. 35/2021 and Job Creation Act No. 11/2020 (2020: Under Labour Law No. 13/2003). The liabilities are estimated from actuarial calculations using the "Projected Unit Credit Method". For short-term employee benefits which are due for payment within twelve months after the reporting period, the Group recognises the liabilities when services have been rendered by the employees.

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

Defined benefit costs comprise the following:

- Service cost;
- Net interest on the net defined benefit liability or asset; and
- Remeasurements of net defined benefit liability or asset.

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

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

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income as general reserve in the period in which they arise. Remeasurements are recognised in general reserve within equity and are not reclassified to the income statement in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and land rights	–	3 to 90 years
Buildings	–	2 to 20 years
Plant and machineries	–	2 to 30 years
Furniture, fittings and office equipment	–	2 to 5 years
Vessels	–	2 to 9 years
Motor vehicles, trucks and aircraft	–	2 to 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Leases (continued)

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the period in which they are earned.

2.26 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sales arising from the physical delivery of palm based products, oilseeds and grains products, consumer products, sugar and other agricultural commodities is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.

(b) Ship charter income

Revenue from time charters is recognised on a time apportionment basis.

(c) Interest income

Interest income is amortised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.27 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in the income statement except when they relate to items recognised outside the income statement, either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Taxes (continued)

(b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each end of the reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred income tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Taxes (continued)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.28 Derivative financial instruments and hedging activities

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

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

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

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

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

Fair value hedges

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Derivative financial instruments and hedging activities (continued)

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised initially in other comprehensive income and accumulated under the hedging reserve, while the ineffective portion is recognised immediately in the income statement.

Amounts recognised in other comprehensive income are transferred to the income statement when the hedged transaction affects the income statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in equity remains in equity until the forecast transaction or firm commitment affects the income statement.

Forward elements of forward contracts

When forward contracts are used to hedge forecast transactions, the Group designates only the spot element of the forward contracts as the hedging instrument.

The Group elects for each hedge designation, whether the change in the fair value of the forward elements of forward contracts that relate to the hedge item are recognised directly in income statement, or in other comprehensive income with the cumulative change in fair value accumulated in equity being subsequently recognised:

- as initial cost or carrying amount of the asset or liability if the hedged item subsequently results in the recognition of a non-financial asset or a non-financial liability, or a firm commitment for a non-financial asset or a non-financial liability for which fair value hedge accounting is applied; or

- as a reclassification adjustment to the income statement when the hedged expected future cash flows affect the income statement.

2.29 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.30 Share capital and treasury shares

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

The Company's own ordinary shares, which are reacquired by the Company and held as treasury shares, are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, reissuance or cancellation of treasury shares. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity ("General Reserves") as gain or loss on reissuance of treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.31 Contingencies

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) A present obligation that arises from past events but is not recognised because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.32 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to the income statement over the expected useful life of the relevant asset by equal annual instalments. Where the grant relates to an expense item, it is recognised in the income statement over the period necessary to match them on a systematic basis to the costs it is intended to compensate. Grants related to income are presented as a credit under other operating income.

2.33 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

(a) Impairment of goodwill and brands

The Group determines whether goodwill and brands are impaired on an annual basis. This requires an estimation of the value in use of the cash-generating unit (or group of cash-generating units) to which the goodwill and brands are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill and brands as at 31 December 2021 were approximately US$3,819,147,000 (2020: US$3,868,037,000) and US$1,552,461,000 (2020: US$1,552,654,000) respectively.

(b) Income and deferred taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payable, deferred tax assets and deferred tax liabilities as at 31 December 2021 were approximately US$288,652,000 (2020: US$331,740,000), US$204,495,000 (2020: US$203,494,000) and US$367,713,000 (2020: USS$298,817,000) respectively.

4. REVENUE

	Group	
	2021	2020
	US$'000	US$'000
Sales of agricultural commodities and consumable products	**65,125,646**	50,029,155
Ship charter income	**396,378**	261,505
Others	**271,595**	236,134
	65,793,619	50,526,794

5. COST OF SALES

	Group	
	2021	2020
	US$'000	US$'000
Cost of inventories recognised as expense – physical deliveries	**50,783,356**	38,665,012
Labour and other overhead expenses	**7,001,634**	5,648,605
Net loss on fair value of derivative financial instruments	**817,456**	615,627
	58,602,446	44,929,244

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. FINANCE INCOME

	Group	
	2021	2020
	US$'000	US$'000
Finance income:		
– From associates	**4,827**	8,828
– From bank balances	**47,167**	35,497
– From fixed deposits	**166,406**	120,067
– From joint ventures	**3,257**	4,092
– From other deposits with financial institutions	**102,150**	237,261
– From other sources	**5,233**	5,547
– From related parties	**3,311**	4,451
– Late interest charges pertaining to trade receivables	**2,936**	4,083
	335,287	419,826

7. OTHER OPERATING INCOME
OTHER OPERATING EXPENSES

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

	Group	
	2021	2020
	US$'000	US$'000
Amortisation of intangible assets	**(3,454)**	(2,554)
Bad debts written off (non-trade)	**(260)**	(1,452)
Compensation income/(penalty expenses)	**23,380**	(6,534)
Energy/power/steam income	**49,675**	39,474
Fair value gain arising from changes of interest in joint ventures resulting in change of control	**1,879**	1,010
Fair value loss of derivative financial instruments	**(560)**	(3,854)
Foreign exchange (loss)/gain, excluding net foreign exchange (loss)/gain on shareholders' loans to subsidiaries	**(42,195)**	80,077
Gain/(loss) on disposal of investment in joint ventures	**2,393**	(998)
Gain on disposal of investment in associates	**–**	2,275
Loss on disposal/liquidation of subsidiaries	**(575)**	(59)
Government grants/incentive income	**40,188**	51,140
Grant of share options to employees	**(6,871)**	(3,467)
Income from sales cancellation	**3,526**	1,333
Inventories written off	**(5,452)**	(115)
Loss on disposal of property, plant and equipment	**(6,780)**	(12,694)
Pre-operating expenses	**(630)**	(51)
Processing fee income/tolling income	**1,173**	727
Rental and storage income	**23,375**	17,117
Scrap sales	**22,630**	16,985
Service fees/management fees/commission income	**20,535**	24,973
Write back of allowance for expected credit losses	**14,804**	2,657

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8. FINANCE COSTS

	Group	
	2021	2020
	US$'000	US$'000
Interest expense:		
– Loans and borrowings	**526,344**	545,548
– Loans from associates	**264**	198
– Loans from joint ventures	**1,450**	1,903
– Loans from related parties	**105**	180
– Interest rate swaps	**3,110**	27,075
– Amortisation of forward elements of forward currency contracts	**39,208**	56,710
– Interest on lease liabilities	**11,849**	11,228
– Others	**14,128**	19,784
	596,458	662,626
Less: Amount capitalised		
– Bearer plants	**(660)**	(767)
– Property, plant and equipment	**(7,376)**	(10,749)
	588,422	651,110

9. NON-OPERATING ITEMS

	Group	
	2021	2020
	US$'000	US$'000
Net foreign exchange loss on shareholders' loans to subsidiaries	**(3,844)**	(4,853)
Finance costs on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries	**(6,252)**	(9,106)
Gain on disposal of investment securities at FVPL	**1,060**	2,271
Investment income from investment securities	**40,751**	110,527
Net fair value gain/(loss) on investment securities at FVPL	**3,014**	(44,472)
Net gain/(loss) from changes in fair value of investment properties	**2,129**	(2,834)
	36,858	51,533

10. PROFIT BEFORE TAX

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

	Group	
	2021	2020
	US$'000	US$'000
Audit fees paid to:		
– Auditor of the Company	**611**	594
– Other auditors	**6,434**	4,651
Non-audit fees paid to:		
– Auditor of the Company	**3**	39
– Other auditors	**1,360**	926
Depreciation of property, plant and equipment	**1,047,818**	939,222
Depreciation of bearer plants	**60,563**	74,784
Less: Amount capitalised as part of costs of bearer plants	**(1,856)**	(2,301)
Add: Impairment loss of property, plant and equipment	**36,677**	43,736
Depreciation and impairment loss of property, plant and equipment and bearer plants – net	**1,143,202**	1,055,441
Employee benefits expense	**2,084,854**	1,782,650

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11. INCOME TAX EXPENSE

(a) Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2021 and 31 December 2020 are:

	Group	
	2021	2020
	US$'000	US$'000
Consolidated Income Statement		
Current income tax		
Current year	**594,063**	557,705
Over provision in respect of previous years	**(22,813)**	(1,894)
Withholding tax expenses	**52,913**	10,170
	624,163	565,981
Deferred income tax		
Origination and reversal of temporary differences	**55,795**	32,848
Under provision in respect of previous years	**19,644**	21,259
Income tax expense recognised in the income statement	**699,602**	620,088
Deferred income tax related to other comprehensive income:		
Net tax charges/(credit) in fair value of derivative financial instruments designated as cash flow hedges and others	**4,916**	(2,865)

(b) Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rates for the financial years ended 31 December 2021 and 31 December 2020 are as follows:

	Group	
	2021	2020
	US$'000	US$'000
Accounting profit before income tax	**2,765,861**	2,311,062
Tax calculated at tax rate of 17% (2020: 17%)	**470,196**	392,881
Adjustments:		
Effect of different tax rates in other countries	**202,351**	156,591
Effect of tax incentives	**12,807**	34,792
Effect of changes in tax rates for deferred tax recognised previously	**(9,560)**	20,793
Income not subject to taxation	**(49,364)**	(46,922)
Non-deductible expenses	**39,676**	38,260
Deferred tax assets not recognised	**55,318**	31,141
(Over)/under provision in respect of previous years	**(3,169)**	19,365
Share of results of joint ventures and associates	**(38,657)**	(34,469)
Utilisation of previously unrecognised tax losses/capital allowances	**(31,221)**	(4,102)
Withholding tax expenses	**52,913**	10,170
Others	**(1,688)**	1,588
Income tax expense recognised in the consolidated income statement	**699,602**	620,088

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

12. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding (exclude treasury shares outstanding) during the financial year.

	Group	
	2021	2020
Profit for the year attributable to owners of the Company (US$'000)	**1,890,390**	1,534,110
Weighted average number of ordinary shares ('000)	**6,308,080**	6,346,997
Basic earnings per share (US cents per share)	**30.0**	24.2

(b) Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Group	
	2021	2020
Profit for the year attributable to owners of the Company (US$'000)	**1,890,390**	1,534,110
Weighted average number of ordinary shares ('000)	**6,308,080**	6,346,997
Effects of dilution		
– Grant of equity-settled share options ('000)	**9,841**	9,287
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	**6,317,921**	6,356,284
Diluted earnings per share (US cents per share)	**29.9**	24.1

There are no share options (2020: 40,380,000) granted to employees (including directors) under existing employee share option plans that have not been included in the calculation of diluted earnings per share during the financial year because they are anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS

Property, plant and equipment

	Land and land rights US$'000	Buildings US$'000	Plant and machineries US$'000	Furniture, fittings and office equipment US$'000	Vessels US$'000	Motor vehicles, trucks and aircraft US$'000	Construction in-progress US$'000	Total US$'000
Group								
Costs								
At 1 January 2020	135,802	4,083,163	8,503,825	308,230	881,448	295,156	1,352,193	15,559,817
Acquisition of subsidiaries	6,852	19,437	45,112	808	–	376	252	72,837
Disposal of subsidiaries	–	(2,031)	(855)	(46)	–	(82)	(1,950)	(4,964)
Additions	1,710	20,617	125,057	20,871	24,780	16,392	1,664,845	1,874,272
Disposals	(1,591)	(35,984)	(81,670)	(8,335)	(22,598)	(14,432)	(47)	(164,657)
Transfers	27	375,849	712,847	15,890	7,303	4,043	(1,115,959)	–
Reclassifications	–	2,130	(3,097)	(190)	–	1,228	(71)	–
Currency translation differences	9,069	196,892	450,994	17,057	(114)	(467)	104,504	777,935
At 31 December 2020, and 1 January 2021	**151,869**	**4,660,073**	**9,752,213**	**354,285**	**890,819**	**302,214**	**2,003,767**	**18,115,240**
Acquisition of subsidiaries	**–**	**26,920**	**46,805**	**418**	**–**	**259**	**9,254**	**83,656**
Disposal of subsidiaries	**–**	**–**	**(265)**	**–**	**–**	**–**	**–**	**(265)**
Additions	**33**	**40,583**	**85,788**	**28,367**	**22,479**	**22,869**	**2,049,298**	**2,249,417**
Disposals	**–**	**(169,336)**	**(92,033)**	**(19,123)**	**(85,335)**	**(10,552)**	**(429)**	**(376,808)**
Transfers	**9,992**	**584,115**	**993,253**	**28,845**	**93,286**	**5,225**	**(1,714,716)**	**–**
Transfer to investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**(2,758)**	**(2,758)**
Transfer to right-of-use assets	**–**	**–**	**–**	**–**	**–**	**–**	**(73,162)**	**(73,162)**
Reclassifications	**–**	**1,420**	**(117,438)**	**500**	**–**	**2,059**	**113,459**	**–**
Currency translation differences	**(8,316)**	**(9,726)**	**(167,572)**	**(4,316)**	**(42)**	**(3,538)**	**19,378**	**(174,132)**
At 31 December 2021	**153,578**	**5,134,049**	**10,500,751**	**388,976**	**921,207**	**318,536**	**2,404,091**	**19,821,188**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS (CONTINUED)

Property, plant and equipment (continued)

	Land and land rights US$'000	Buildings US$'000	Plant and machineries US$'000	Furniture, fittings and office equipment US$'000	Vessels US$'000	Motor vehicles, trucks and aircraft US$'000	Construction in-progress US$'000	Total US$'000
Group								
Accumulated depreciation and impairment loss								
At 1 January 2020	–	1,145,327	3,833,443	227,301	242,604	165,318	–	5,613,993
Disposal of subsidiaries	–	(814)	(619)	(45)	–	(82)	–	(1,560)
Depreciation charge for the year	–	167,994	546,600	31,199	71,846	23,316	–	840,955
Disposals	–	(10,395)	(60,552)	(7,807)	(10,929)	(13,527)	–	(103,210)
Impairment loss	11,666	13,746	17,886	–	–	–	–	43,298
Reclassifications	–	(97)	(454)	(288)	–	839	–	–
Currency translation differences	–	63,026	277,281	11,317	(116)	(868)	–	350,640
At 31 December 2020 and 1 January 2021	**11,666**	**1,378,787**	**4,613,585**	**261,677**	**303,405**	**174,996**	**–**	**6,744,116**
Disposal of subsidiaries	**–**	**–**	**(265)**	**–**	**–**	**–**	**–**	**(265)**
Depreciation charge for the year	**–**	**187,390**	**616,007**	**35,267**	**72,130**	**24,463**	**–**	**935,257**
Disposals	**–**	**(146,535)**	**(68,797)**	**(18,698)**	**(52,406)**	**(10,034)**	**–**	**(296,470)**
Impairment loss	**–**	**12,257**	**24,332**	**88**	**–**	**–**	**–**	**36,677**
Reclassifications	**–**	**(125)**	**(1,269)**	**111**	**–**	**1,283**	**–**	**–**
Currency translation differences	**–**	**(9,321)**	**(118,323)**	**(3,964)**	**(17)**	**(3,304)**	**–**	**(134,929)**
At 31 December 2021	**11,666**	**1,422,453**	**5,065,270**	**274,481**	**323,112**	**187,404**	**–**	**7,284,386**
Net carrying amount								
At 31 December 2020	140,203	3,281,286	5,138,628	92,608	587,414	127,218	2,003,767	11,371,124
At 31 December 2021	**141,912**	**3,711,596**	**5,435,481**	**114,495**	**598,095**	**131,132**	**2,404,091**	**12,536,802**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS (CONTINUED)

Property, plant and equipment (continued)

	Buildings US$'000	Furniture, fittings and office equipment US$'000	Motor vehicles US$'000	Construction in-progress US$'000	Total US$'000
Company					
Costs					
At 1 January 2020	–	10,519	678	59,233	70,430
Additions	–	794	–	35,300	36,094
Disposals	–	(46)	(203)	–	(249)
At 31 December 2020 and 1 January 2021	**–**	**11,267**	**475**	**94,533**	**106,275**
Additions	**–**	**4,462**	**–**	**21,299**	**25,761**
Disposals	**–**	**(71)**	**–**	**–**	**(71)**
Transfers	**72,867**	**–**	**–**	**(72,867)**	**–**
Transfer to right-of-use assets	**–**	**–**	**–**	**(35,155)**	**(35,155)**
At 31 December 2021	**72,867**	**15,658**	**475**	**7,810**	**96,810**
Accumulated depreciation					
At 1 January 2020	–	6,672	159	–	6,831
Depreciation charge for the year	–	1,823	53	–	1,876
Disposals	–	(45)	(14)	–	(59)
At 31 December 2020 and 1 January 2021	**–**	**8,450**	**198**	**–**	**8,648**
Depreciation charge for the year	**767**	**2,119**	**48**	**–**	**2,934**
Disposals	**–**	**(66)**	**–**	**–**	**(66)**
At 31 December 2021	**767**	**10,503**	**246**	**–**	**11,516**
Net carrying amount					
At 31 December 2020	–	2,817	277	94,533	97,627
At 31 December 2021	**72,100**	**5,155**	**229**	**7,810**	**85,294**

Capitalisation of borrowing costs

The Group's property, plant and equipment include borrowing costs arising from bank term loans borrowed specifically for the purpose of the construction of plants. During the financial year, the borrowing costs capitalised as cost of plant and machineries amounted to approximately US$7,376,000 (2020: US$10,749,000).

