

Chairman's Message

The global economy in 2024 continued to navigate a complex landscape shaped by persistent macroeconomic and geopolitical uncertainties. Inflationary pressures remained a key challenge, albeit with some moderation in response to monetary policy adjustments by central banks worldwide. Meanwhile, geopolitical tensions, including the ongoing conflict in Eastern Europe and disruptions in global supply chains, continued to pose risks to economic stability. Notably, the series of high-stakes elections across major economies, including the United States, India, Indonesia, and the European Union, added to market volatility and policy uncertainty. Resultantly, the agriculture commodity sector was also characterised by significant shifts and challenges. Crude palm oil ("CPO") prices ranged from a low of RM3,629 per tonne in January to a high of RM5,342 per tonne in December 2024. For the full year, the average CPO price stood at RM4,228 per tonne, up 10.0% from RM3,842 per tonne in 2023. Palm oil prices surged to an unusual premium over soyabean oil.

Staying focused on strengthening customer service, product quality and production and distribution operations proved to be a sound strategy for the Group, enabling us to remain resilient and adaptable to market demand. The Group achieved a 10.3% growth in sales volume to reach 4,781,800 million metric tonnes ("MT") in 2024 from 4,334,600 MT last year. Coupled with 5.1% higher average selling prices, the Group's revenue increased from US\$4,123.8 million in 2023 to US\$4,782.0 million in 2024, representing a growth of 16.0%. For the full year, the Group posted a net profit attributable to equity holders of US\$38.8 million, a decrease of 4.4% from US\$40.6 million in the preceding year, attributed to a 6.9% lower operating margin per MT.

The growth in sales volume was primarily driven by the commencement of operations in the Group's second refinery in Indonesia during the second half of 2024, leading to a 14.3% increase in sales volume for the Bulk segment. However, the Bulk segment faced margin pressures due to lower prevailing refining margins. In contrast, the Group's Consumer Pack segment achieved a record total operating margin of US\$110.3 million in 2024, reflecting a 10.6% year-on-year increase. The Group's balance sheet and liquidity position remained robust in 2024, with total equity reaching US\$824.5 million. We maintained a prudent capital structure with net debt to equity ratio of 0.63.

Looking at 2025, we are cognisant that the global agri-commodity sector continues to be influenced by a complex interplay of external factors, including geopolitical developments such as US trade policy, currency fluctuations and the economic trajectory of key markets such as China. Nonetheless, we maintain a cautiously optimistic outlook for our industry.

In our core business of vegetable oils, we anticipate sustained demand growth, particularly in the high-potential markets of Asia and Africa. This growth is underpinned by robust demographic trends and evolving consumption patterns in these regions. The Group is strategically positioned to capitalise on these emerging opportunities. Specifically, our recently commissioned greenfield refinery in Indonesia has broadened our supply base and strengthened our value chain.

Recognising that the Group's resilience during these uncertain times is emboldened by the support and trust of our shareholders, the Board of Directors is proposing a final exempt dividend of S\$0.0061 per ordinary share. This, along with the interim dividend of S\$0.0014 paid earlier, brings the total dividend to S\$0.0075 per ordinary share for the full year. We would like to express our heartfelt gratitude to all our stakeholders, including our valued shareholders, supportive bankers, collaborative partners, and dedicated employees, for their unwavering trust and support throughout the year. Their contributions have been instrumental in navigating the complexities of the global market and achieving our goals. We also extend our sincere appreciation to our new Independent Directors, Mr Eu Yee Ming Richard and Professor Koh Annie who joined our Board in 2024. Their diverse expertise and fresh perspectives have been invaluable in guiding our strategic decisions and enhancing our corporate governance.

As we navigate the challenges and opportunities that lie ahead, our Group remains steadfast in our commitment to excellence and sustainable growth. Through sustainable growth initiatives and responsible business practices, we aim to weather the storms of global markets and emerge stronger, more innovative, and better positioned to capitalise on future opportunities.

**DR CHEO TONG CHOON @
LEE TONG CHOON**

Chairman and Executive Director