Assets pledged as security

Certain property, plant and equipment of the Group amounting to approximately US$80,109,000 (2020: US$218,082,000) are pledged as security for bank borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS (CONTINUED)

Investment properties

	Group	
	2021	2020
	US$'000	US$'000
Balance sheet		
At 1 January	**32,475**	33,181
Transfer from property, plant and equipment	**2,758**	–
Net gain/(loss) from changes in fair value recognised in profit or loss	**2,129**	(2,834)
Currency translation differences	**924**	2,128
At 31 December	**38,286**	32,475
Income statement		
Rental income from investment properties		
– Minimum lease payments	**1,470**	1,453
	1,470	1,453
Direct operating expenses arising from:		
– Rental generating properties	**491**	477
	491	477

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2021. The valuations were performed by Beijing Zhuoxin Dahua Appraisal Co., Ltd., an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

The investment properties held by the Group as at 31 December 2021 are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
8/25/26/33 Hua Neng Union Tower, Shanghai, China	Office	Leasehold	22 years
Floor 1-3, C 118 Gaodong Road, Shanghai, China	Industrial Plant	Leasehold	32 years
8 Yihai Avenue, Zhangpu Town, Kunshan, Jiangsu, China	Industrial Plant	Leasehold	38 years
No.12 Machong West Xingang Road, Machong Town, Dongguan, Guangdong, China	Industrial Plant	Leasehold	21 years
No.12 Machong West Xingang Road, Machong Town, Dongguan, Guangdong, China	Land	Leasehold	21 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS (CONTINUED)

Right-of-use assets

	Land and land rights US$'000	Buildings US$'000	Plant and machineries US$'000	Furniture, fittings and office equipment US$'000	Vessels US$'000	Motor vehicles, trucks and aircraft US$'000	Total US$'000
Group							
Costs							
At 1 January 2020	1,147,426	104,124	20,827	18,055	68,495	14,313	1,373,240
Acquisition of subsidiaries	–	21,877	4,676	11	–	–	26,564
Disposal of subsidiaries	(2,452)	–	–	–	–	–	(2,452)
Additions	46,547	35,971	11,675	196	18,145	6,041	118,575
Disposals	(5,312)	(8,741)	(11)	(49)	(767)	(1,288)	(16,168)
Currency translation differences	48,776	6,067	265	1,859	–	755	57,722
At 31 December 2020 and 1 January 2021	**1,234,985**	**159,298**	**37,432**	**20,072**	**85,873**	**19,821**	**1,557,481**
Acquisition of subsidiaries	**19,612**	**2,956**	**–**	**–**	**–**	**184**	**22,752**
Additions	**213,062**	**33,223**	**3,386**	**44**	**14,913**	**10,500**	**275,128**
Disposals	**(10,235)**	**(9,036)**	**(2,330)**	**(12)**	**(18,322)**	**(1,424)**	**(41,359)**
Transfer from property, plant and equipment	**73,162**	**–**	**–**	**–**	**–**	**–**	**73,162**
Reclassifications	**(288)**	**(1,106)**	**1,394**	**–**	**–**	**–**	**–**
Currency translation differences	**14,186**	**(7,039)**	**(898)**	**(1,132)**	**–**	**(284)**	**4,833**
At 31 December 2021	**1,544,484**	**178,296**	**38,984**	**18,972**	**82,464**	**28,797**	**1,891,997**
Accumulated depreciation and impairment loss							
At 1 January 2020	33,317	13,023	1,421	1,175	11,901	3,384	64,221
Disposal of subsidiaries	(418)	–	–	–	–	–	(418)
Depreciation charge for the year	33,723	32,972	5,809	1,331	18,461	5,971	98,267
Disposals	(1,851)	(7,800)	(2)	(18)	(258)	(1,245)	(11,174)
Impairment loss	438	–	–	–	–	–	438
Currency translation differences	29	2,808	241	241	–	238	3,557
At 31 December 2020 and 1 January 2021	**65,238**	**41,003**	**7,469**	**2,729**	**30,104**	**8,348**	**154,891**
Depreciation charge for the year	**42,673**	**35,705**	**5,309**	**1,410**	**20,366**	**7,098**	**112,561**
Disposals	**(2,390)**	**(6,901)**	**(1,362)**	**(12)**	**(17,394)**	**(1,339)**	**(29,398)**
Reclassifications	**(154)**	**(100)**	**254**	**–**	**–**	**–**	**–**
Currency translation differences	**2,115**	**(3,174)**	**(284)**	**(185)**	**–**	**(160)**	**(1,688)**
At 31 December 2021	**107,482**	**66,533**	**11,386**	**3,942**	**33,076**	**13,947**	**236,366**
Net carrying amount							
At 31 December 2020	1,169,747	118,295	29,963	17,343	55,769	11,473	1,402,590
At 31 December 2021	**1,437,002**	**111,763**	**27,598**	**15,030**	**49,388**	**14,850**	**1,655,631**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13. PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES RIGHT-OF-USE ASSETS (CONTINUED)

Right-of-use assets (continued)

	Land and land rights US$'000	Total US$'000
Company		
Costs		
At 1 January 2020, 31 December 2020 and 1 January 2021	–	–
Transfer from property, plant and equipment	**35,155**	**35,155**
At 31 December 2021	**35,155**	**35,155**
Accumulated depreciation		
At 1 January 2020, 31 December 2020 and 1 January 2021	–	–
Depreciation charge for the year	**651**	**651**
At 31 December 2021	**651**	**651**
Net carrying amount		
At 31 December 2020	–	–
At 31 December 2021	**34,504**	**34,504**

Property, plant and equipment in the balance sheets comprise the following:

	Group		Company	
	2021 US$'000	2020 US$'000	**2021 US$'000**	2020 US$'000
Net carrying amount				
Property, plant and equipment	**12,536,802**	11,371,124	**85,294**	97,627
Right-of-use assets	**1,655,631**	1,402,590	**34,504**	–
Total	**14,192,433**	12,773,714	**119,798**	97,627

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. BEARER PLANTS

BIOLOGICAL ASSETS

	Group	
Bearer plants	**2021 US$'000**	2020 US$'000
Group		
Costs		
At 1 January	**1,250,517**	1,217,006
Additions	**37,865**	44,569
Disposals	**(1,400)**	(547)
Capitalisation of interest	**660**	767
Capitalisation of depreciation	**1,856**	2,301
Capitalisation of employee benefits	**6,820**	9,577
Written off	**(15,304)**	(23,540)
Currency translation differences	**(14,832)**	384
At 31 December	**1,266,182**	1,250,517
Accumulated depreciation and impairment loss		
At 1 January	**584,384**	526,366
Depreciation charge for the year	**60,563**	74,784
Disposals	**–**	(172)
Written off	**(12,804)**	(18,622)
Currency translation differences	**(4,079)**	2,028
At 31 December	**628,064**	584,384
Net carrying amount		
At 31 December	**638,118**	666,133

	Group	
Biological assets (Note 21)	**2021 US$'000**	2020 US$'000
At 1 January	**44,724**	38,641
Fair value gain of biological assets	**21,335**	6,107
Currency translation differences	**(47)**	(24)
At 31 December	**66,012**	44,724

(a) Analysis of oil palm production

During the financial year, the Group harvested approximately 4,005,000 metric tonnes (2020: 4,030,000 metric tonnes) of FFB, which had a fair value less estimated point-of-sale costs of approximately US$723,658,000 (2020: US$482,251,000). The fair value of FFB was determined with reference to their monthly average market prices during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. BEARER PLANTS

BIOLOGICAL ASSETS (CONTINUED)

(b) Analysis of bearer plants

At the end of the financial year, the Group's total planted area and related value of mature and immature plantations are as follows:-

	Group	
	2021	2020
Area	**Hectares**	Hectares
Planted area:		
– Mature	**211,800** (1)	205,229 (1)
– Immature	**26,203**	34,748
	238,003	239,977

	Group	
	2021	2020
Value	**US$'000**	US$'000
Planted area:		
– Mature	**529,718** (1)	528,452 (1)
– Immature	**108,400**	137,681
	638,118	666,133

(1) Mature planted areas include sugar cane plantations.

(c) The interest capitalised is actual interest incurred on the bank borrowings to finance the development of oil palm plantations.

(d) The fair value of biological assets has been determined based on the market price and the estimated yield of FFB, net of maintenance and harvesting costs, overhead costs and estimated cost to sell. The estimated yield is dependent on the age of the oil palm trees, the location of the plantations, soil type and infrastructure. The market price of the FFB is largely dependent on the prevailing market prices of crude palm oil and palm kernel. Point-of-sale costs include all costs that would be necessary to sell the assets.

The following table shows the key unobservable inputs used in the valuation models:

Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
FFB average selling price of US$168 to US$248 (2020: US$108 to US$179) per metric tonne	The estimated fair value increases as the estimated selling price of FFB increases.
Average yield (annual) is 19.6 (2020: 20.4) metric tonne per hectare	The estimated fair value increases as the estimated average yield increases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. INTANGIBLE ASSETS

	Goodwill US$'000	Trademarks & licenses and others US$'000	Brands US$'000	Total US$'000
Group				
Cost				
At 1 January 2020	3,897,405	34,589	1,544,267	5,476,261
Additions	–	1,145	–	1,145
Acquisition of subsidiaries	23,966	140	3,584	27,690
Currency translation differences	63,293	(2,254)	4,803	65,842
At 31 December 2020 and and 1 January 2021	**3,984,664**	**33,620**	**1,552,654**	**5,570,938**
Additions	**–**	**551**	**–**	**551**
Acquisition of subsidiaries	**75**	**–**	**–**	**75**
Disposal of subsidiaries	**(1,470)**	**–**	**–**	**(1,470)**
Currency translation differences	**(54,205)**	**1,827**	**(193)**	**(52,571)**
At 31 December 2021	**3,929,064**	**35,998**	**1,552,461**	**5,517,523**
Accumulated amortisation and impairment loss				
At 1 January 2020	105,886	7,482	–	113,368
Amortisation during the year	–	2,554	–	2,554
Impairment charge	272	–	–	272
Currency translation differences	10,469	(1,417)	–	9,052
At 31 December 2020 and and 1 January 2021	**116,627**	**8,619**	**–**	**125,246**
Amortisation during the year	**–**	**3,454**	**–**	**3,454**
Currency translation differences	**(6,710)**	**1,649**	**–**	**(5,061)**
At 31 December 2021	**109,917**	**13,722**	**–**	**123,639**
Net carrying amount				
At 31 December 2020	3,868,037	25,001	1,552,654	5,445,692
At 31 December 2021	**3,819,147**	**22,276**	**1,552,461**	**5,393,884**

Amortisation expense

The amortisation of trademarks & licenses and others is included in other operating expenses in the consolidated income statement.

Brands

Brands include 'Arawana', 'CSR', 'Madhur' and various brand names held under the Group's subsidiaries. As explained in Note 2.14(b)(i), the useful lives of the brands are estimated to be indefinite.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. INTANGIBLE ASSETS (CONTINUED)

Impairment testing of goodwill and brands

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

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

	Food Products US$'000	Feed and Industrial Products US$'000	Plantation and Sugar Milling US$'000	Others US$'000	Total US$'000
2021					
Goodwill	**913,406**	**1,104,758**	**1,784,899**	**16,084**	**3,819,147**
Brands	**1,544,369**	**8,092**	**–**	**–**	**1,552,461**
2020					
Goodwill	952,832	1,107,111	1,792,021	16,073	3,868,037
Brands	1,549,070	3,584	–	–	1,552,654

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five to ten years period for Food Products, Feed and Industrial Products and Sugar Milling segments. For Palm Oil Plantation, management has used cash flow projections based on the age of the plantations. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year to ten-year period are as follows:-

	Food Products		Feed and Industrial Products		Plantation and Sugar Milling	
	%	%	**%**	%	**%**	%
	2021	2020	**2021**	2020	**2021**	2020
Terminal growth rates	**1.9 – 3.4**	1.9 – 3.4	**2.0 – 3.0**	2.0 – 3.0	**1.5 – 2.0**	1.0
Pre-tax discount rates	**5.9 – 19.0**	6.2 – 19.2	**11.0 – 14.4**	11.0 – 14.4	**7.6 – 12.0**	7.0 – 12.0

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	US$'000	US$'000
Unquoted equity shares, at cost	**10,468,178**	10,141,987

Details of the list of significant subsidiaries are included in Note 39.

Acquisition of subsidiaries

The list of major acquisition of subsidiaries during the financial year:

Name of subsidiaries acquired	**Equity interest acquired %**	**Consideration US$'000**	**Month of acquisition**
Global Eco Chemicals Singapore Pte. Ltd.	50	4,080	Jan 2021
Yihai Chenke (Maoming) Agriculture Co., Ltd (formerly known as Chenke Yihai (Maoming) Agriculture Co., Ltd)	11	–*	Jul 2021
PT Agri Hikay Indonesia[1]	100	–*	Jul 2021
PT Agri Indomas[1]	100	8,451	Jul 2021
Wuan Chuang Arawana (Taizhou) Foods Industries Co., Ltd	20	5,200	Dec 2021

* The consideration is less than US$1,000.

(1) The entities were acquired from a related party. Further, the Group also completed a conditional asset purchase agreement to acquire assets and inventory of approximately US$65,016,000 from the same related party, based on terms agreed between both parties.

In addition to the above, the Group acquired a 75% interest in the registered capital of Arawana Jinchu (Guangdong) Condiments Co., Ltd ("AJGC") by way of cash contribution of approximately US$65,900,000 into the registered capital and capital reserve of AJGC on 22 June 2021.

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

	Fair value recognised on acquisition US$'000
Property, plant and equipment	106,408
Inventories	77,835
Deferred tax assets	6,515
Trade receivables and other assets	227,498
Cash and cash equivalents	27,173
	445,429
Trade and other payables (including provision for employee gratuity)	338,674
Loans and borrowings	42,933
	381,607
Net identifiable assets	63,822
Less: Non-controlling interests measured at the non-controlling interest's proportionate share of net identifiable assets	(27,225)
Identifiable net assets acquired	36,597
Less: Transfer from investment in joint ventures	(15,295)
Less: Transfer from investment in an associate	(1,767)
	19,535
Positive goodwill arising from acquisition recognised as part of intangible assets	75
Fair value gain arising from changes of interest in joint ventures resulting in change of control	(1,879)
Total consideration for acquisition	**17,731**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Total cost of business combination

The total cost of the business combination is as follows:

	Cashflow on acquisition US$'000
The effects of acquisition on cash flow are as follows:	
Consideration settled in cash	17,731
Less: Cash and cash equivalents of subsidiaries acquired	(27,173)
Net cash inflow on acquisition	**(9,442)**

Impact of acquisitions on consolidated income statement

From the respective dates of acquisition, the acquirees have contributed additional revenue and net profit of approximately US$166,378,000 and US$8,741,000 respectively for the financial year ended 31 December 2021. If the combinations had taken place at the beginning of the financial year, the Group's revenue would have been approximately US$66,034,745,000 and net profit would have been approximately US$1,893,295,000.

Acquisition of non-controlling interests

During the year, the Group acquired additional interests in certain subsidiaries. The list of major acquisition of non-controlling interests:

Acquirer	Acquiree	Additional interest %	Proportion of ownership interest after additional acquisition %	Consideration US$'000	Book value US$'000	Premium/ (discount) arising from acquisition US$'000	Month of acquisition
Yihai Kerry Arawana Holdings Co., Ltd	Yihai Kerry (Zhengzhou) Logistic Co., Ltd	11	85+	–*	1,169	(1,169)	Sep 2021
Yihai Kerry Arawana Holdings Co., Ltd	Liaoning Yihai Kerry Starch Technology Co., Ltd (formerly known as Liaoning Yihai Kerry Tereos Starch Technology Co., Ltd)	49	100	35,000	7,934	27,066	Nov 2021
Yihai Kerry Arawana Holdings Co., Ltd	Dongguan Yihai Kerry Starch Co., Ltd (formerly known as Dongguan Yihai Kerry Syral Starch Technology Co., Ltd)	49	100	12,500	(7,289)	19,789	Nov 2021
Wilmar International Limited	Wilmar Rice Trading Pte. Ltd. (formerly known as Wilmar Riceland Trading Pte. Ltd.)	40	100	441	6,157	(5,716)	Dec 2021

\+ Rounded to the nearest whole % as indicated.
* The consideration is less than US$1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Disposal/liquidation of subsidiaries

During the year, the interests in the following major subsidiaries were disposed/liquidated:

Name of subsidiaries disposed/liquidated	Equity interest disposed/ liquidated %	Proceeds US$'000	Month of disposal/ liquidation
Yihai (Chongqing) Foodstuffs Co., Ltd	80	10,352	Feb 2021
Yihai (Jiamusi) Properties Management Co., Ltd	100	55	Aug 2021
Yihai Kerry (Qinzhou) Food Industries Co., Ltd	100	11	Sep 2021
Wilmar Yuanda BioTech (Lianyungang) Co., Ltd	100	1,993	Sep 2021

The carrying amounts of assets and liabilities of the subsidiaries disposed/liquidated and the effect thereof as at date of disposal/liquidation were as follows:

	Cashflow on disposal US$'000
Intangible assets	1,470
Cash and cash equivalents	14,999
	16,469
Trade and other payables	18
Net carrying amounts of assets disposed	16,451
Less: Non-controlling interest	(2,590)
Net assets disposed	13,861
Net assets disposed	13,861
Less: Foreign currency translation reserve realised upon disposal/liquidation of subsidiaries	(875)
Loss on disposal/liquidation	(575)
Sales proceeds, net	12,411
Less: Cash and cash equivalents of subsidiaries disposed/liquidated	(14,999)
Net cash outflow on disposal/liquidation of subsidiaries	**(2,588)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. INVESTMENT IN JOINT VENTURES

INVESTMENT IN ASSOCIATES

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

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Adani Wilmar Limited	**264,377**	226,727	**–**	–
Other joint ventures	**367,195**	397,432	**–**	3,800
Investment in joint ventures	**631,572**	624,159	**–**	3,800

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

The summarised financial information of material joint venture is as follows:

	Adani Wilmar Limited	
	2021	2020
	US$'000	US$'000
Assets and liabilities:		
Current assets	**1,959,650**	1,251,944
Non-current assets	**720,200**	608,529
Total assets	**2,679,850**	1,860,473
Current liabilities	**1,922,866**	1,238,227
Non-current liabilities	**235,752**	233,615
Total liabilities	**2,158,618**	1,471,842
Shareholders' equity	**494,898**	419,598
Proportion of the Group's ownership interest	**50%**	50%
Group's share	**247,449**	209,799
Goodwill on acquisition	**16,928**	16,928
Carrying amount of the investment	**264,377**	226,727
Revenue	**6,626,080**	4,570,316
Profit for the year	**82,284**	93,266
Other comprehensive income	**(651)**	(189)
Total comprehensive income	**81,633**	93,077
Cash and cash equivalents	**24,530**	6,682
Current financial liabilities (excluding trade and other payables and provisions)	**240,822**	205,332
Non-current financial liabilities (excluding other payables and provisions)	**188,321**	203,883
Depreciation and amortisation	**38,779**	36,019
Finance income	**10,643**	11,182
Finance expense	**72,317**	68,831
Income tax expense	**14,879**	36,172

The activities of Adani Wilmar Limited ("AWL") is strategic to the Group's activities. No dividends were received during the financial year ended 31 December 2021 (2020: US$Nil).

On 8 February 2022, AWL, a 50% owned joint venture of the Group, was listed on BSE Limited and National Stock Exchange of India Limited. Subsequent to the listing of AWL, the Group will be accounting AWL as an associate and will continue to account for its investment in AWL using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

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

	Group	
	2021	2020
	US$'000	US$'000
Share of the joint ventures' profit for the year	**22,406**	24,490
Share of the joint ventures' total comprehensive income	**22,406**	24,490

The Group's investment in associates are summarised below:

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd	**603,251**	587,941	**–**	–
Cosumar S.A.	**342,811**	338,727	**–**	–
Other associates	**1,928,894**	1,799,654	**13,677**	13,677
Investment in associates	**2,874,956**	2,726,322	**13,677**	13,677
Fair value of investment in associates for which there are published price quotations (Level 1 in the fair value hierarchy)	**870,780**	705,180	**18,605**	16,113

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

The summarised financial information of material associates are as follows:

	COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd		Cosumar S.A.	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Assets and liabilities:				
Current assets	**561,611**	519,965	**710,213**	869,820
Non-current assets	**323,592**	263,346	**577,567**	613,664
Total assets	**885,203**	783,311	**1,287,780**	1,483,484
Current liabilities	**213,139**	146,107	**595,686**	800,756
Non-current liabilities	**1,084**	1,634	**115,056**	121,355
Total liabilities	**214,223**	147,741	**710,742**	922,111
Shareholders' equity	**655,582**	620,787	**577,585**	563,764
Proportion of the Group's ownership interest	**44%**	44%	**30%+**	30%+
Group's share	**288,456**	273,146	**170,699**	166,615
Goodwill on acquisition	**314,795**	314,795	**172,112**	172,112
Carrying amount of the investment	**603,251**	587,941	**342,811**	338,727
Revenue	**3,501,773**	2,620,866	**1,001,245**	895,059
Profit for the year	**25,293**	19,994	**104,554**	89,566
Total comprehensive income	**25,293**	19,994	**104,554**	89,566

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17. INVESTMENT IN JOINT VENTURES

INVESTMENT IN ASSOCIATES (CONTINUED)

The activities of COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd and Cosumar S.A. are strategic to the Group's activities. Dividend of approximately US$3,544,000 (2020: US$Nil) was received from COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd during the financial year ended 31 December 2021. Dividend of approximately US$19,056,000 (2020: US$21,516,000) was received from Cosumar S.A. during the financial year ended 31 December 2021.

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

	Group	
	2021	2020
	US$'000	US$'000
Share of the associates' profit for the year	**114,720**	94,939
Share of the associates' total comprehensive income	**114,720**	94,939

18. INVESTMENT SECURITIES

	Group	
	2021	2020
	US$'000	US$'000
At fair value through other comprehensive income		
Non-current:		
Quoted equity instruments*	**215,687**	216,552
Unquoted equity instruments	**39,512**	33,697
Investment funds	**110,102**	120,559
	365,301	370,808
At fair value through profit or loss		
Current:		
Quoted equity instruments	**326,846**	286,706
	326,846	286,706

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

<u>Investments in equity instruments designated at fair value through other comprehensive income</u>

The fair value of each of the investments in equity instruments designated at fair value through other comprehensive income at the end of the reporting period are as follows:

	Group	
	2021	2020
	US$'000	US$'000
At fair value through other comprehensive income		
Preference shares issued by financial institutions in China	**145,464**	132,428
Unity Foods Limited	**34,912**	46,693
Primavera Capital (Cayman) Fund I L.P.	**17,307**	39,651
Sugar Terminals Limited	**35,270**	37,415
Others	**132,348**	114,621
	365,301	370,808

The Group has elected to measure these investment securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

During the year, the Group recognised investment income of US$40,751,000 (2020: US$110,527,000) from its investment securities at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

19. DEFERRED TAX

	Group			
	Balance sheet		Consolidated income statement	
	2021 US$'000	2020 US$'000	**2021 US$'000**	2020 US$'000
Deferred tax assets:				
Provisions	**129,969**	107,507	**(24,034)**	(20,384)
Unutilised tax losses	**116,615**	139,179	**32,006**	(16,161)
Timing differences for tax purposes	**145,210**	179,506	**29,755**	(16,457)
Fair value adjustments on derivatives classified as cash flow hedges	**10,276**	26,799	**–**	–
Other items	**2,890**	1,260	**(157)**	286
	404,960	454,251		
Less: Deferred tax liabilities:				
Timing differences for tax purposes	**423,007**	409,556	**26,394**	107,021
Fair value adjustments on acquisition of subsidiaries	**29,727**	31,275	**(4,438)**	(1,011)
Fair value adjustments on derivatives classified as cash flow hedges	**19,155**	28,328	**–**	–
Fair value adjustments on biological assets	**14,875**	9,163	**5,712**	(111)
Undistributed earnings	**80,734**	69,386	**11,348**	423
Other items	**680**	1,866	**(1,147)**	501
	568,178	549,574		
	(163,218)	(95,323)		
Deferred income tax charge			**75,439**	54,107

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, were shown in the statements of financial position:

	Group	
	2021 US$'000	2020 US$'000
Deferred tax assets	**204,495**	203,494
Deferred tax liabilities	**(367,713)**	(298,817)
	(163,218)	(95,323)

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately US$937,850,000 (2020: US$902,882,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Unrecognised temporary differences relating to investments in subsidiaries

At the balance sheet date, no deferred tax liability (2020: US$Nil) has been recognised for taxes that would be payable on certain of the Group's subsidiaries' undistributed earnings as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to approximately US$6,731,032,000 (2020: US$6,110,457,000). The deferred tax liability is estimated to be approximately US$539,785,000 (2020: US$468,445,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

20. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	2021			2020		
	Contract/ Notional amount US$'000	**Assets US$'000**	**Liabilities US$'000**	Contract/ Notional amount US$'000	Assets US$'000	Liabilities US$'000
Forward currency contracts, options and cross currency interest rate swaps	**14,669,666**	**137,265**	**180,912**	10,576,276	185,348	254,837
Futures, options and swap contracts	**10,436,870**	**264,288**	**331,230**	11,447,195	341,894	596,679
Interest rate swap	**117,106**	**–**	**6,045**	1,113,978	–	10,972
Fair value of firm commitment contracts	**7,282,237**	**174,384**	**103,704**	6,952,962	175,195	81,077
Total derivative financial instruments		**575,937**	**621,891**		702,437	943,565
Less: Current portion		**(563,981)**	**(566,612)**		(641,249)	(893,729)
Non-current portion		**11,956**	**55,279**		61,188	49,836

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

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

Cash flow hedges

The Group enters into various commodities futures, options, swap and forward currency contracts in order to hedge the financial risks related to the purchases and sales of commodity products. The Group has applied cash flow hedge accounting to these derivatives as they are considered to be highly effective hedging instruments. A net fair value gain of approximately US$1,149,000 (2020: loss of US$73,501,000), with related deferred tax charge of approximately US$8,683,000 (2020: tax charge of US$1,529,000), is included in the hedging reserve in respect of these contracts.

The cash flows arising from these derivatives are expected to occur and enter into the determination of profit or loss during the next two financial years as follows: US$96,000 and US$1,053,000 (2020: (US$73,504,000) and US$3,000).

Fair value changes to the forward elements of forward currency contracts not designated as hedging instruments are accounted for as cost of hedging. A net fair value loss of approximately US$6,375,000 (2020: gain of approximately US$2,981,000), with related deferred tax credit of approximately US$2,089,000 (2020: tax charge of approximately US$1,416,000), is included in the cost of hedging reserve in respect of these contracts.

Fair value hedges

The Group enters into commodities future contracts to hedge the financial risk related to the carrying value of commodity products. A net fair value gain of approximately US$32,818,000 (2020: loss of US$66,458,000) is recognised in the income statement and offset with a similar loss on the inventory.

The Group also enters into cross currency interest rate swaps to hedge the financial risk related to Medium Term Notes issued by the Company. A net fair value loss of approximately US$1,458,000 (2020: gain of US$1,035,000) is recognised in the income statement with a similar decrease in the loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. OTHER FINANCIAL RECEIVABLES OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2021 US$'000	2020 US$'000	**2021 US$'000**	2020 US$'000
Non-current:				
Other non-trade receivables	**78,861**	19,400	**–**	19
Other deposits with financial institutions	**–**	12,991	**–**	–
Amounts due from subsidiaries – non-trade	**–**	–	**263,317**	247,045
Amounts due from joint ventures – non-trade	**34,764**	19,871	**49,938**	–
Amounts due from associates – non-trade	**17,643**	54,780	**–**	56,073
Amounts due from related parties – non-trade	**18,868**	20,600	**–**	–
Other financial receivables	**150,136**	127,642	**313,255**	303,137
Current:				
Deposits	**183,852**	150,027	**53**	56
Loans to non-controlling shareholders of subsidiaries	**5,017**	4,923	**–**	–
Other non-trade receivables	**397,325**	353,317	**27,247**	30,169
Other deposits with financial institutions	**3,196,798**	3,615,798	**–**	–
Amounts due from subsidiaries – non-trade	**–**	–	**5,647,029**	5,879,227
Amounts due from joint ventures – non-trade	**103,825**	121,871	**1,756**	1,215
Amounts due from associates – non-trade	**258,664**	216,531	**2,677**	2,883
Amounts due from related parties – non-trade	**37,977**	86,001	**–**	–
Other financial receivables	**4,183,458**	4,548,468	**5,678,762**	5,913,550
Non-current:				
Prepayments	**50,914**	45,356	**–**	–
Plasma investments	**12,960**	19,423	**–**	–
Other non-financial assets	**63,874**	64,779	**–**	–
Current:				
Prepayments and other non-financial assets	**267,091**	192,338	**7,473**	6,337
Biological assets (Note 14)	**66,012**	44,724	**–**	–
Tax recoverables	**130,150**	119,994	**–**	–
Advances for property, plant and equipment	**490,673**	452,142	**–**	–
Advances for acquisition of subsidiaries	**47,532**	–	**–**	–
Advances to suppliers	**825,612**	995,719	**–**	–
Other non-financial assets	**1,827,070**	1,804,917	**7,473**	6,337

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

Other than the non-current non-trade receivables from joint ventures, associates and related parties, which bear interest rates ranging from 2.5% to 4.2% (2020: 2.5% to 7.7%) per annum, the remaining amounts are interest-free, unsecured and have no fixed terms of repayment. These balances are not expected to be repaid within the next twelve months and are expected to be settled in cash.

As at 31 December 2021, the Company has provided impairment for amounts due from subsidiaries amounting to approximately US$6,914,000 (2020: US$6,914,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

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

The current non-trade receivables from subsidiaries, joint ventures, associates and related parties are unsecured, non-interest bearing and repayable on demand except for amounts due from joint ventures and associates of approximately US$127,952,000 (2020: US$124,326,000) and US$51,768,000 (2020: US$68,891,000) respectively, which bear interest ranging from 1.5% to 12.0% (2020: 1.5% to 9.5%) per annum. These balances are expected to be settled in cash.

As at 31 December 2021, the Company has provided impairment for amounts due from subsidiaries amounting to approximately US$81,959,000 (2020: US$81,959,000).

Loans to non-controlling shareholders of subsidiaries

The current loans to non-controlling shareholders of subsidiaries are non-interest bearing and have no fixed repayment dates except for loans amounting to US$4,191,000 (2020: US$4,082,000), which bear interest ranging from 3.0% to 7.2% (2020: 3.0% to 8.9%) per annum and are expected to be settled in cash.

Other deposits with financial institutions

Other deposits with financial institutions are deposits placed with banks with high credit ratings and no history of default. The interest rates range from 1.8% to 4.5% (2020: 2.6% to 4.1%) per annum.

The Group has pledged other deposits with financial institutions amounting to approximately US$66,650,000 (2020: US$1,021,510,000) as security for bank borrowings.

22. INVENTORIES

	Group	
	2021	2020
	US$'000	US$'000
Balance Sheet		
At cost:		
Raw materials	**4,029,941**	3,742,935
Consumables	**578,494**	453,565
Finished goods	**4,328,160**	3,635,725
Stock in transit	**854,176**	705,705
	9,790,771	8,537,930
At net realisable value:		
Raw materials	**701,499**	479,092
Consumables	**3,223**	5,742
Finished goods	**1,243,193**	413,387
	1,947,915	898,221
	11,738,686	9,436,151
Income Statement		
Inventories recognised as an expense in cost of sales	**50,783,356**	38,665,012
Inclusive of the following charge:		
– Provision/(write back) for net realisable value	**74,038**	(38,271)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

23. TRADE RECEIVABLES

	Group	
	2021	2020
	US$'000	US$'000
Trade receivables	**5,187,224**	3,907,400
Notes receivables	**221,681**	147,189
Value added tax recoverable	**832,127**	855,310
Amounts due from joint ventures – trade	**345,937**	238,111
Amounts due from associates – trade	**122,718**	116,401
Amounts due from related parties – trade	**156,984**	64,355
	6,866,671	5,328,766
Less: Allowance for expected credit losses	**(33,255)**	(50,895)
	6,833,416	5,277,871

Trade receivables, including amounts due from joint ventures, associates and related parties, are non-interest bearing and the average turnover is 32 days (2020: 32 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition. Notes receivables are non-interest bearing and have a maturity period ranging from 1 to 180 days for the financial years ended 31 December 2021 and 31 December 2020.

The Group has pledged trade receivables amounting to approximately US$135,156,000 (2020: US$30,357,000) as security for bank borrowings.

Trade receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance for expected credit losses of trade receivables are as follows:

Movement in allowance account:

	Group	
	2021	2020
	US$'000	US$'000
At 1 January	**(50,895)**	(56,176)
Write back of allowance during the year	**9,106**	4,922
Acquisition of subsidiaries	**(4,797)**	(1,832)
Bad debts written off against allowance	**13,212**	1,759
Currency translation differences	**119**	432
At 31 December	**(33,255)**	(50,895)

Financial assets carried at amortised cost

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Trade receivables	**6,833,416**	5,277,871	**–**	–
Other financial receivables – current	**4,183,458**	4,548,468	**5,678,762**	5,913,550
Other financial receivables – non-current	**150,136**	127,642	**313,255**	303,137
Cash and bank balances – current	**6,341,541**	5,928,208	**1,033**	6,371
Other bank deposits – non-current	**2,338,437**	–	**–**	–
Total financial assets carried at amortised cost	**19,846,988**	15,882,189	**5,993,050**	6,223,058

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. OTHER BANK DEPOSITS CASH AND BANK BALANCES

	Group	
	2021	2020
	US$'000	US$'000
Non-current:		
Fixed deposits pledged with financial institutions for bank facilities	**1,999,648**	–
Other deposits with maturity more than 12 months	**338,789**	–
	2,338,437	–
Current:		
Fixed deposits pledged with financial institutions for bank facilities	**1,964,548**	1,136,131
Other deposits with maturity more than 3 months	**1,684,452**	2,085,913
	3,649,000	3,222,044
	5,987,437	3,222,044

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Cash at banks and on hand	**1,945,593**	2,175,056	**1,033**	6,371
Short-term and other deposits	**746,948**	531,108	**–**	–
Cash and bank balances	**2,692,541**	2,706,164	**1,033**	6,371

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate of the Group is 2.5% (2020: 2.6%) per annum.

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Other bank deposits	**5,987,437**	3,222,044	**–**	–
Cash and bank balances	**2,692,541**	2,706,164	**1,033**	6,371
Total cash and bank balances	**8,679,978**	5,928,208	**1,033**	6,371

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

	Group	
	2021	2020
	US$'000	US$'000
Cash and bank balances	**2,692,541**	2,706,164
Bank overdrafts	**(104,898)**	(122,668)
Cash and cash equivalents	**2,587,643**	2,583,496

25. TRADE PAYABLES

	Group	
	2021	2020
	US$'000	US$'000
Trade payables	**1,840,604**	1,492,450
Value added tax payable	**24,965**	24,664
Amounts due to joint ventures – trade	**45,085**	23,983
Amounts due to associates – trade	**52,199**	72,049
Amounts due to related parties – trade	**46,220**	302
	2,009,073	1,613,448

Trade payables, including amounts due to joint ventures, associates and related parties, are non-interest bearing and the average turnover is 12 days (2020: 14 days).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

25. TRADE PAYABLES (CONTINUED)

Financial liabilities carried at amortised cost

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Trade payables	**2,009,073**	1,613,448	**–**	–
Other financial payables – current	**2,374,133**	2,084,097	**5,376,050**	5,566,865
Other financial payables – non-current	**276,525**	268,604	**1,425,000**	589,708
Loans and borrowings	**29,114,481**	23,149,472	**308,724**	486,773
Total financial liabilities carried at amortised cost	**33,774,212**	27,115,621	**7,109,774**	6,643,346

26. OTHER FINANCIAL PAYABLES

OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Current:				
Advances from non-controlling shareholders of subsidiaries	**31,929**	4,695	**–**	–
Accrued operating expenses	**1,224,356**	1,102,695	**23,657**	23,350
Amounts due to subsidiaries – non-trade	**–**	–	**5,351,258**	5,542,118
Amounts due to joint ventures – non-trade	**41,420**	42,990	**–**	346
Amounts due to associates – non-trade	**12,535**	12,289	**43**	26
Amounts due to related parties – non-trade	**2,598**	3,475	**89**	89
Deposits from third parties	**260,434**	264,537	**8**	–
Payable for property, plant and equipment	**313,520**	244,693	**–**	–
Other tax payables	**15,748**	16,621	**–**	–
Lease liabilities	**59,637**	49,307	**–**	–
Other payables	**411,956**	342,795	**995**	936
Other financial payables	**2,374,133**	2,084,097	**5,376,050**	5,566,865
Non-current:				
Advances from non-controlling shareholders of subsidiaries	**58,560**	48,501	**–**	–
Amounts due to subsidiaries – non-trade	**–**	–	**1,425,000**	589,708
Amounts due to associates – non-trade	**5,072**	3	**–**	–
Lease liabilities	**204,857**	215,670	**–**	–
Other payables	**8,036**	4,430	**–**	–
Other financial payables	**276,525**	268,604	**1,425,000**	589,708
Current:				
Advances from customers and others	**862,926**	764,248	**–**	–
Other non-financial liabilities	**862,926**	764,248	**–**	–
Non-current:				
Provision for employee gratuity	**98,369**	113,014	**–**	–
Deferred income – government grants	**102,354**	69,664	**–**	–
Other non-financial liabilities	**200,723**	182,678	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26. OTHER FINANCIAL PAYABLES

OTHER NON-FINANCIAL LIABILITIES (CONTINUED)

The current amounts due to subsidiaries by the Company and the current amounts due to associates, joint ventures and related parties by the Group are unsecured, non-interest bearing and repayable on demand except for amounts due to associates of approximately US$871,000 (2020: US$834,000) and amounts due to joint ventures of approximately US$29,511,000 (2020: US$38,498,000), which bear interest ranging from 3.0% to 5.3% (2020: 3.2% to 7.1%) per annum. These balances are expected to be settled in cash.

The advances from non-controlling shareholders are unsecured and non-interest bearing except for amounts of approximately US$27,823,000 (2020: US$17,369,000), which bear interest rate at 2.8% to 7.0% (2020: 2.4% to 7.0%) per annum. These balances are expected to be settled in cash.

There are no unfulfilled conditions or contingencies attached to the deferred government grants.

27. LOANS AND BORROWINGS

	Note	Maturity	Weighted average interest rate		Group		Company	
			2021	2020	**2021**	2020	**2021**	2020
			%	%	**US$'000**	US$'000	**US$'000**	US$'000
Current:								
Bank term loans	(a)	**2022**	**1**	2	**2,792,099**	1,952,723	**–**	–
Short-term/pre-shipment loans	(a)	**2022**	**2**	2	**11,515,403**	10,099,340	**–**	–
Trust receipts/bill discounts	(a)	**2022**	**1**	1	**7,562,699**	4,801,154	**–**	–
Bank overdrafts	(b)	**2022**	**7**	5	**104,898**	122,668	**–**	–
Medium Term Notes	(c)	**2022**	**1**	3	**308,724**	163,593	**308,724**	163,593
Redeemable non-convertible debentures	(d)	**2022**	**12**	12	**8,012**	6,416	**–**	–
					22,291,835	17,145,894	**308,724**	163,593
Non-current:								
Bank term loans	(a)	**2023–2029**	**2**	2	**6,723,374**	5,654,487	**–**	–
Medium Term Notes	(c)	**2024**	**3**	1	**78,417**	323,180	**–**	323,180
Redeemable non-convertible debentures/redeemable preference shares/ optionally convertible preference shares	(d)	**2024**	**12**	12	**20,855**	25,911	**–**	–
					6,822,646	6,003,578	**–**	323,180
Total loans and borrowings					**29,114,481**	23,149,472	**308,724**	486,773

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27. LOANS AND BORROWINGS (CONTINUED)

The terms and conditions and securities for interest bearing loans and borrowings are as follows:

(a) Bank term loans/short-term/pre-shipment loans/trust receipts/bill discounts

A portion of the Group's loans is secured by a pledge over property, plant and equipment, fixed deposits, trade receivables, inventories, other deposits with financial institutions and corporate guarantees from the Company and certain subsidiaries.

(b) Bank overdrafts

Certain bank overdrafts are secured by corporate guarantees from the Company.

(c) Medium Term Notes

The Company issued the following notes:

- on 26 April 2017, a 5-year Medium Term Note of Japanese Yen 10 billion at a fixed rate of 0.58% per annum;
- on 20 July 2020, a 2-year Medium Term Note of Singapore Dollars 100 million at a fixed rate of 0.90% per annum; and
- on 9 November 2020, a 2-year Medium Term Note of Singapore Dollars 200 million at a fixed rate of 0.90% per annum.

On 29 November 2021, a subsidiary issued a 3-year Medium Term Note of Chinese Renminbi 500 million at a fixed rate of 3.14% per annum.

(d) Redeemable non-convertible debentures/redeemable preference shares/optionally convertible preference shares

The redeemable non-convertible debentures ("NCD") are secured by certain immovable and movable properties and current assets of a subsidiary. The NCD issued to Life Insurance Corporation of India ("LIC") are repayable in 20 structured quarterly instalments, bearing effective interest rates between 11.3% to 11.7%. The subsidiary is in the process of obtaining regulatory approval to restructure the NCD issued to LIC.

The remaining non-convertible debentures, redeemable preference shares and optionally convertible preference shares have been redeemed in 2021.

(e) The bank facilities, up to a limit of approximately US$13,573,627,000 (2020: US$11,399,616,000), are guaranteed by the Company and certain subsidiaries.

(f) The Group has bank loans and other bank deposits amounting to approximately US$3,493,302,000 (2020: US$3,094,565,000), disclosed off-balance sheet for the financial year ended 31 December 2021 as the Group has transferred substantially all the risks and rewards of the cash flows arising from the deposits and have also legally been released from the responsibility for the loans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28. SHARE CAPITAL TREASURY SHARES

(a) Share capital

	Group		Company	
	Number of shares '000	US$'000	Number of shares '000	US$'000
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	**6,403,402**	**8,458,995**	**6,403,402**	**8,895,134**

The holders of ordinary shares, except for treasury shares, are entitled to receive dividends as and when declared by the Company. All ordinary shares, except for treasury shares, carry one vote per share without restrictions. The ordinary shares have no par value. All the above issued ordinary shares are fully paid.

The Company has granted options to both directors and executives of the Group to subscribe for the Company's ordinary shares.

(b) Treasury shares

	Group and Company	
	Number of shares '000	US$'000
At 1 January 2020	(62,529)	(122,579)
Acquired during the financial year	(44,716)	(141,009)
Reissued pursuant to employee share option plans:		
– For cash on exercise of employee share options	20,075	43,888
– Transferred from employee share option reserve	–	8,382
– Transferred to general reserve on reissuance of treasury shares	–	(10,721)
	20,075	41,549
At 31 December 2020 and 1 January 2021	**(87,170)**	**(222,039)**
Acquired during the financial year	**(28,047)**	**(97,503)**
Reissued pursuant to employee share option plans:		
– For cash on exercise of employee share options	**6,987**	**15,877**
– Transferred from employee share option reserve	**–**	**2,905**
– Transferred to general reserve on reissuance of treasury shares	**–**	**(4,126)**
	6,987	**14,656**
At 31 December 2021	**(108,230)**	**(304,886)**

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

28,047,000 shares (2020: 44,716,000) had been acquired during the financial year.

Options for a total of 6,987,000 ordinary shares (2020: 20,075,000) were exercised during the financial year pursuant to Wilmar ESOS 2009.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. OTHER RESERVES

(a) Composition:

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Capital reserve	**145,383**	145,383	**145,379**	145,379
Merger reserve	**(1,929,314)**	(1,929,314)	**–**	–
Foreign currency translation reserve	**733,637**	571,997	**–**	–
General reserve	**646,199**	493,957	**31,886**	27,760
Equity transaction reserve	**388,767**	426,452	**–**	–
Hedging reserve	**1,149**	(73,501)	**–**	–
Employee share option reserve	**28,163**	24,197	**28,163**	24,197
Fair value reserve	**29,822**	24,496	**–**	–
Asset revaluation reserve	**5,514**	5,514	**–**	–
Cost of hedging reserve	**(6,375)**	2,981	**–**	–
Total other reserves	**42,945**	(307,838)	**205,428**	197,336

(b) Movements:

(i) Capital reserve

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
At 1 January and 31 December	**145,383**	145,383	**145,379**	145,379

Capital reserve includes both ordinary shares granted to employees and the equity component of convertible bonds.

Capital reserve arising from granting of ordinary shares to employees represents the difference between the market price and the settlement price on ordinary shares which were transferred from Wilmar Holdings Pte Ltd ("WHPL"), former holding company of the Company, to employees of Wilmar group of companies as a reward for their service with the Group.

Equity component of convertible bonds represents the residual amount included in shareholders' equity in capital reserve.

(ii) Merger reserve

	Group	
	2021	2020
	US$'000	US$'000
At 1 January and 31 December	**(1,929,314)**	(1,929,314)

Merger reserve represents the difference between the consideration paid and the share capital of the subsidiaries under the acquisition of all WHPL interests in its subsidiaries and associated companies, save for its interests in the Company, and shares owned by Archer Daniels Midland Asia-Pacific Limited ("ADM") and/or its affiliated companies ("ADM Group") in companies where ADM Group holds shares with WHPL, together with non-controlling interests held by WHPL in certain subsidiaries of the Company ("IPT Assets"). The above transaction was accounted for using the pooling-of-interest method in 2007.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(iii) Foreign currency translation reserve

	Group	
	2021	2020
	US$'000	US$'000
At 1 January	**571,997**	(156,377)
Currency translation differences of foreign operations	**162,515**	728,139
Disposal/liquidation of subsidiaries	**(875)**	235
At 31 December	**733,637**	571,997

(iv) General reserve

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
At 1 January	**493,957**	359,282	**27,760**	17,039
Transferred from retained earnings	**148,653**	98,950	**–**	–
Gain on reissuance of treasury shares	**4,126**	10,721	**4,126**	10,721
(Loss)/gain on remeasurements of defined benefit plan	**(537)**	25,004	**–**	–
At 31 December	**646,199**	493,957	**31,886**	27,760

(a) In accordance with the Group's China subsidiaries' Articles of Association, appropriations from net profit should be made to the Reserve Fund and the Enterprise Expansion Fund, after offsetting accumulated losses from prior years, and before profit distributions to the investors. The percentage to be appropriated to the Reserve Fund and the Enterprise Expansion Fund are determined by the Board of Directors of the China subsidiaries. For the other China subsidiaries, the entities are required to appropriate not less than 10% of the net profits to the statutory capital reserve, as long as the statutory capital reserve is below 50% of registered capital.

(b) In accordance with "The Law of Republic of Indonesia" No. 40/2007 concerning Limited Liability Companies, a company must allocate a portion of its net profits in each year as reserves. Allocation of net profit shall be made until the reserves have aggregated at least 20% of the issued capital and paid up capital.

(c) Gain or loss on remeasurements of defined benefit plan arises from remeasurements of defined benefit plan. Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income as general reserve in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to income statement in subsequent periods.

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(v) Equity transaction reserve

	Group	
	2021	2020
	US$'000	US$'000
At 1 January	**426,452**	(241,115)
Disposal of subsidiaries	**–**	(1,062)
Acquisition of additional interest in subsidiaries	**(37,998)**	(154,864)
Dilution of interest in subsidiaries	**313**	823,493
At 31 December	**388,767**	426,452

(vi) Hedging reserve

	Group	
	2021	2020
	US$'000	US$'000
At 1 January	**(73,501)**	(50,789)
Fair value adjustment on cash flow hedges	**78,035**	(16,522)
Recognised in the income statement on derivatives contracts realised	**(3,385)**	(6,190)
At 31 December	**1,149**	(73,501)

Hedging reserve represents the cumulative fair value changes, net of tax, of the derivatives contracts designated as cash flow hedges.

(vii) Employee share option reserve

	Group and Company	
	2021	2020
	US$'000	US$'000
At 1 January	**24,197**	71,335
Grant of equity-settled share options	**6,871**	3,467
Expiry of employee share options transferred to retained earnings	**–**	(42,223)
Reissuance of treasury shares pursuant to exercise of equity-settled share options	**(2,905)**	(8,382)
At 31 December	**28,163**	24,197

Employee share option reserve represents the equity-settled share options granted to employees (including directors) (Note 31). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

(viii) Fair value reserve

	Group	
	2021	2020
	US$'000	US$'000
At 1 January	**24,496**	112,698
Fair value adjustment on investment securities at FVOCI	**5,326**	(88,202)
At 31 December	**29,822**	24,496

Fair value reserve represents the cumulative fair value changes, net of tax, of investment securities at FVOCI until they are disposed or impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

29. OTHER RESERVES (CONTINUED)

(b) Movements (continued)

(ix) Asset revaluation reserve

	Group	
	2021	2020
	US$'000	US$'000
At 1 January and 31 December	**5,514**	5,514

(x) Cost of hedging reserve

	Group	
	2021	2020
	US$'000	US$'000
At 1 January	**2,981**	(4,174)
Fair value adjustment on forward elements of forward contracts	**(9,356)**	7,155
At 31 December	**(6,375)**	2,981

30. PROVISION FOR EMPLOYEE GRATUITY

The estimated liabilities for employee gratuity based on the actuarial report have been determined using the following assumptions:

	Group	
	2021	2020
Discount rate	**7.55% per annum**	7.5% per annum
Wages and salaries increase	**7% per annum**	7% per annum
Retirement age	**57 years of age in 2019 and increase by 1 year for each 3 year thereafter until reach 65 years of age**	57 years of age in 2019 and increase by 1 year for each 3 year thereafter until reach 65 years of age
Mortality rate	**TMI 2019**	TMI 2019
Method	**Projected unit credit**	Projected unit credit

The details of the employee gratuity expense recognised in the income statement are as follows:

	Group	
	2021	2020
	US$'000	US$'000
Current service costs	**4,123**	9,666
Adjustment of new entrant employees/transfers	**158**	630
Interest costs	**7,215**	9,353
Curtailment loss	**–**	(573)
Past service costs	**(17,912)**	(35)
	(6,416)	19,041

The provision for employee gratuity recognised in the balance sheet represent the present value of the defined benefit obligation. The movement in provision for employee gratuity is as follows:

	Group	
	2021	2020
	US$'000	US$'000
At 1 January	**113,014**	131,340
Acquisition of subsidiaries	**588**	110
(Write back)/provision made for the year	**(6,416)**	19,041
Payments during the year	**(7,339)**	(5,477)
Currency translation differences	**(1,455)**	(88)
Remeasurements of defined benefit plan during the year	**(23)**	(31,912)
At 31 December	**98,369**	113,014

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. EMPLOYEE BENEFITS

	Group	
	2021	2020
	US$'000	US$'000
Employee benefits expense (including directors):		
Salaries and bonuses	**1,709,340**	1,507,669
Defined contribution plans	**205,025**	113,787
Share-based payments	**6,871**	3,467
Other short-term benefits	**171,418**	144,147
Other long-term benefits	**(980)**	23,157
	2,091,674	1,792,227
Less: Amount capitalised as bearer plants	**(6,820)**	(9,577)
	2,084,854	1,782,650

Share option schemes

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

The Wilmar ESOS 2009 was adopted to replace the Wilmar Executive Share Option Scheme 2000 ("Wilmar ESOS 2000"). Wilmar ESOS 2009 was approved by shareholders at the Company's extraordinary general meeting ("EGM") held on 29 April 2009 and it expired on 28 April 2019.

For the entire duration of the Wilmar ESOS 2009, the Company granted options for a total of 221,555,000 ordinary shares of the Company in accordance with the rules of the aforesaid scheme. As at 31 December 2021, options for a total of 54,445,100 ordinary shares were exercised, options for a total of 153,151,500 ordinary shares had lapsed/expired and options for a total of 13,958,400 ordinary shares remain valid until their respective expiry dates.

2017 Grant

On 8 September 2017, the Company granted options to subscribe for a total of 62,585,000 ordinary shares of the Company at S$3.04 per share (at a 7.32% discount to the Market Price (as defined at the next page)) to Directors of the Company and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2021, the number of outstanding options that were not exercised under this option grant was 13,958,400.

All options granted under the 2017 Grant are valid for a period of five years from the date of the grant and are exercisable in the following manner:

For Executive Directors and executives

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

For Non-Executive Directors

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

Wilmar Executives Share Option Scheme 2019 ("Wilmar ESOS 2019")

The Wilmar ESOS 2019, the rules of which were set out in a circular to shareholders dated 4 April 2019, was approved by shareholders at the Company's EGM held on 24 April 2019. It was adopted to replace the Wilmar ESOS 2009 which expired on 28 April 2019.

Under the rules of the Wilmar ESOS 2019:

(a) the eligible participants may be granted options to subscribe for ordinary shares in the Company at a price equal to the average of the closing prices of the Company's shares traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") for a period of five consecutive market days immediately preceding the date of the grant of the option ("Market Price") or at a discount to the Market Price up to a maximum of 20%;

(b) the maximum number of ordinary shares (in respect of the options) that may be granted under the Wilmar ESOS 2019, after taking into account (i) the total number of new ordinary shares issued and issuable in respect of all other share-based incentive schemes of the Company; and (ii) the number of treasury shares and subsidiary holdings delivered in respect of options granted under all other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) on the date immediately preceding the relevant date of grant;

(c) controlling shareholders and associates of controlling shareholders will not be eligible to participate in the Wilmar ESOS 2019; and

(d) there is no restriction on the eligibility of any participant to participate in any other share options or share incentive schemes implemented by the Company or any of its subsidiaries or by any associated company or otherwise.

The Wilmar ESOS 2019 is administered by the Remuneration Committee ("RC"). The members of the RC are Mr Kwah Thiam Hock (Chairman), Mr Tay Kah Chye and Mr Lim Siong Guan, all of whom are Independent Directors. The RC is authorised to determine, inter alia, the persons to be granted options, the number of options to be granted, whether the options continue to be valid in the event of cessation of employment (as provided under the rules of Wilmar ESOS 2019), the exercise price (including any adjustments thereto) and to recommend modifications to the Wilmar ESOS 2019 (if deemed appropriate).

2020 Grant

On 29 September 2020, the Company granted options to subscribe for a total of 40,380,000 ordinary shares of the Company at S$3.94 per share (at a 10% discount to the Market Price) to Directors of the Company and executives of the Group. No options were granted to controlling shareholders (and their associates) of the Company. As at 31 December 2021, the number of outstanding options that were not exercised under this option grant was 39,755,000. The options are valid for a period of five years (including the respective vesting periods) from the date of grant and are exercisable in the following manner:

For Executive Directors and executives

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

For Non-Executive Directors

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

Date of grant	Opening balance	Options granted	Options lapsed/ expired	Options exercised	Closing balance	Exercise price	Exercise period
2021							
Wilmar ESOS 2009							
08.09.2017	**6,585,400**	**–**	**(24,700)**	**(2,304,000)**	**4,256,700**	**S$3.04**	**09.09.2019 to 08.09.2022**
08.09.2017	**5,249,200**	**–**	**(24,700)**	**(2,234,100)**	**2,990,400**	**S$3.04**	**09.09.2020 to 08.09.2022**
08.09.2017	**9,246,300**	**–**	**(86,400)**	**(2,448,600)**	**6,711,300**	**S$3.04**	**09.09.2021 to 08.09.2022**
	21,080,900	**–**	**(135,800)**	**(6,986,700)**	**13,958,400**		
Wilmar ESOS 2019							
29.09.2020	**16,541,400**	**–**	**(541,200)**	**–**	**16,000,200**	**S$3.94**	**30.09.2022 to 29.09.2025**
29.09.2020	**11,741,400**	**–**	**(41,200)**	**–**	**11,700,200**	**S$3.94**	**30.09.2023 to 29.09.2025**
29.09.2020	**12,097,200**	**–**	**(42,600)**	**–**	**12,054,600**	**S$3.94**	**30.09.2024 to 29.09.2025**
	40,380,000	**–**	**(625,000)**	**–**	**39,755,000**		
Total	**61,460,900**	**–**	**(760,800)**	**(6,986,700)**	**53,713,400**		
2020							
Wilmar ESOS 2009							
18.06.2015	4,709,964	–	(883,964)	(3,826,000)	–	S$3.05	19.06.2017 to 18.06.2020
18.06.2015	3,283,564	–	(62,914)	(3,220,650)	–	S$3.05	19.06.2018 to 18.06.2020
18.06.2015	4,693,472	–	(93,622)	(4,599,850)	–	S$3.05	19.06.2019 to 18.06.2020
	12,687,000	–	(1,040,500)	(11,646,500)	–		
08.09.2017	12,175,450	–	(906,000)	(4,684,050)	6,585,400	S$3.04	09.09.2019 to 08.09.2022
08.09.2017	9,370,350	–	(376,200)	(3,744,950)	5,249,200	S$3.04	09.09.2020 to 08.09.2022
08.09.2017	9,654,300	–	(408,000)	–	9,246,300	S$3.04	09.09.2021 to 08.09.2022
	31,200,100	–	(1,690,200)	(8,429,000)	21,080,900		
Wilmar ESOS 2019							
29.09.2020	–	16,541,400	–	–	16,541,400	S$3.94	30.09.2022 to 29.09.2025
29.09.2020	–	11,741,400	–	–	11,741,400	S$3.94	30.09.2023 to 29.09.2025
29.09.2020	–	12,097,200	–	–	12,097,200	S$3.94	30.09.2024 to 29.09.2025
	–	40,380,000	–	–	40,380,000		
Total	43,887,100	40,380,000	(2,730,700)	(20,075,500)	61,460,900		

No options (2020: 40,380,000 ordinary shares) were granted during the financial year ended 31 December 2021.

Options for a total of 6,986,700 ordinary shares (2020: 20,075,500 ordinary shares) were exercised by option holders during the financial year under review pursuant to Wilmar ESOS 2009.

The weighted average share price at the date of exercise of the options during the financial year was S$4.77 (2020: S$4.05).

The range of exercise prices for options outstanding at the end of the financial year were from S$3.04 to S$3.94 (2020: S$3.04 to S$3.94). The weighted average contractual life for these options was 3.0 years (2020: 3.7 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31. EMPLOYEE BENEFITS (CONTINUED)

Share option schemes (continued)

The fair values of the options are estimated at the respective grant dates using trinomial option pricing in the Bloomberg Option Valuation Module, taking into account the terms and conditions upon which the options were granted. The inputs to the models used are as follows:

Grant year	2021	2020
Dividend (S$ per share)	No issuance	0.16
Expected volatility	No issuance	0.24
Risk-free interest rate (% p.a.)	No issuance	0.46
Expected life of option (years)	No issuance	5.00
Weighted average share price at date of grant (S$)	No issuance	4.14

32. LEASES

COMMITMENTS AND CONTINGENCIES

The Group has entered into commercial leases on certain premises and equipment. The Group also has certain leases with lease terms of 12 months or less and leases with low value, which the Group applied the recognition exemptions for these leases.

Lease liabilities

	Group	
	2021	2020
	US$'000	US$'000
Balance at beginning	264,977	210,828
Currency translation differences	(6,354)	7,858
Acquisition of subsidiaries	4,770	26,900
Additions	82,265	81,435
Accretion of interest	11,849	11,228
Payments	(81,951)	(69,371)
Disposals	(11,062)	(3,901)
	264,494	264,977
Lease liabilities – current	59,637	49,307
Lease liabilities – non-current	204,857	215,670
	264,494	264,977

Amounts recognised in income statement

	Group	
	2021	2020
	US$'000	US$'000
Depreciation of right-of-use assets	112,561	98,267
Interest expense on lease liabilities	11,849	11,228
Expense relating to short-term leases	129,874	93,766
Expense relating to leases of low-value assets	1,000	430
Total amounts recognised in income statement	255,284	203,691

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

32. LEASES

COMMITMENTS AND CONTINGENCIES (CONTINUED)

Commitments and contingencies

(a) Capital commitments

Capital expenditure contracted for as at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2021	2020
	US$'000	US$'000
Capital commitments in respect of property, plant and equipment	**1,834,852**	1,247,455

(b) Commitments for sales and purchases contracts

The Group has the following committed sales and purchases contracts that are entered into for the use of the Group. The contractual or underlying principal amounts of the committed contracts with fixed pricing terms that were outstanding as at 31 December are as follows:

	Group	
	2021	2020
	US$'000	US$'000
Committed contracts		
Purchases	**7,523,731**	8,648,977
Sales	**10,360,412**	8,532,943

(c) Corporate guarantees

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

	Group		Company	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Subsidiaries	**–**	–	**11,747,044**	9,676,108
Joint ventures	**3,871**	9,221	**3,871**	9,221
Associates	**250,020**	157,000	**250,020**	157,000
	253,891	166,221	**12,000,935**	9,842,329

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. RELATED PARTY DISCLOSURES

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2021	2020
	US$'000	US$'000
Related parties		
Dividend income	**–**	6,427
Dividend paid	**2**	2,000
Freight charges	**106,698**	114,233
Interest expense	**105**	180
Interest income	**3,311**	4,451
Other income	**4,277**	3,871
Other expense	**3,508**	3,120
Purchase of goods	**1,110,708**	970,947
Sale of goods	**492,549**	226,089
Ship charter income	**8,952**	5,945
Joint ventures		
Dividend income	**11,339**	27,766
Freight charges	**3,387**	90,060
Interest expense	**1,450**	1,903
Interest income	**3,257**	4,092
Other income	**31,614**	36,052
Other expense	**19,913**	179
Purchase of goods	**1,119,880**	999,339
Sale of goods	**2,022,374**	1,232,831
Ship charter income	**7,082**	3,181
Associates		
Dividend income	**58,383**	55,700
Freight charges	**2,453**	2,002
Interest expense	**264**	198
Interest income	**4,827**	8,828
Other income	**33,867**	19,181
Other expense	**19,668**	25,201
Purchase of goods	**1,022,030**	787,304
Sale of goods	**1,101,038**	860,827
Ship charter income	**77,687**	66,035

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Compensation of key management personnel

	Group	
	2021	2020
	US$'000	US$'000
Defined contribution plans	**156**	160
Salaries and bonuses	**34,360**	30,899
Short-term employee benefits (including grant of share options)	**3,016**	1,503
	37,532	32,562
Comprise amounts paid to:		
Directors of the Company	**14,136**	11,445
Other key management personnel	**23,396**	21,117
	37,532	32,562

34. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value of assets and liabilities that are carried at fair value

The following table shows an analysis of assets and liabilities carried at fair value by level of fair value hierarchy:

	Group			
2021	**Quoted prices in active markets for identical instruments (Level 1) US$'000**	**Significant other observable inputs (Level 2) US$'000**	**Significant unobservable inputs (Level 3) US$'000**	**Total US$'000**
Assets measured at fair value				
Financial assets:				
Investment securities at FVOCI	**35,058**	**263,557**	**66,686**	**365,301**
Investment securities at FVPL	**326,846**	**–**	**–**	**326,846**
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	**–**	**137,265**	**–**	**137,265**
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	**232,664**	**206,008**	**–**	**438,672**
At 31 December 2021	**594,568**	**606,830**	**66,686**	**1,268,084**
Non–financial assets:				
Biological assets	**–**	**–**	**66,012**	**66,012**
Investment properties	**–**	**–**	**38,286**	**38,286**
At 31 December 2021	**–**	**–**	**104,298**	**104,298**
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	**–**	**180,912**	**–**	**180,912**
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	**298,379**	**142,600**	**–**	**440,979**
At 31 December 2021	**298,379**	**323,512**	**–**	**621,891**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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

	Group			
2020	Quoted prices in active markets for identical instruments (Level 1) US$'000	Significant other observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
Assets measured at fair value				
Financial assets:				
Investment securities at FVOCI	46,826	252,869	71,113	370,808
Investment securities at FVPL	286,706	–	–	286,706
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	–	185,348	–	185,348
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	270,805	246,284	–	517,089
At 31 December 2020	604,337	684,501	71,113	1,359,951
Non-financial assets:				
Biological assets	–	–	44,724	44,724
Investment properties	–	–	32,475	32,475
At 31 December 2020	–	–	77,199	77,199
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
– Forward currency contracts, options and cross currency interest rate swaps	–	254,837	–	254,837
– Futures, options, swap contracts, interest rate swap and firm commitment contracts	551,599	137,129	–	688,728
At 31 December 2020	551,599	391,966	–	943,565

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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

Methods and assumptions used to determine fair values

The methods and assumptions used by management to determine fair values of assets and liabilities other than those whose carrying amounts reasonably approximate their fair values as mentioned in Note 34(b), are as follows:

Assets and liabilities	Methods and assumptions
• Quoted equity instruments	Other than the quoted equity instruments disclosed in level 3, fair value is determined directly by reference to their published market bid price at the balance sheet date.
• Investment funds	The fair value is determined by reference to valuation provided by non-related fund managers.
• Unquoted equity instruments	The fair value is derived using valuation methods which includes earnings multiple approach and discounted cash flows.
• Forward currency contracts	Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.
• Futures, options and swap contracts, interest rate swap and firm commitment contracts	Where available, quoted market prices are used as a measure of fair values for the outstanding contracts. Where the quoted market prices are not available, the fair values are based on management's best estimate and are arrived at by reference to the market prices of another contract that is substantially similar.
• Biological assets	Fair value of biological assets has been determined based on the market price and the estimated yield of FFB, net of maintenance and harvesting costs, overhead costs and estimated cost to sell. Please refer to Note 14(d) for more details.
• Investment properties	The fair value of investment property is based on current and estimated future rental income generated from comparable properties. Please refer to Note 13 for more details.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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

Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3).

	Group			
	Investment securities US$'000	Biological assets US$'000	Investment properties US$'000	Total US$'000
At 1 January 2020	186,515	38,641	33,181	258,337
Total gain/(loss) recognised in the income statement:				
– Net gain arising from changes in fair value of biological assets	–	6,107	–	6,107
– Net loss arising from changes in fair value of investment properties	–	–	(2,834)	(2,834)
Additions	132	–	–	132
Disposals	(41,079)	–	–	(41,079)
Total (loss)/gain recognised in the other comprehensive income:				
– Net loss arising from changes in fair value	(78,023)	–	–	(78,023)
– Foreign currency translation	3,568	(24)	2,128	5,672
At 31 December 2020	71,113	44,724	32,475	148,312
At 1 January 2021	**71,113**	**44,724**	**32,475**	**148,312**
Total gain recognised in the income statement:				
– Net gain arising from changes in fair value of biological assets	**–**	**21,335**	**–**	**21,335**
– Net gain arising from changes in fair value of investment properties	**–**	**–**	**2,129**	**2,129**
Additions	**1,114**	**–**	**–**	**1,114**
Transfer from property, plant and equipment	**–**	**–**	**2,758**	**2,758**
Transfer to level 2	**(8,096)**	**–**	**–**	**(8,096)**
Total gain/(loss) recognised in the other comprehensive income:				
– Net gain arising from changes in fair value	**4,820**	**–**	**–**	**4,820**
– Foreign currency translation	**(2,265)**	**(47)**	**924**	**(1,388)**
At 31 December 2021	**66,686**	**66,012**	**38,286**	**170,984**

There has been no transfer from Level 1 and Level 2 to Level 3 for the financial years ended 31 December 2021 and 31 December 2020.

There has been transfer of investment securities from Level 3 to Level 2 for the financial year ended 31 December 2021 based on offer received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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

Impact of changes to key assumptions Level 3 fair value measurement of financial instruments

The following table shows the impact on Level 3 fair value measurement of financial instruments by using reasonably possible alternative assumptions:

	Group			
	2021 US$'000		2020 US$'000	
	Carrying amount	**Effect of reasonably possible alternative assumptions**	Carrying amount	Effect of reasonably possible alternative assumptions
Investment securities				
– Quoted equity instruments	**35,270**	**(i)**	37,416	(i)
– Unquoted equity instruments	**31,416**	**(ii)**	33,697	(ii)

(i) The fair value of the quoted equity instruments is estimated using a discounted cash flow model, which includes some assumptions that are not supported by observable market data, including future estimated dividend income.

(ii) The estimated fair value of unquoted equity instruments were determined based on valuation methods including the earnings multiple approach and discounted cash flow model.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Current trade and other financial receivables and payables, current and non-current loans and borrowings at floating rate, other bank deposits and cash and bank balances

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value are as follows:

	Group			
	2021 US$'000		2020 US$'000	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Other financial receivables	**150,136**	#	127,642	#
Financial liabilities:				
Other financial payables	**276,525**	#	268,604	#

	Company			
	2021 US$'000		2020 US$'000	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets:				
Other financial receivables	**313,255**	#	303,137	#
Financial liabilities:				
Other financial payables	**1,425,000**	#	589,708	#

Fair value information has not been disclosed for these financial instruments because fair value cannot be measured reliably.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency, commodity price and market price risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant financial instruments to hedge the risks of such commercial exposure. Such financial instruments are not held for trade or speculative purposes. These market risk management activities are governed by its risk management system. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks for the financial years ended 31 December 2021 and 31 December 2020.

To ensure a sound system of internal controls, the Board has established a risk management framework for the Group. Wilmar's risk governance structure comprises three levels:

- The Risk Management Committee at the Board level;
- The Executive Risk Committee; and
- Risk management by the respective operating units.

The Board level Risk Management Committee is responsible for

- overseeing the Executive Risk Committee;
- reviewing the overall risk management guidelines/framework;
- reviewing and recommending risk limits; and
- assessing the adequacy and effectiveness of the risk management policies and systems.

The Executive Risk Committee comprises Senior Executives and its responsibilities include, amongst others, the monitoring and improvement of the overall effectiveness of the risk management system and the review of positions and limits to manage overall risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. For other financial assets (including investment securities, cash and deposits and derivatives), the Group minimises credit risk by dealing with high credit rating counterparties. For trade receivables, the Group adopts the policy of dealing with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit rating counterparties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Financial assets are written off when there is no reasonable expectation of recovery. Where financial assets are written off, the Group continues to engage enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in the income statement.

Exposure to credit risk

At the balance sheet date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of assets recognised in the balance sheets, including derivatives with positive fair values.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and segment profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables (net of allowance for expected credit losses) at the balance sheet date is as follows:

	Group			
	2021		2020	
	US$'000	**%**	US$'000	%
By country:				
People's Republic of China	**2,321,778**	**34**	1,877,599	36
South East Asia	**1,813,221**	**27**	1,367,316	26
Europe	**359,243**	**5**	272,057	5
Africa	**471,217**	**7**	308,720	6
Australia/New Zealand	**349,682**	**5**	293,820	5
India	**283,124**	**4**	210,870	4
Others	**1,235,151**	**18**	947,489	18
	6,833,416	**100**	5,277,871	100

	Group			
	2021		2020	
	US$'000	**%**	US$'000	%
By segment:				
Food Products	**1,992,534**	**29**	1,647,812	31
Feed and Industrial Products	**4,419,581**	**65**	3,334,764	64
Plantation and Sugar Milling	**330,614**	**5**	125,701	2
Others	**90,687**	**1**	169,594	3
	6,833,416	**100**	5,277,871	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents, investment securities at FVOCI/FVPL and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are impaired

Information regarding financial assets that are impaired is disclosed in Note 23.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group maintains sufficient liquidity by closely monitoring its cash flow. Due to the dynamic nature of its underlying business, the Group adopts prudent liquidity risk management policies in maintaining sufficient credit facilities, including the use of trade finance for the Group's raw material purchases. The Group also aims at maintaining flexibility in funding by keeping credit facilities available with different banks.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted amounts.

	2021 US$'000				2020 US$'000			
	Less than 1 year	**1 to 5 years**	**Over 5 years**	**Total**	Less than 1 year	1 to 5 years	Over 5 years	Total
Group								
Financial assets:								
Investment securities at FVOCI	**–**	**365,301**	**–**	**365,301**	–	370,808	–	370,808
Investment securities at FVPL	**326,846**	**–**	**–**	**326,846**	286,706	–	–	286,706
Trade and other financial receivables	**11,053,365**	**151,692**	**–**	**11,205,057**	9,875,655	130,028	–	10,005,683
Derivative financial instruments	**563,981**	**11,956**	**–**	**575,937**	641,249	61,188	–	702,437
Total cash and bank balances	**6,386,542**	**2,393,782**	**118,745**	**8,899,069**	6,031,651	–	–	6,031,651
Total undiscounted financial assets	**18,330,734**	**2,922,731**	**118,745**	**21,372,210**	16,835,261	562,024	–	17,397,285
Financial liabilities:								
Trade and other financial payables	**4,391,927**	**230,036**	**99,503**	**4,721,466**	3,715,713	430,795	111,061	4,257,569
Derivative financial instruments	**566,612**	**55,279**	**–**	**621,891**	893,729	49,836	–	943,565
Loans and borrowings	**22,420,897**	**7,088,047**	**7,521**	**29,516,465**	17,245,956	6,170,688	10,268	23,426,912
Total undiscounted financial liabilities	**27,379,436**	**7,373,362**	**107,024**	**34,859,822**	21,855,398	6,651,319	121,329	28,628,046
Total net undiscounted financial (liabilities)/ assets	**(9,048,702)**	**(4,450,631)**	**11,721**	**(13,487,612)**	(5,020,137)	(6,089,295)	(121,329)	(11,230,761)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	2021 US$'000				2020 US$'000			
	Less than 1 year	**1 to 5 years**	**Over 5 years**	**Total**	Less than 1 year	1 to 5 years	Over 5 years	Total
Company								
Financial assets:								
Other financial receivables	**5,680,380**	**313,255**	**–**	**5,993,635**	5,915,929	303,137	–	6,219,066
Total cash and bank balances	**1,033**	**–**	**–**	**1,033**	6,371	–	–	6,371
Total undiscounted financial assets	**5,681,413**	**313,255**	**–**	**5,994,668**	5,922,300	303,137	–	6,225,437
Financial liabilities:								
Other financial payables	**5,453,320**	**1,461,561**	**–**	**6,914,881**	5,657,472	604,349	–	6,261,821
Loans and borrowings	**308,724**	**–**	**–**	**308,724**	163,593	323,180	–	486,773
Total undiscounted financial liabilities	**5,762,044**	**1,461,561**	**–**	**7,223,605**	5,821,065	927,529	–	6,748,594
Total net undiscounted financial (liabilities)/ assets	**(80,631)**	**(1,148,306)**	**–**	**(1,228,937)**	101,235	(624,392)	–	(523,157)

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

	2021 US$'000				2020 US$'000			
	Less than 1 year	**1 to 5 years**	**Over 5 years**	**Total**	Less than 1 year	1 to 5 years	Over 5 years	Total
Group								
Financial guarantees	**253,891**	**–**	**–**	**253,891**	157,350	8,871	–	166,221
Company								
Financial guarantees	**4,876,443**	**6,820,667**	**303,825**	**12,000,935**	4,179,347	5,614,954	48,028	9,842,329

(c) Interest rate risk

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

At the balance sheet date, if the interest rates had been 50 (2020: 50) basis points lower/higher with all other variables including tax rate held constant, the Group's profit before tax will be higher/lower by approximately US$76,852,000 (2020: US$59,201,000), as a result of lower/higher interest expense on these net borrowings. As most of the Group's borrowings are short-term and trade related, any interest rate costs are typically priced into the respective trade transactions. Accordingly, the Group has minimum interest rate exposure risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk

The Group operates in several countries with dominant operations in Singapore, People's Republic of China, Indonesia, Malaysia, Australia, Europe, Ghana, Nigeria, Vietnam, India and others. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the United States Dollar (USD), Chinese Renminbi (RMB), Malaysian Ringgit (MYR), Indonesian Rupiah (IDR), Indian Rupees (INR) and Australian Dollar (AUD).

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

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

Sensitivity analysis for foreign currency risk

A 5% (2020: 5%) strengthening of the United States dollar against the following currencies at the balance sheet date would have (decreased)/increased profit before tax and equity by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Group			
	Profit before tax		Equity (Hedging Reserve including cost of hedging)	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Chinese Renminbi	**(2,995)**	(6,793)	**–**	–
Malaysian Ringgit	**(1,347)**	(1,602)	**(30,961)**	(23,042)
Indonesian Rupiah	**15,423**	(8,766)	**(20,391)**	(17,677)
Others	**(11,251)**	(10,924)	**(997)**	(423)

(e) Commodity price risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Commodity price risk (continued)

At the balance sheet date, a 1% (2020: 1%) increase/decrease of the commodities price indices, with all other variables held constant, would have (decreased)/increased profit before tax and equity by the amounts as shown below:

	Group	
	2021	2020
	US$'000	US$'000
Effect of increase in commodities price indices on		
Profit before tax	**(23,698)**	(8,315)
Equity (hedging reserve)	**(153)**	(2,683)
Effect of decrease in commodities price indices on		
Profit before tax	**23,698**	8,315
Equity (hedging reserve)	**153**	2,683

(f) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than commodity price, interest or exchange rates). The Group is exposed to equity price risk arising from its investment in equity instruments. These instruments are classified as investment securities at FVPL or investment securities at FVOCI.

Sensitivity analysis for equity price risk

At the balance sheet date, if the market price had been 5% (2020: 5%) higher/lower with all other variables held constant, the Group's profit before tax would have been approximately US$16,343,000 (2020: US$14,336,000) higher/lower, arising as a result of higher/lower fair value gains of investment securities, and the Group's other reserves in equity would have been approximately US$18,266,000 (2020: US$18,541,000) higher/lower, arising as a result of an increase/decrease in the fair value of the investment securities.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new ordinary shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020.

The Group monitors capital using net gearing ratio and adjusted net gearing ratio.

(a) Net gearing ratio

Net gearing ratio is net debt to equity, which equals net debt divided by total capital. The Group includes within net debt, loans and borrowings less total cash and bank balances and other deposits with financial institutions. Capital includes equity attributable to owners of the Company, i.e. shareholders' funds.

	Group	
	2021	2020
	US$'000	US$'000
Shareholders' funds	**19,923,875**	18,882,355
Loans and borrowings	**29,114,481**	23,149,472
Less: Cash and bank balances	**(8,679,978)**	(5,928,208)
Less: Other deposits with financial institutions – current	**(3,196,798)**	(3,615,798)
Net debt	**17,237,705**	13,605,466
Net gearing ratio (times)	**0.87**	0.72

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

36. CAPITAL MANAGEMENT (CONTINUED)

(b) Adjusted net gearing ratio

Adjusted net gearing ratio is adjusted net debt to equity, which equals adjusted net debt divided by total capital. The Group includes within adjusted net debt, net debt less liquid working capital. Liquid working capital includes inventories (excluding consumables) and trade receivables, less current liabilities (excluding loans and borrowings). Capital includes equity attributable to owners of the Company, i.e. shareholders' funds.

	Group	
	2021	2020
	US$'000	US$'000
Shareholders' funds	**19,923,875**	18,882,355
Liquid working capital:		
Inventories (excluding consumables)	**11,156,969**	8,976,844
Trade receivables	**6,833,416**	5,277,871
Less: Current liabilities (excluding loans and borrowings)	**(6,101,396)**	(5,687,262)
Total liquid working capital	**11,888,989**	8,567,453
Adjusted net debt	**5,348,716**	5,038,013
Adjusted net gearing ratio (times)	**0.27**	0.27

37. SEGMENT INFORMATION

Reporting format

For management purposes, the Group is organised into reporting segments based on the types of products and services, and has four reportable operating segments as follows:

Food Products

This segment comprises the processing, branding and distribution of a wide range of edible food products, which includes vegetable oil produced from palm and oilseeds, sugar, flour, rice, noodles, specialty fats, snacks, bakery and dairy products. These food products are sold in either consumer and medium packaging or in bulk depending on customer requirements.

Feed and Industrial Products

This segment comprises the processing, merchandising and distribution of products, which includes animal feeds, non-edible palm and lauric products, agricultural commodities, oleochemicals, gas oil and biodiesel.

Plantation and Sugar Milling

This segment comprises oil palm plantation and sugar milling activities, which includes the cultivation and milling of palm oil and sugarcane.

Others

This segment includes logistics & jetty port services and investment activities.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, is measured differently from operating profit or loss in the consolidated financial statements. Group income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

37. SEGMENT INFORMATION (CONTINUED)

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income tax, deferred tax assets and liabilities, loans and borrowings, corporate assets and related expenses.

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

2021

	Food Products US$'000	Feed and Industrial Products US$'000	Plantation and Sugar Milling US$'000	Others US$'000	Eliminations US$'000	Per Consolidated Financial Statements US$'000
Revenue:						
Sales to external customers	28,966,864	35,227,767	1,468,943	130,045	–	65,793,619
Inter-segment	541,286	3,666,756	2,181,996	168,428	(6,558,466)	–
Total revenue	29,508,150	38,894,523	3,650,939	298,473	(6,558,466)	65,793,619
Results:						
Segment results	680,936	1,261,026	564,051	47,224	–	2,553,237
Share of results of joint ventures	2,583	60,731	–	234	–	63,548
Share of results of associates	50,829	27,650	59,980	17,488	–	155,947
Unallocated expenses						(6,871)
Profit before tax						2,765,861
Income tax expense						(699,602)
Profit for the year						2,066,259
Assets and Liabilities:						
Segment assets	23,133,013	23,903,379	6,914,459	8,688,934	(7,762,512)	54,877,273
Investment in joint ventures	304,662	326,220	–	690	–	631,572
Investment in associates	1,021,406	842,309	489,376	521,865	–	2,874,956
Unallocated assets						334,645
Total assets						58,718,446
Segment liabilities	15,498,435	15,911,456	2,760,326	8,664,906	(7,762,512)	35,072,611
Unallocated liabilities						1,043,506
Total liabilities						36,116,117
Other segment information:						
Additions to non-current assets	1,259,528	999,801	191,635	218,480	–	2,669,444
Depreciation, impairment and amortisation	413,892	455,929	224,695	52,140	–	1,146,656
Finance income	205,691	124,530	16,727	236,789	(248,450)	335,287
Finance costs	(338,735)	(304,027)	(31,258)	(169,104)	248,450	(594,674)#

\# Including non-operating finance costs amounting to approximately US$6,252,000 on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

37. SEGMENT INFORMATION (CONTINUED)

2020

	Food Products US$'000	Feed and Industrial Products US$'000	Plantation and Sugar Milling US$'000	Others US$'000	Eliminations US$'000	Per Consolidated Financial Statements US$'000
Revenue:						
Sales to external customers	23,208,554	26,068,395	662,369	587,476	–	50,526,794
Inter-segment	388,125	2,864,195	1,492,038	193,119	(4,937,477)	–
Total revenue	23,596,679	28,932,590	2,154,407	780,595	(4,937,477)	50,526,794
Results:						
Segment results	1,152,398	795,877	104,832	59,237	–	2,112,344
Share of results of joint ventures	18,189	51,081	–	1,853	–	71,123
Share of results of associates	79,563	(2,149)	42,437	11,211	–	131,062
Unallocated expenses						(3,467)
Profit before tax						2,311,062
Income tax expense						(620,088)
Profit for the year						1,690,974
Assets and Liabilities:						
Segment assets	19,234,743	19,612,155	5,667,814	8,901,258	(6,069,963)	47,346,007
Investment in joint ventures	341,091	279,824	–	3,244	–	624,159
Investment in associates	951,533	808,946	478,813	487,030	–	2,726,322
Unallocated assets						323,488
Total assets						51,019,976
Segment liabilities	12,571,693	11,493,671	1,639,478	8,884,460	(6,069,963)	28,519,339
Unallocated liabilities						1,117,330
Total liabilities						29,636,669
Other segment information:						
Additions to non-current assets	826,044	869,959	176,048	293,601	–	2,165,652
Depreciation, impairment and amortisation	318,854	411,442	265,944	61,755	–	1,057,995
Finance income	243,459	165,233	16,492	196,921	(202,279)	419,826
Finance costs	(312,105)	(375,997)	(31,466)	(142,927)	202,279	(660,216)#

Including non-operating finance costs amounting to approximately US$9,106,000 on bank borrowings for acquisition of Wilmar Sugar Australia Limited & its subsidiaries

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

37. SEGMENT INFORMATION (CONTINUED)

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

A Inter-segment revenues are eliminated on consolidation.

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

	2021 US$'000	2020 US$'000
Share-based payments (executive share options)	**(6,871)**	(3,467)

C Additions to non-current assets consist of additions to property, plant and equipment, right-of-use assets, intangible assets and bearer plants.

D The following items are added to segment assets to arrive at "total assets" reported in the balance sheet:

	2021 US$'000	2020 US$'000
Deferred tax assets	**204,495**	203,494
Tax recoverable	**130,150**	119,994
	334,645	323,488

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

	2021 US$'000	2020 US$'000
Deferred tax liabilities	**367,713**	298,817
Tax payable	**288,652**	331,740
Medium Term Notes	**387,141**	486,773
	1,043,506	1,117,330

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		**Non-current assets**	
	2021 US$ million	2020 US$ million	**2021 US$ million**	2020 US$ million
People's Republic of China	**34,228**	27,570	**12,935**	9,255
South East Asia	**12,311**	10,097	**8,230**	8,080
India	**1,853**	1,251	**999**	987
Europe	**2,548**	1,649	**330**	309
Australia/New Zealand	**2,711**	2,315	**2,189**	2,332
Africa	**5,036**	3,154	**1,236**	1,123
Others	**7,107**	4,491	**403**	375
	65,794	50,527	**26,322**	22,461

Non-current assets information presented above consists of property, plant and equipment, right-of-use assets, investment properties, investment in joint ventures and associates, plasma investments, bearer plants, intangible assets, other financial receivables, other non-financial assets and other bank deposits as presented in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

38. DIVIDENDS

	Group and Company	
	2021	2020
	US$'000	US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Final tax-exempt (one-tier) dividend for 2020: S$0.090 (2019: S$0.095) per share	**427,664**	432,671
– Special tax-exempt (one-tier) dividend for 2020: S$0.065 (2019: S$Nil) per share	**308,869**	–
– Interim tax-exempt (one-tier) dividend for 2021: S$0.050 (2020: S$0.040) per share	**231,768**	185,907
	968,301	618,578
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
– Final tax-exempt (one-tier) dividend for 2021: S$0.105 (2020: S$0.090) per share	**487,923**	427,566
– Special tax-exempt (one-tier) dividend for 2021: S$Nil (2020: S$0.065) per share	**–**	308,798
	487,923	736,364

39. SUBSIDIARIES OF THE GROUP

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

Name of subsidiaries	Place of incorporation	Principal activities	Proportion of ownership interest	
			2021	2020
			%	%
Calofic Corporation (formerly known as Cai Lan Oils & Fats Industries Company Ltd)[3]	Vietnam	Manufacture and sale of vegetable oils and related products	**76**	76
PGEO Group Sdn Bhd[2] & its subsidiaries	Malaysia	Investment holding, processing, manufacturing and sale of edible oils, specialty fats, oleochemicals and related products, and manufacturing and trading of fertilisers and vegetarian foods	**100**	100
PPB Oil Palms Berhad[2] & its subsidiaries	Malaysia	Investment holding and provision of agricultural and technical advisory services, oil palm cultivation, operation of palm oil mills, cultivation and sale of clonal oil palm plantlets	**100**	100
PT Sentratama Niaga Indonesia[2] & its subsidiaries	Indonesia	Management consulting company, investment company, processing, manufacturing and selling of edible oils and its related products and other consumer goods, oil palm cultivation and palm oil milling, manufacturing and selling of fertilisers, industrial estate, manufacturing and selling of biofuel and/or gasoline and related products, rice milling and trading in rice products, warehousing and e-commerce	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

39. SUBSIDIARIES OF THE GROUP (CONTINUED)

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

Name of subsidiaries	Place of incorporation	Principal activities	Proportion of ownership interest 2021 %	2020 %
Shree Renuka Sugars Limited(2) & its subsidiaries	India	Refining of raw sugar, production of sugar and ethanol derived from sugarcane, sale, distribution, trading and/or branding of sugar and ethanol and generation, distribution, sale and trading of electricity/power	**62+**	62+
Wilmar Africa Limited(3) & its subsidiary	Ghana	General trading of all kinds of goods and related trade activities, agriculture and plantation, fertiliser manufacturers, agro processing, refinery, special fats and oleo chemicals, grains and pulses productions, warehousing and distribution	**72+**	72+
Wilmar Sugar Australia Limited(2) & its subsidiaries	Australia	Investment holding, manufacturing and merchandising of raw and refined sugar products, molasses, co-generated electricity, ethanol and its by-products and distribution of oleochemicals and a range of other traded products	**100**	100
Wii Pte. Ltd.(1) & its subsidiaries	Singapore	Investment holding, finance and treasury centre	**100**	100
Yihai Kerry Arawana Holdings Co., Ltd(2) & its subsidiaries	People's Republic of China	Investment holding, processing, and merchandising of oilseeds, edible oils and grains	**90+**	90+
Wilmar Europe Holdings B.V.(4) & its subsidiaries	The Netherlands	Investment holding, manufacturing, trading, marketing and distribution of edible oils, oleochemicals and biodiesel	**100**	100
Wilmar Ship Holdings Pte. Ltd.(3) & its subsidiaries	Singapore	Investment holding, ship-owning, ship chartering, ship brokering and ship management	**100**	100
Wilmar Trading Pte Ltd(1)	Singapore	International trading in edible oils and commodities	**100**	100
Wilmar GF Singapore Holdings Pte. Ltd.(1) & its subsidiaries	Singapore	Investment holding, manufacturing, marketing and distribution of food ingredients and consumer branded food, beverage and related products and intellectual property holding and management	**100**	100

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firms of Ernst & Young Global in the respective countries
(3) Audited by other auditors
(4) Not audited as it is not required under local requirements
\+ The effective interest of the Group has been rounded to the nearest whole % as indicated

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

40. JOINT VENTURES AND ASSOCIATES OF THE GROUP

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

Name of joint ventures	Place of incorporation	Principal activities	Proportion of ownership interest 2021 %	Proportion of ownership interest 2020 %
Adani Wilmar Limited[(3)] & its subsidiaries^	India	Manufacturing, refining, processing and trading of edible oils, non-edible oils and various agro based products like rice, pulses, besan, nuggets, wheat flour, sugar etc	**50**	50
Global Amines Company Pte. Ltd.[(1)] & its subsidiaries	Singapore	Investment holding and production and sale of fatty amines and selected amines derivatives	**50**	50
Olenex Holdings B.V.[(2)] & its subsidiaries	The Netherlands	Investment holding and manufacturing, marketing and distribution of edible oils	**63+**	63+
Vietnam Agribusiness Holdings Pte. Ltd.[(3)] & its subsidiary	Singapore	Trading, selling, distributing, marketing, processing and investing in agribusiness activities and related products	**50**	45

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firms of Ernst & Young Global in the respective countries
(3) Audited by other auditors
\+ The effective interest of the Group has been rounded to the nearest whole % as indicated
^ On 8 February 2022, Adani Wilmar Limited ("AWL"), a 50% owned joint venture of the Group, was listed on BSE Limited and National Stock Exchange of India Limited. Subsequent to the listing of AWL, the Group will be accounting AWL as an associate and will continue to account for its investment in AWL using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

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

Name of associates	Place of incorporation	Principal activities	Proportion of ownership interest 2021 %	2020 %
Bidco Uganda Limited[3] & its subsidiaries	Uganda	Manufacture and sale of edible vegetable oils, fats, soaps, ghee and related products and oil palm cultivation	**48**	48
Changshu Luhua Edible Oil Co., Ltd[3]	People's Republic of China	Edible oils refining and packaging	**30+**	30+
COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd[3] & its subsidiaries	People's Republic of China	Oilseeds crushing, edible oils refining, fractionation and packaging, flour and rice milling, specialty fats processing and warehousing	**44**	44
Cosumar S.A.[2][3] & its subsidiaries	Morocco	Processing of sugarcane and sugar beet, refining of raw sugar, and marketing, trading and distribution of such products, creation and operation of specialised laboratories and design offices in the sugar industries	**30+**	30+
DelMar Pte. Ltd.[1] & its subsidiaries	Singapore	Investment holding, production and trading of edible oils and fats	**52+**	52+
FFM Berhad[2] & its subsidiaries	Malaysia	Investment holding, flour milling, animal feed manufacturing, grains trading and trading in rice products	**20**	20
Laiyang Luhua Fragrant Peanut Oil Co., Ltd[3]	People's Republic of China	Peanut crushing and edible oils packaging	**25+**	25+
Murzah Wilmar East Africa Limited[3]	Tanzania	Manufacturers and traders of cooking oil, cooking fat, soaps & detergents, plastic containers and furnitures	**49**	49
Perennial Group Private Limited[3] & its subsidiaries	Singapore	Investment holding, real estate investment and development, asset and property management services, and healthcare services	**20+**	20+

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

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

Name of associates	Place of incorporation	Principal activities	Proportion of ownership interest	
			2021	2020
			%	%
Shandong Luhua Fragrant Peanut Oil Co., Ltd(3)	People's Republic of China	Peanut crushing and edible oils packaging	**25+**	25+
Sifca SA(2)(3) & its subsidiaries	Ivory Coast	Investment holding, processing and cultivation of palm oil, sugar cane and natural rubber	**27+**	27+
Xiang Yang Luhua Fragrant Peanut Oil Co., Ltd(3)	People's Republic of China	Peanut crushing and edible oils packaging	**30+**	30+
Zhoukou Luhua Fragrant Peanut Oil Co., Ltd(3)	People's Republic of China	Peanut crushing and edible oils packaging	**44+**	44+

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firms of Ernst & Young Global in the respective countries
(3) Audited by other auditors
\+ The effective interest of the Group has been rounded to the nearest whole % as indicated

41. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 15 March 2022.

APPENDIX II

REPRODUCTION OF THE PRESS RELEASE DATED 10 FEBRUARY 2022 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

The information set out below is a reproduction of the press release dated 10 February 2022 containing the Guarantor's consolidated financial results for the fourth quarter ended 31 December 2021.

SOCIETE GENERALE

RESULTS AT DECEMBER 31ST 2021

Press release
Paris, February 10th 2022

2021, RECORD GROUP NET INCOME

Substantial increase in underlying revenues of +16.1%(1) vs. 2020 (+17.2%(1)*), with a historically high level of Financing & Advisory and Financial Services activities, very solid Global Markets activities throughout the year, and a healthy momentum in Retail Banking

Underlying gross operating income of EUR 8.5 billion(1), up 51.0%(1) vs. 2020, with a significant positive jaws effect and costs under control, up +4.3%(1)

Still low cost of risk at 13 basis points

Underlying Group net income of EUR 5.3 billion(1) (EUR 5.6 billion on a reported basis)

Underlying profitability (ROTE) of 10.2%(1) (11.7% on a reported basis)

In Q4 21, underlying gross operating income of EUR 1.9 billion(1), +24.1% vs. Q4 20

Underlying Group net income of EUR 1.2 billion(1), +94.4% vs. Q4 20 (EUR 1.8 billion on a reported basis)

Underlying profitability (ROTE) of 9.2%(1) (16.6% on a reported basis)

ATTRACTIVE SHAREHOLDER DISTRIBUTION

Distribution equivalent to EUR 2.75 per share, or:

- **a dividend in cash,** proposed to the General Meeting, **of EUR 1.65 per share**
- **a share buyback programme,** for around EUR 915 million, **equivalent to EUR 1.1 per share**

Solid CET 1 ratio of 13.7%(2) at end-2021, around 470 basis points above the regulatory requirement

ACCELERATION IN STRATEGIC AND BUSINESS DEVELOPMENTS

Strengthening of our competitive position on mobility, announcement of the planned acquisition of LeasePlan by ALD with a view to creating a mobility leader

Client onboarding by Boursorama one year ahead of schedule, announcement of entry into exclusive discussions with the ING group with a view to offering ING's customers in France the best alternative banking solution

Good momentum of the retail banking networks in France in the context of **preparations for the merger**

Continued digitalisation initiatives and improvement of operational efficiency in International Retail Banking

Solid performance by Global Markets throughout the year, with the successful repositioning of structured products and a reduction in the risk profile

Record performance by Financing & Advisory, driven by strong market momentum and an increase in allocated capital

Fréderic Oudéa, the Group's Chief Executive Officer, commented:

"2021 marks a milestone for the Societe Generale Group, which achieved the best financial results in its history, enabling it to generate a good level of profitability and offer its shareholders an attractive return. All the businesses have contributed to this excellent performance. The Group also had a very robust balance sheet at the end of the year, with a very good quality loan portfolio and high capital ratios. In addition, the Group was able, firstly, to successfully continue advancing on major projects such as the merger of the two retail banking networks Societe Generale and Crédit du Nord and secondly, achieve two strategic transactions strengthening two differentiating assets, with the entry into exclusive discussions for the acquisition of Leaseplan by ALD and with ING concerning its retail banking activities in France. The Group is therefore entering 2022 with confidence, with the priority objective of the disciplined execution of this high value-creating roadmap and the finalisation of its outlines by accelerating the transformations around ESG issues and new technologies."

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(1) Underlying data (see methodology note section 10.5 for the transition from accounting data to underlying data)
(2) Phased-in ratio (fully-loaded ratio of 13.6%) after distribution provision
*The footnote * in this document corresponds to data adjusted for changes in Group Structure and at constant exchange rates*

1. GROUP CONSOLIDATED RESULTS

In EURm	Q4 21	Q4 20	Change		2021	2020	Change	
Net banking income	6,620	5,838	+13.4%	+11.7%*	25,798	22,113	+16.7%	+17.7%*
Underlying net banking income(1)	6,503	5,838	+11.4%	+9.8%*	25,681	22,113	+4.3%	+17.2%*
Operating expenses	(4,565)	(4,351)	+4.9%	+3.6%*	(17,590)	(16,714)	+5.2%	+5.8%*
Underlying operating expenses(1)	*(4,617)*	*(4,318)*	*+6.9%*	*+5.6%**	*(17,211)*	*(16,504)*	*+4.3%*	*+4.9%**
Gross operating income	2,055	1,487	+38.2%	+35.3%*	8,208	5,399	+52.0%	+55.1%*
Underlying gross operating income(1)	*1,886*	*1,520*	*+24.1%*	*+21.4%**	*8,470*	*5,609*	*+51.0%*	*+53.9%**
Net cost of risk	(86)	(689)	-87.5%	-87.7%*	(700)	(3,306)	-78.8%	-78.6%*
Operating income	1,969	798	x 2.5	x 2.4	7,508	2,093	x 3.6	x 3.7*
Underlying operating income(1)	*1,800*	*851*	*x 2.1*	*x 2.1*	*7,770*	*2,323*	*x 3.3*	*x 3.4**
Net profits or losses from other assets	449	(94)	n/s	n/s	635	(12)	n/s	n/s*
Impairment losses on goodwill	(114)	0	n/s	n/s	(114)	(684)	n/s	n/s
Income tax	(311)	(125)	x 2.5	x 2.4	(1,697)	(1,204)	+41.0%	+43.2%*
Net income	1,995	582	x 3.4	x 3.3	6,338	196	x 32.3	x 43.8
O.w. non-controlling interests	208	112	+85.7%	+81.2%*	697	454	+53.5%	+53.6%*
Reported Group net income	1,787	470	x 3.8	x 3.7	5,641	(258)	n/s	n/s
Underlying Group net income(1)	*1,226*	*631*	*+94.4%*	*+90.4%**	*5,264*	*1,435*	*x 3.7*	*x 3.8**
ROE	12.1%	2.4%			9.6%	-1.7%		
ROTE	16.6%	2.7%			11.7%	-0.4%		
Underlying ROTE(1)	*9.2%*	*4.1%*			*10.2%*	*1.7%*		

(1) Adjusted for exceptional items and linearisation of IFRIC 21

Societe Generale's Board of Directors, which met on February 9th, 2022 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q4 and full-year 2021.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

Net banking income

Net banking income was substantially higher in 2021, up +16.7% (+17.7%*) vs. 2020, and +16.1% (+17.2%*) vs. 2020 on an underlying basis, with a very strong momentum in all the businesses.

French Retail Banking posted a solid performance in 2021. As a result, net banking income (excluding PEL/CEL provision) increased by +4.8% vs. 2020, driven by the recovery in net interest income and buoyant commissions, particularly financial commissions.

International Retail Banking & Financial Services enjoyed strong revenue growth (+9.9%* vs. 2020), underpinned by the excellent momentum in Financial Services to Corporates (+32.0%* vs. 2020) and Insurance (+8.6%* vs. 2020). International Retail Banking benefited from a rebound in its activities (+2.8%* vs. 2020).

Global Banking & Investor Solutions delivered a remarkable performance, with revenues up +25.2% (+26.1%*) vs. 2020. Financing & Advisory enjoyed a record performance, with growth of +14.8% (+15.8%*) vs. 2020, while the revenues of Global Markets & Investor Services were substantially higher (+35.6%, +36.9%*) than in 2020.

In Q4 21, the Group continued to enjoy a strong revenue growth momentum (+13.4%, +11.7%*) vs. Q4 20, with a positive and evenly balanced contribution from all the businesses.

Operating expenses

In 2021, operating expenses totalled EUR 17,590 million on a reported basis and EUR 17,211 million on an underlying basis (restated for transformation costs), an increase of +4.3% vs. 2020.
This increase can be explained primarily by the rise in variable costs linked to the growth in revenues (EUR +701 million) and the increase in the contribution to the Single Resolution Fund (EUR +116 million). The other operating expenses declined by EUR 70 million, excluding structure effect.

Driven by a very positive jaws effect, underlying gross operating income grew substantially (+51.0%) to EUR 8,470 million and the underlying cost to income ratio improved by nearly 8 points (67.0% vs. 74.6% in 2020).

In **Q4 21**, operating expenses totalled EUR 4,565 million on a reported basis and EUR 4,617 million on an underlying basis (restated for the linearisation of IFRIC 21 and transformation costs), representing an increase of +6.9% vs. Q4 20.

Excluding the contribution to the Single Resolution Fund, the underlying cost to income ratio is expected to be between 66% and 68% in 2022 and improving onwards. This aggregate, excluding the contribution to the SRF, amounts to 64.7% in 2021, it being specified that the contribution to the Single Resolution Fund is EUR 586 million in 2021.

There is expected to be an increase in the contribution to the Single Resolution Fund until 2023 included.

The Group's radical transformations as announced in 2021 have led to changes in 2023 cost outlook. The various initiatives in progress will contribute to a decline in the Group's underlying cost to income ratio beyond 2022 excluding the contribution to the Single Resolution Fund year after year.

Cost of risk

In 2021, the cost of risk stood at a low level of 13 basis points, lower than in 2020 (64 basis points), or EUR 700 million (vs. EUR 3,306 million in 2020). It breaks down into a provision on non-performing loans of EUR 949 million and a provision write-back on performing loans of EUR 249 million.

The Group's provisions on performing loans amounted to EUR 3,355 million at end-2021.

In Q4 21, the cost of risk stood at 6 basis points, lower than in Q4 20 (54 basis points), or EUR 86 million and lower than in Q3 21 (15 basis points). It breaks down into a provision on non-performing loans of EUR 218 million and a provision write-back on performing loans of EUR 132 million.

In order to support its customers during the crisis, the Group granted State Guaranteed Loans. At December 31st 2021, the residual amount of State Guaranteed Loans represented around EUR 17 billion. In France, the total amount of State Guaranteed Loans ("PGE") amounts to around EUR 14 billion and net exposure is around EUR 1.5 billion.

The gross doubtful outstandings ratio amounted to 2.9%(1) at December 31st 2021, lower than at end-September 2021 (3.1%). The Group's gross coverage ratio for doubtful outstandings amounted to 51%(2) at December 31st 2021.

The cost of risk is expected to be below 30 basis points in 2022.

(1) *NPL ratio calculated according to the EBA methodology published on July 16th, 2019*
(2) *Ratio between the amount of provisions on doubtful outstandings and the amount of these same outstandings*

Group net income

In EURm	Q4 21	Q4 20	2021	2020
Reported Group net income	1,787	470	5,641	(258)
Underlying Group net income (1)	1,226	631	5,264	1,435

In EURm	Q4 21	Q4 20	2021	2020
Reported Group net income	16.6%	2.7%	11.7%	-0.4%
Underlying Group net income (1)	9.2%	4.1%	10.2%	1.7%

(1) Adjusted for exceptional items and linearisation of IFRIC21

Earnings per share amounts to EUR 5.97 in 2021 (EUR -1.02 in 2020). Underlying earnings per share amounts to EUR 5.52 over the same period (EUR 0.97 in 2020).

Distribution to shareholders

The Board of Directors has established its distribution policy at 50% of underlying Group net income[(2)], which is equivalent to EUR 2.75 per share.

A dividend in cash of EUR 1.65 per share will therefore be proposed to the Combined General Meeting of Shareholders on May 17th 2022. The dividend will be detached on May 25th 2022 and paid on May 27th 2022.

Furthermore, the Group plans to launch a share buyback programme for a total amount of around EUR 915 million, or the equivalent of EUR 1.1 per share. This programme is subject to the customary authorisation of the ECB and the General Meeting for its implementation.

(2) *After deducting interest on deeply subordinated notes and undated subordinated notes*

2. THE GROUP'S FINANCIAL STRUCTURE

Group shareholders' equity totalled EUR 65.1 billion at December 31st, 2021 (EUR 61.7 billion at December 31st, 2020). Net asset value per share was EUR 68.7 and tangible net asset value per share was EUR 61.1.

The consolidated balance sheet totalled EUR 1,464 billion at December 31st, 2021 (EUR 1,444 billion(1) at December 31st, 2020). The net amount of customer loan outstandings at December 31st, 2021, including lease financing, was EUR 488 billion (EUR 440 billion at December 31st, 2020) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 502 billion, vs. EUR 451 billion at December 31st, 2020 (excluding assets and securities sold under repurchase agreements).

At December 31st, 2021, the parent company had issued EUR 35.3 billion of medium/long-term debt, having an average maturity of 5.1 years and an average spread of 33 basis points (vs. the 6-month mid-swap, excluding subordinated debt). The subsidiaries had issued EUR 3.8 billion. In total, the Group had issued EUR 39.1 billion of medium/long-term debt.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 129% at end-December 2021 (131% on average in Q4), vs. 149% at end-December 2020. At the same time, the NSFR (Net Stable Funding Ratio) was at a level of 110% at end-December 2021.

The Group's **risk-weighted assets** (RWA) amounted to EUR 363.4 billion at December 31st, 2021 (vs. EUR 351.9 billion at end-December 2020) according to CRR2/CRD5 rules. Risk-weighted assets in respect of credit risk represent 83.9% of the total, at EUR 304.9 billion, up 6.1% vs. December 31st, 2020.

At December 31st, 2021, the Group's **Common Equity Tier 1** ratio stood at 13.7%, or around 470 basis points above the regulatory requirement. The CET1 ratio at December 31st, 2021 includes an effect of +16 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 13.6%. The Tier 1 ratio stood at 15.9% at end-December 2021 (16% at end-December 2020) and the total capital ratio amounted to 18.8% (19.2% at end-December 2020).

The Group is aiming for a CET1 ratio between 200-250 basis points minimum above the regulatory requirement including after the entry into force of the regulation finalising the Basel III reform.

The **leverage ratio** stood at 4.9% at December 31st, 2021 (4.8% at end-December 2020).

With a level of 31.1% of RWA and 9.5% of leverage exposure at end-December 2021, the Group's TLAC ratio is above the Financial Stability Board's requirements for 2021 and 2022. At December 31st, 2021, the Group was also above its 2022 MREL requirements of 25.2% of RWA and 5.91% of leverage exposure.

The Group is rated by four rating agencies: (i) Fitch Ratings - long-term rating "A-", stable rating, senior preferred debt rating "A", short-term rating "F1" (ii) Moody's - long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1" (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", stable outlook, short-term rating "A-1".

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(1) *Amounts restated compared with the financial statements published in 2020 (See Note1.7 of financial statements)*

3. FRENCH RETAIL BANKING

In EURm	Q4 21	Q4 20	Change	2021	2020	Change
Net banking income	2,048	1,845	+11.0%	7,777	7,315	+6.3%
Net banking income excl. PEL/CEL	*2,027*	*1,870*	*+8.4%*	*7,738*	*7,381*	*+4.8%*
Operating expenses	(1,534)	(1,443)	+6.3%	(5,635)	(5,418)	+4.0%
Underlying operating expenses(1)	*(1,573)*	*(1,476)*	*+6.6%*	*(5,635)*	*(5,418)*	*+4.0%*
Gross operating income	514	402	+27.9%	2,142	1,897	+12.9%
Underlying gross operating income(1)	*454*	*394*	*+15.3%*	*2,103*	*1,963*	*+7.1%*
Net cost of risk	20	(276)	n/s	(104)	(1,097)	-90.5%
Operating income	534	126	x 4.2	2,038	800	x 2.5
Net profits or losses from other assets	22	19	+15.8%	24	158	-84.8%
Reported Group net income	400	104	x 3.8	1,492	666	x 2.2
Underlying Group net income(1)	*356*	*99*	*x 3.6*	*1,463*	*712*	*x 2.1*
RONE	14.6%	3.7%		13.4%	5.8%	
Underlying RONE(1)	*13.0%*	*3.5%*		*13.1%*	*6.2%*	

(1) Adjusted for the linearisation of IFRIC 21 and PEL/CEL provision

Societe Generale and Crédit du Nord networks

Average loan outstandings were -1% lower than in Q4 20 at EUR 210 billion. They were 9% higher than in Q4 19. Average outstanding loans to individuals were up +2%, bolstered by the growth in home loan production (+33% vs. Q4 20). The production of medium/long-term loans to corporate and professional customers climbed +45% excluding State Guaranteed Loans vs. Q4 20.

Average outstanding balance sheet deposits increased by +7% vs. Q4 20 to EUR 241 billion (+22% vs. Q4 19), still driven by sight deposits.

As a result, the average loan/deposit ratio stood at 87% in Q4 21 vs. 94% in Q4 20.

Insurance assets under management totalled EUR 93 billion at end-December 2021, up +6% year-on-year. Gross life insurance inflow amounted to EUR 1.9 billion in Q4 21, with the unit-linked share accounting for 36%.

Private Banking's assets under management totalled EUR 78 billion at end-December 2021. Net inflow was buoyant at EUR 4.1 billion in 2021, an increase of 68% vs. 2020.

Property/casualty insurance premiums were up +5% vs. Q4 20, while personal protection insurance premiums were up +4% vs. Q4 20. The penetration rate for our customer base has improved both for property/casualty insurance and personal protection insurance.

Boursorama

The bank consolidated its position as the leading online bank in France, with more than 3.3 million clients at end-December 2021, thanks to the onboarding of 266,000 new clients in Q4 21 (+38% vs. Q4 20). Boursorama is aiming to have more than 4 million clients at end-2022, one year ahead of schedule relative to its plan.

This quarter, Boursorama distinguished itself by obtaining the highest NPS score among French banks in 2021 in the classification established by Bain & Company in December 2021. Moreover, Boursorama was ranked No. 1 in the classification best bank for Customer Experience Excellence in France in 2021 awarded by KPMG in November 2021. The bank also obtained the highest rating scores for its App among French banks with 4.8 on iOS (App Store) and 4.9 on Android (Google Play Store). In addition, Boursorama was voted the least expensive bank for the 14th consecutive year by Le Monde and Meilleurebanque.com in December 2021.

Average outstanding loans rose +28% vs. Q4 20 to EUR 14 billion. Home loan outstandings were up +30% vs. Q4 20.

Average outstanding savings including deposits and financial savings were 25% higher than in Q4 20 at EUR 35 billion, while outstanding deposits were up +25% vs. Q4 20. Life insurance outstandings were 13% higher than in Q4 20 while assets under management in UCITS increased by +16% vs. Q4 20. Brokerage volumes were stable in 2021 compared to 2020 at a record level (x3 compared to 2019).

Net banking income excluding PEL/CEL

2021: revenues (excluding PEL/CEL) totalled EUR 7,738 million, up +4.8% vs. 2020. Net interest income (excluding PEL/CEL) was up +2.1% vs. 2020, underpinned by catch-up effects related to the TLTRO allowance and to State Guaranteed Loans. Commissions enjoyed a healthy momentum (+5.1% vs. 2020) against the backdrop of a recovery in activity following the lockdowns in 2020.

Q4 21: revenues (excluding PEL/CEL) totalled EUR 2,027 million, up +8.4% vs. Q4 20. Net interest income (excluding PEL/CEL) was up +6.7% vs. Q4 20. Commissions were 5.0% higher than in Q4 20.

Operating expenses

2021: operating expenses totalled EUR 5,635 million (+4.0% vs. 2020). The cost to income ratio (restated for the PEL/CEL provision) stood at 72.8%, an improvement of 0.6 points vs. 2020.

Q4 21: operating expenses amounted to EUR 1,534 million (+6.3% vs. Q4 20) and EUR 1,573 million on an underlying basis. The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 77.6%, an improvement of 1.3 points vs. Q4 20.

Cost of risk

2021: the cost of risk amounted to EUR 104 million or 5 basis points, a substantial decline compared to 2020 (52 basis points) which was marked by an environment of uncertainty linked to the pandemic.

Q4 21: the cost of risk represented a write-back of EUR 20 million or -4 basis points, a significant improvement vs. Q4 20 (50 basis points) and Q3 21 (write-back of 1 basis point).

Contribution to Group net income

2021: the contribution to Group net income was EUR 1,492 million (x2.2 vs. 2020 impacted by the pandemic). RONE (restated for the PEL/CEL provision) stood at 13.1% in 2021 (6.2% in 2020) and 14.4% excluding Boursorama.

Q4 21: the contribution to Group net income was EUR 400 million vs. EUR 104 million in Q4 20. RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 13.0% in Q4 21 (3.5% in Q4 20).

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q4 21	Q4 20	Change		2021	2020	Change	
Net banking income	2,159	1,919	*+12.5%*	*+10.3%**	8,117	7,524	*+7.9%*	*+9.9%**
Operating expenses	(1,088)	(1,018)	*+6.9%*	*+4.2%**	(4,203)	(4,142)	*+1.5%*	*+3.1%**
Underlying operating expenses(1)	(1,112)	(1,042)	*+6.7%*	*+4.1%**	(4,203)	(4,142)	*+1.5%*	*+3.1%**
Gross operating income	1,071	901	*+18.9%*	*+17.3%**	3,914	3,382	*+15.7%*	*+18.3%**
Underlying gross operating income(1)	1,047	877	*+19.4%*	*+17.8%**	3,914	3,382	*+15.7%*	*+18.3%**
Net cost of risk	(96)	(287)	*-66.6%*	*-67.2%**	(504)	(1,265)	*-60.2%*	*-59.4%**
Operating income	975	614	*+58.8%*	*+57.5%**	3,410	2,117	*+61.1%*	*+65.2%**
Net profits or losses from other assets	8	6	*+33.3%*	*+36.6%**	18	15	*+20.0%*	*+21.2%**
Reported Group net income	584	376	*+55.3%*	*+54.9%**	2,082	1,304	*+59.7%*	*+64.4%**
Underlying Group net income(1)	570	362	*+57.5%*	*+57.1%**	2,082	1,304	*+59.7%*	*+64.4%**
RONE	22.2%	14.9%			20.3%	12.4%		
Underlying RONE(1)	*21.7%*	*14.3%*			*20.3%*	*12.4%*		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's loan and deposit production provided confirmation in Q4 of its rebound in all geographical regions. Outstanding loans totalled EUR 93.6 billion. They rose +6.0%* vs. end-December 2020. Outstanding deposits were 8.5%* higher than in December 2020, at EUR 89.5 billion.

For the Europe scope, outstanding loans were up +6.6%* vs. December 2020 at EUR 59.9 billion, driven by all the regions: +6.5%* in the Czech Republic, +11.1%* in Romania, and +5.4%* in Western Europe. Outstanding deposits increased by +6.0%* to EUR 50.8 billion.

In Russia, outstanding loans rose +13.3%* vs. end-December 2020, with a robust commercial performance particularly in home loans (+15%* year-on-year) and in the corporate customers segment (+22%* year-on-year). There was a significant increase in outstanding deposits (+20.8%*).

In Africa, Mediterranean Basin and French Overseas Territories, outstanding loans rose +1.6%* year-on-year. Outstanding deposits continued to enjoy a healthy momentum, up +7.7%*.

In the Insurance business, the life insurance savings business saw outstandings increase +7%* at end-December 2021 vs. end-December 2020 to EUR 135 billion. The share of unit-linked products in outstandings was 37%, an increase of +4 points vs. December 2020.

Financial Services to Corporates also enjoyed a healthy momentum. Operational Vehicle Leasing and Fleet Management had 1.7 million contracts, including 1.4 million financed vehicles, an increase of +4.0% vs. end-December 2020. Equipment Finance's new leasing business was up +12.1%* vs. 2020, while outstanding loans rose +1.1% vs. end-December 2020, to EUR 14.7 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 8,117 million in 2021, up +9.9%* vs. 2020. Revenues amounted to EUR 2,159 million in Q4 21, up +10.3%* vs. Q4 20.

International Retail Banking's net banking income totalled EUR 5,000 million in 2021, an increase of +2.8%* vs. 2020. It was up +3.5%* in Q4 21 at EUR 1,311 million.

Thanks to a rise in interest rates, a healthy commercial momentum and an increase in commissions (+16%* vs. Q4 20), revenues in Europe were 10.7%* higher than in Q4 20. Activity in the individual customers segment remained particularly robust in specialised consumer finance, with revenues up +9%* vs. Q4 20.

In 2021, the revenues of SG Russia(1) were down -2.8%* (-7.0%* vs. Q4 20), adversely affected firstly, by a temporary squeeze on individual customer margins (part of the rise in rates not being passed on to individual customers) and secondly, by a non-recurring item affecting the recognition of commissions.

The Africa, Mediterranean Basin and French Overseas Territories scope posted revenues up +4.6%* vs. 2020 at EUR 1,770 million. Despite persistent supply chain pressures and the sharp decline in tourism, activity proved resilient in Q4 21, with a gradual improvement in the commercial momentum. As a result, revenues were slightly lower (-1.2%) at EUR 453 million, with strong growth in certain key countries of Sub-Saharan Africa (Cote d'Ivoire, Senegal and Madagascar) particularly in the corporate customers segment.

The Insurance business posted net banking income up +8.6%* vs. 2020, at EUR 963 million in 2021. The gross premiums of the life insurance savings business were 25%* higher in Q4 21 than in Q4 20, with an attractive share of unit-linked products (44%). Protection insurance saw an increase of +5%* vs. December 2020. Property/casualty premiums rose +9%* in Q4 21 (including +7%* in France and +10%* internationally) and +8%* in 2021, as did personal protection insurance (+3%* vs. 2020). The Insurance business' net banking income was 8.1%* higher in Q4 21 than in Q4 20 at EUR 243 million.

Financial Services to Corporates' net banking income was substantially higher (+32.0%*) than in 2020, at EUR 2,154 million. This performance was driven primarily by the activities of ALD which posted strong growth in its fleet and the used car sale result (EUR 1,422 per vehicle in 2021). Financial Services to Corporates' net banking income totalled EUR 605 million in Q4 21, up +30.6%* vs. Q4 20.

Operating expenses

Operating expenses totalled EUR 4,203 million, an increase of +3.1%* on a reported and underlying basis vs. 2020. Operating expenses amounted to EUR 1,088 million in Q4 21, up +4.2%* vs. Q4 20, in conjunction with the growth in revenue. As a result, the quarter generated a positive jaws effect. The cost to income ratio stood at 51.8% in 2021.

In International Retail Banking, operating expenses were slightly higher (+2.5%*) than in 2020. Operating expenses were 4.0%* higher than in Q4 20.

In the **Insurance** business, operating expenses were in line with the expansion ambitions and rose +4.8%* vs. 2020 and +6.6%* vs. Q4 20.

In **Financial Services to Corporates,** operating expenses increased by +4.4%* vs. 2020 and +4.7%* vs. Q4 20.

Cost of risk

Q4 21: the cost of risk amounted to 28 basis points (EUR 96 million), vs. 43 basis points in Q3 21 and 89 basis points in Q4 20.

2021: the cost of risk amounted to 38 basis points (EUR 504 million). It was 96 basis points in 2020.

Contribution to Group net income

The contribution to Group net income totalled EUR 2,082 million in 2021 (+64.4%* vs. 2020) and EUR 584 million in Q4 21 (+54.9%* vs. Q4 20).

Underlying RONE stood at 20.3% in 2021 (vs. 12.4% in 2020) and 21.7% in Q4 21 (14.3% in Q4 20), with RONE of 16% in International Retail Banking and 26% in Financial Services.

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(1) *SG Russia encompasses the entities Rosbank, Rosbank Insurance, ALD Automotive and their consolidated subsidiaries*

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q4 21	Q4 20	Variation		2021	2020	Variation	
Net banking income	2,320	2,072	+12.0%	+9.7%*	9,530	7,613	+25.2%	+26.1%*
Operating expenses	(1,556)	(1,688)	-7.8%	-9.3%*	(6,863)	(6,713)	+2.2%	+2.7%*
Underlying operating expenses(1)	*(1,681)*	*(1,638)*	*+2.6%*	*+0.9%**	*(6,863)*	*(6,556)*	*+4.7%*	*+5.1%**
Gross operating income	764	384	+99.0%	+91.5%*	2,667	900	x 3.0	x 3.0*
Underlying gross operating income(1)	*639*	*434*	*+47.3%*	*+42.4%**	*2,667*	*1,057*	*x 2.5*	*x 2.6*
Net cost of risk	(3)	(104)	-97.1%	-97.2%*	(86)	(922)	-90.7%	-90.5%*
Operating income	761	280	x 2.7	x 2.6	2,581	(22)	n/s	n/s
Reported Group net income	635	280	x 2.3	x 2.2	2,076	57	x 36.4	x 40.8
Underlying Group net income(1)	*539*	*320*	*+68.4%*	*+64.1%**	*2,076*	*183*	*x 11.4*	*x 11.8*
RONE	16.3%	7.8%			13.9%	0.4%		
Underlying RONE(1)	*13.8%*	*9.0%*			*13.9%*	*1.3%*		

(1) Adjusted for the linearisation of IFRIC 21

Net banking income

In 2021, Global Banking & Investor Solutions posted substantially higher revenues (+25.2%) than in 2020 at EUR 9,530 million, driven by a very strong momentum in all the businesses. Revenues rose +9.5% compared to 2019. This solid financial performance reflects the successful execution of the strategic plan presented in May 2021.
In Q4 21, revenues rose +12.0% vs. Q4 20, to EUR 2,320 million.

In Global Markets & Investor Services, net banking income totalled EUR 5,648 million in 2021 (+35.6% vs. 2020). It amounted to EUR 1,260 million in Q4 21 (+8.6% vs. Q4 20).

Global Markets turned in a very strong performance in 2021 (EUR 5,001 million), with an increase of +40.2% compared to 2020 which was heavily impacted by the health crisis. Market conditions were favourable in the Equity market and more complex in the fixed income markets in 2021. The reduction in the risk profile of structured products was completed in the first half of the year, ahead of schedule.
Q4 21 also delivered a solid performance (EUR 1,103 million), with an increase of +9.5% vs. Q4 20. The fourth quarter was marked by very buoyant commercial activity in most client segments.

The Equity activity enjoyed its best year since 2009 (EUR 3,150 million vs. EUR 1,275 million in 2020 and EUR 2,502 million in 2019), driven by good market conditions and the successful repositioning of the Investment Solutions product offering.
In Q4 21, the business was able to take advantage of still favourable market conditions on all products, and posted revenues of EUR 727 million, up +22.6% vs. Q4 20.

Fixed Income & Currency activities posted revenues of EUR 1,851 million in 2021, down -19.2% compared to 2020 which was marked by exceptional market conditions in the first half of the year.
Q4 21 delivered a resilient performance (-9.2% vs. Q4 20) in a more complex market, with higher revenues in emerging markets and financing.

There was a significant increase in Securities Services' revenues in 2021, with revenues up +8.4% vs. 2020, at EUR 647 million. They were 2.6% higher in Q4 21 than in Q4 20, at EUR 157 million.
Securities Services' assets under custody and assets under administration amounted to EUR 4,586 billion and EUR 697 billion respectively, up +6.3% and +9.2% in 2021.

Financing & Advisory delivered the best historical annual performance, with revenues of EUR 2,924 million, up +14.8% vs. 2020. Firstly, the business capitalised on the good market momentum, particularly in Investment Banking, by playing key roles in our clients' major transactions and secondly, it benefited from an additional capital allocation.

In Q4 21, the business again enjoyed record revenues of EUR 814 million, substantially higher (+19.5%) than in Q4 20.
Investment Banking enjoyed an excellent quarter, driven by the strong momentum of M&A, Leveraged Buyout and equity capital market activities. Revenues from Asset Finance, Natural Resources and Infrastructure activities and the Asset-Backed Products platform also showed a substantial increase.
Global Transaction and Payment Services continued to experience strong growth, up +25.2% vs. Q4 20.

Asset and Wealth Management's net banking income totalled EUR 958 million in 2021 (+6.1% vs. 2020). It was 6.5% higher in Q4 21 vs. Q4 20.

In 2021, Private Banking posted an increase in revenues of +3.1% vs. 2020, to EUR 699 million (when restated for an exceptional impact of EUR +29 million related to an insurance payout received in 2020, revenues are up +7.7%). The business benefited from strong commercial activity in all regions. Net inflow amounted to EUR +7.7 billion in 2021. Assets under management totalled EUR 130 billion. They rose +12% in 2021.
In Q4 21, net banking income amounted to EUR 171 million, up +5.6% vs. Q4 20.

In 2021, Lyxor's net banking income totalled EUR 239 million, an increase of +15.5% vs. 2020. Assets under management were up +27% in 2021, at EUR 178 billion.
In Q4 21, revenues were 10.9% higher than in Q4 20.

Operating expenses

2021: operating expenses totalled EUR 6,863 million, an increase of +2.2% vs. 2020 on a reported basis, and +4.7% on an underlying basis (operating expenses included a restructuring charge of EUR 157 million in Q4 20). This increase can be explained by the rise in variable costs related to the increase in earnings and IFRIC 21 charges. Thanks to a very positive jaws effect, there was a significant improvement in the cost to income ratio of 14 points (72% vs. 86% on an underlying basis in 2020).
Q4 21: operating expenses were up +2.6% on an underlying basis (at EUR 1,681 million).

Net cost of risk

2021: the cost of risk was at a low level of 5 basis points (or EUR 86 million), well below 2020 (57 basis points) which was adversely affected by the health crisis.
Q4 21: it amounted to 1 basis point (or EUR 3 million), vs. 28 basis points in Q4 20.

Contribution to Group net income

2021: the contribution to Group net income was EUR 2,076 million.
Q4 21: it was EUR 635 million on a reported basis and EUR 539 million on an underlying basis (+68.4% vs. Q4 20).

Global Banking & Investor Solutions posted a significant RONE of 13.9% in 2021 (16.1% when restated for the impact of the contribution to the Single Resolution Fund).
The underlying RONE was 13.8% in Q4 21.

6. CORPORATE CENTRE

In EURm	Q4 21	Q4 20	2021	2020
Net banking income	93	2	374	(339)
Underlying net banking income(1)	*(24)*	2	*257*	(339)
Operating expenses	(387)	(202)	(889)	(441)
Underlying operating expenses(1)	*(251)*	*(162)*	*(510)*	*(388)*
Gross operating income	(294)	(200)	(515)	(780)
Underlying gross operating income(1)	*(275)*	*(160)*	*(253)*	*(727)*
Net cost of risk	(7)	(22)	(6)	(22)
Net profits or losses from other assets	429	(105)	603	(185)
Impairment losses on goodwill	(114)	-	(114)	(684)
Income tax	193	52	187	(482)
Reported Group net income	168	(290)	(9)	(2,285)
Underlying Group net income(1)	*(255)*	*(133)*	*(386)*	*(718)*

(1) Adjusted for the linearisation of IFRIC 21

The Corporate Centre includes the property management of the Group's head office, the Group's equity portfolio, the Treasury activities for the Group, certain costs related to cross-functional projects as well as certain costs incurred by the Group not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR +374 million in 2021 vs. EUR -339 million in 2020 and EUR +93 million in Q4 21, including the positive impact of a revaluation of securities for EUR 117 million vs. EUR +2 million in Q4 20.

Operating expenses totalled EUR 889 million in 2021 vs. EUR 441 million in 2020. They include the Group's transformation costs for a total amount of EUR 379 million relating to the activities of French Retail Banking (EUR 194 million), Global Banking & Investor Solutions (EUR 99 million) and the Corporate Centre (EUR 86 million). Underlying costs came to EUR 510 million in 2021 compared to EUR 388 million in 2020.
Operating expenses totalled EUR 387 million in Q4 21 vs. EUR 202 million in Q4 20. They include the Group's transformation costs for a total amount of EUR 147 million relating to the activities of French Retail Banking (EUR 88 million), Global Banking & Investor Solutions (EUR 33 million) and the Corporate Centre (EUR 26 million). Underlying costs came to EUR 251 million in Q4 21 compared to EUR 162 million in Q4 20.

Gross operating income totalled EUR -515 million in 2021 vs. EUR -780 million in 2020 and EUR -294 million in Q4 21 vs. EUR -200 million in Q4 20. Underlying gross operating income came to EUR -253 million in 2021 vs. EUR -727 million in 2020.

Net profits or losses from other assets amounted to EUR +603 million in 2021 vs. EUR -185 million in 2020. In Q4 21, they totalled EUR +429 million including the proceeds of the disposal of Lyxor's asset management activities for EUR 439 million, vs. EUR -105 million in Q4 20 including EUR -101 million in respect of the disposal of SG Finans.
In Q4 21, the Group benefited from the recognition of EUR 130 million of deferred tax assets. Furthermore, the review of International Retail Banking's financial trajectory led to the impairment of goodwill for EUR 114 million in Q4 21.

The **Corporate Centre's contribution to Group net income was EUR -9 million** in 2021 vs. EUR -2,285 million in 2020 and EUR +168 million in Q4 21 vs. EUR -290 million in Q4 20. The Corporate Centre's contribution to Group net income on an underlying basis was EUR -255 million.

7. CONCLUSION

In 2021, the Group delivered the best annual performance in its history, with Group net income of EUR 5.6 billion and a strong contribution from all its businesses.

2021 was also marked by major progress in the execution of all our strategic initiatives and in the strategic reallocation of our capital in favour of businesses offering profitable growth. The Group therefore announced the planned acquisition of LeasePlan by ALD to create a mobility leader, as well as Boursorama's entry into exclusive discussions with ING with a view to offering ING's individual customers in France the best alternative banking solution.

At end-December 2021, the Group had a CET1 ratio of 13.7%[(1)], comfortably above its regulatory requirement.

The Board of Directors has established an attractive distribution of 2021 financial results to shareholders equivalent to EUR 2.75 per share. A dividend in cash of EUR 1.65 per share will be proposed to the General Meeting of Shareholders on May 17th.

Furthermore, the Group foresee a buyback programme for around EUR 915 million, or an amount equivalent to EUR 1.10 per share. Exceptionally, it has been retained a split of the distribution between 60% in cash and 40% through share buy-back.

In future, the Group intends to maintain a distribution policy of 50% of underlying Group net income[(2)] with up to 20% of the distribution in the form of a share buyback.

(1) *Phased-in (13.6% fully-loaded) post distribution provision*
(2) *After deducting interest on deeply subordinated notes and undated subordinated notes*

8. 2022 FINANCIAL CALENDAR

2022 Financial communication calendar	
May 5th, 2022	First quarter 2022 results
May 17th, 2022	2022 General Meeting
August 3rd, 2022	Second quarter and first half 2022 results
November 4th, 2022	Third quarter and nine-month 2022 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, cost of risk in basis points, ROE, ROTE, RONE, net assets, tangible net assets, and the amounts serving as a basis for the different restatements carried out (in particular the transition from published data to underlying data) are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.
These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:
- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences,
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the section "Risk Factors" in our Universal Registration Document filed with the French Autorité des Marchés Financiers (which is available on https://investors.societegenerale.com/en).

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

9. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q4 21	Q4 20	Variation	2021	2020	Variation
French Retail Banking	400	104	x 3.8	1,492	666	x 2.2
International Retail Banking and Financial Services	584	376	+55.3%	2,082	1,304	+59.7%
Global Banking and Investor Solutions	635	280	x 2.3	2,076	57	x 36.4
Core Businesses	1,619	760	x 2.1	5,650	2,027	x 2.8
Corporate Centre	168	(290)	n/s	(9)	(2,285)	+99.6%
Group	1,787	470	x 3.8	5,641	(258)	n/s

CONSOLIDATED BALANCE SHEET

In EUR m	31.12.2021	31.12.2020
Cash, due from central banks	179,969	168,179
Financial assets at fair value through profit or loss *	342,714	411,916
Hedging derivatives	13,239	20,667
Financial assets at fair value through other comprehensive income	43,450	52,060
Securities at amortised cost	19,371	15,635
Due from banks at amortised cost	55,972	53,380
Customer loans at amortised cost	497,164	448,761
Revaluation differences on portfolios hedged against interest rate risk	131	378
Investments of insurance companies	178,898	166,854
Tax assets *	4,812	4,995
Other assets	92,898	67,341
Non-current assets held for sale	27	6
Investments accounted for using the equity method	95	100
Tangible and intangible fixed assets	31,968	30,088
Goodwill	3,741	4,044
Total *	1,464,449	1,444,404

In EUR m	31.12.2021	31.12.2020
Due to central banks	5,152	1,489
Financial liabilities at fair value through profit or loss *	307,563	372,705
Hedging derivatives	10,425	12,461
Debt securities issued	135,324	138,957
Due to banks	139,177	135,571
Customer deposits	509,133	456,059
Revaluation differences on portfolios hedged against interest rate risk	2,832	7,696
Tax liabilities *	1,577	1,227
Other liabilities	106,305	84,937
Non-current liabilities held for sale	1	-
Insurance contracts related liabilities	155,288	146,126
Provisions *	4,850	4,732
Subordinated debts	15,959	15,432
Total liabilities *	**1,393,586**	**1,377,392**
Shareholder's equity		
Shareholders' equity, Group share		
Issued common stocks and capital reserves	21,913	22,333
Other equity instruments	7,534	9,295
Retained earnings *	30,631	32,102
Net income	5,641	(258)
Sub-total *	**65,719**	**63,472**
Unrealised or deferred capital gains and losses	(652)	(1,762)
Sub-total equity, Group share *	**65,067**	**61,710**
Non-controlling interests *	5,796	5,302
Total equity *	**70,863**	**67,012**
Total *	**1,464,449**	**1,444,404**

(*) Amounts restated compared with the financial statements published in 2020 (See Note1.7 of financial statements)

10. APPENDIX 2: METHODOLOGY

1 –The financial information presented in respect of Q4 and 2021 was examined by the Board of Directors on February 9th, 2021 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. This information has not been audited.

2 - Net banking income

The pillars' net banking income is defined on page 41 of Societe Generale's 2021 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 - Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2020 (pages 466 et seq. of Societe Generale's 2021 Universal Registration Document). The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 41 of Societe Generale's 2021 Universal Registration Document.

4 - IFRIC 21 adjustment

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

The contributions to **Single Resolution Fund (« SRF »)** are part of IFRIC21 adjusted charges, they include contributions to national resolution funds within the EU.

5 – Exceptional items – Transition from accounting data to underlying data

It may be necessary for the Group to present underlying indicators in order to facilitate the understanding of its actual performance. The transition from published data to underlying data is obtained by restating published data for exceptional items and the IFRIC 21 adjustment.

Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

The reconciliation enabling the transition from published accounting data to underlying data is set out in the table below:

Q4 21 (in EURm)	Net Banking Income	Operating Expenses	Cost of risk	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	6 620	(4 565)	(86)	449	(114)	(311)	1 787	
*(+) Revaluation gain**	*(117)*					*2*	*(115)*	*Corporate Center*
(+) IFRIC 21 linearisation		*(199)*				*46*	*(149)*	
*(+) Transformation charges**		*147*				*(39)*	*108*	*Corporate Center(1)*
*(+) Lyxor disposal**				*(439)*		*50*	*(389)*	*Corporate Center*
*(+) DTA recognition**						*(130)*	*(130)*	*Corporate Center*
*(+) Goodwill impairment**					*114*		*114*	*Corporate Center*
Underlying	6 503	(4 617)	(86)	10	0	(382)	1 226	

Q4 20 (in EURm)	Net Banking Income	Operating Expenses	Cost of risk	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	5 838	(4 351)	(689)	(94)	0	(125)	470	
(+) IFRIC 21 linearisation		*(177)*				*52*	*(121)*	
*(+) Transformation charges**		*210*				*(63)*	*147*	*o/w GBIS (EUR -157m), Corporate Center (EUR -53m)*
*(+) Group refocusing plan**			*20*	*101*		*14*	*135*	*Corporate Center*
Underlying	5 838	(4 318)	(669)	7	0	(123)	631	

2021 (in EURm)	Net Banking Income	Operating Expenses	Cost of risk	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	25 798	(17 590)	(700)	635	(114)	(1 697)	5 641	
*(+) Lyxor disposal**				*(439)*		*50*	*(389)*	*Corporate Center*
*(+) Transformation charges**		*379*				*(104)*	*275*	*Corporate Center(2)*
*(+) Capital gains on Haussmann office disposal**				*(185)*		*53*	*(132)*	*Corporate Center*
*(+) Revaluation gain**	*(117)*					*2*	*(115)*	*Corporate Center*
*(+) DTA recognition**						*(130)*	*(130)*	*Corporate Center*
*(+) Goodwill impairment**					*114*		*114*	*Corporate Center*
Underlying	25 681	(17 211)	(700)	11	0	(1 826)	5 264	

2020 (in EURm)	Net Banking Income	Operating Expenses	Cost of risk	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	22 113	(16 714)	(3 306)	(12)	(684)	(1 204)	(258)	
*(+) Transformation charges**		*210*				*(63)*	*147*	*o/w GBIS (EUR -157m), Corporate Center (EUR -53m)*
*(+) Group refocusing plan**			*20*	*178*		*14*	*212*	*Corporate center*
*(+) Goodwill impairment**					*684*		*684*	*Corporate center*
*(+) DTA impairment **						*650*	*650*	*Corporate center*
Underlying	22 113	(16 504)	(3 286)	166	0	(603)	1 435	

(*) Exceptional item

(1) Transformation and/or restructuring charges in Q4 21 related to RBDF (EUR 88m), GBIS (EUR 33m) and Corporate Center (EUR 26m)

(2) Transformation and/or restructuring charges in 2021 related to RBDF (EUR 194m), GBIS (EUR 99m) and Corporate Center (EUR 86m)

6 - Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk is defined on pages 43 and 635 of Societe Generale's 2021 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

In EURm		Q4 21	Q4 20	2021	2020
French Retail Banking	Net Cost Of Risk	(20)	276	104	1,097
	Gross loan Outstandings	219,522	222,926	218,043	212,185
	Cost of Risk in bp	(4)	50	5	52
International Retail Banking and Financial Services	Net Cost Of Risk	96	287	504	1,265
	Gross loan Outstandings	137,018	128,965	133,321	132,082
	Cost of Risk in bp	28	89	38	96
Global Banking and Investor Solutions	Net Cost Of Risk	3	104	86	922
	Gross loan Outstandings	178,116	147,508	165,603	160,918
	Cost of Risk in bp	1	28	5	57
Corporate Centre	Net Cost Of Risk	7	22	6	22
	Gross loan Outstandings	14,574	14,044	13,835	11,611
	Cost of Risk in bp	16	62	4	20
Societe Generale Group	Net Cost Of Risk	86	689	700	3,306
	Gross loan Outstandings	549,229	513,443	530,801	516,797
	Cost of Risk in bp	6	54	13	64

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

7 - ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 43 and 44 of Societe Generale's 2021 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.
RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 44 of Societe Generale's 2021 Universal Registration Document.
Group net income used for the ratio numerator is book Group net income adjusted for "interest net of tax payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves" (see methodology note No. 9). For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to book equity in order to calculate ROE and ROTE for the period are given in the table below:

ROTE calculation: calculation methodology

End of period	Q4 21	Q4 20	2021	2020
Shareholders' equity Group share*	65,067	61,710	65,067	61,710
Deeply subordinated notes	(8,003)	(8,830)	(8,003)	(8,830)
Undated subordinated notes		(264)		(264)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	20	19	20	19
OCI excluding conversion reserves	(489)	(942)	(489)	(942)
Dividend provision	(2,286)	(467)	(2,286)	(467)
ROE equity end-of-period*	54,310	51,227	54,310	51,227
Average ROE equity*	53,878	51,307	52,634	52,091
Average Goodwill	(3,776)	(3,928)	(3,890)	(4,172)
Average Intangible Assets	(2,687)	(2,477)	(2,584)	(2,432)
Average ROTE equity*	47,415	44,902	46,160	45,487
Group net Income (a)	1,787	470	5,641	(258)
Underlying Group net income (b)	1,226	631	5,264	1,435
Interest on deeply subordinated notes and undated subordinated notes (c)	(151)	(164)	(590)	(611)
Cancellation of goodwill impairment (d)	337	-	337	684
Ajusted Group net Income (e) = (a)+ (c)+(d)	1,973	306	5,388	(185)
Ajusted Underlying Group net Income (f)=(b)+(c)	1,075	467	4,674	824
Average ROTE equity (g)*	47,415	44,902	46,160	45,487
ROTE [quarter: (4*e/g), 12M: (2*e/g)]	16.6%	2.7%	11.7%	-0.4%
Average ROTE equity (underlying) (h)*	46,854	45,063	45,783	47,180
Underlying ROTE [quarter: (4*f/h), 12M: (2*f/h)]	9.2%	4.1%	10.2%	1.7%

(*) Amounts restated compared with the financial statements published in 2020 (See Note1.7 of the financial statements)

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EUR m	Q4 21	Q4 20	Change	2021	2020	Change
French Retail Banking	10,990	11,186	-1.8%	11,149	11,427	-2.4%
International Retail Banking and Financial Services	10,523	10,112	+4.1%	10,246	10,499	-2.4%
Global Banking and Investor Solutions	15,602	14,287	+9.2%	14,916	14,302	+4.3%
Core Businesses	37,115	35,585	+4.3%	36,310	36,228	+0.2%
Corporate Center	16,763	15,722	+6.7%	16,324	15,863	+2.9%
Group	53,878	51,307	+5.0%	52,634	52,091	+1.0%

(*) Amounts restated compared with the financial statements published in 2020 (See Note1.7 of the financial statements)

8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 46 of the Group's 2021 Universal Registration Document. The items used to calculate them are presented below:

End of period – in EUR m	2021	2020	2019
Shareholders' equity Group share*	65,067	61,710	63,527
Deeply subordinated notes	(8,003)	(8,830)	(9,501)
Undated subordinated notes		(264)	(283)
Interest, net of tax, payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	20	19	4
Bookvalue of own shares in trading portfolio	37	301	375
Net Asset Value*	57,121	52,936	54,122
Goodwill	(3,624)	(3,928)	(4,510)
Intangible Assets	(2,733)	(2,484)	(2,362)
Net Tangible Asset Value*	50,764	46,524	47,250
Number of shares used to calculate NAPS**	831,162	848,859	849,665
Net Asset Value per Share	68.7	62.4	63.7
Net Tangible Asset Value per Share	61.1	54.8	55.6

(*) Amounts restated compared with the financial statements published in 2020 (See Note1.7 of the financial statements)

(*) The number of shares considered is the number of ordinary shares outstanding as at end of period, excluding treasury shares and buybacks, but including the trading shares held by the Group.*

In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction.

9 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 45 of Societe Generale's 2021 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. As specified on page 45 of Societe Generale's 2021 Universal Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5 (underlying EPS).
The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands) – in EUR m	2021	2020	2019
Existing shares	853,371	853,371	834,062
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	3,861	2,987	4,011
Other own shares and treasury shares	3,249		149
Number of shares used to calculate EPS**	846,261	850,385	829,902
Group net Income	5,641	(258)	3,248
Interest on deeply subordinated notes and undated subordinated notes	(590)	(611)	(715)
Capital gain net of tax on partial buybacks			
Adjusted Group net income	5,051	(869)	2,533
EPS (in EUR)	5.97	(1.02)	3.05
Underlying EPS* (in EUR)	5.52	0.97	4.03

(*) Calculated on the basis of underlying Group net income.

(**) The number of shares considered is the average number of ordinary shares outstanding during the period, excluding treasury shares and buybacks, but including the trading shares held by the Group.

10 – The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR2/CRD5 rules. The fully loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is also calculated according to applicable CRR2/CRD5 rules including the phased-in following the same rationale as solvency ratios.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 133,000 members of staff in 61 countries and supports on a daily basis 30 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** which encompasses the Societe Generale, Credit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services to Corporates,** with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions,** which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

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