

Unaudited Financial Statements for the First Half ended 30 June 2020
FINANCIAL HIGHLIGHTS

	1H2020 US\$'000	1H2019 US\$'000	Change
Revenue	22,657,717	20,226,522	12.0%
Net Profit	610,867	407,869	49.8%
Net Profit - excluding discontinued operations	610,867	440,273	38.7%
Core Net Profit	635,872	427,141	48.9%
EBITDA	1,488,640	1,187,111	25.4%
EPS - Basic (US cents per share)	9.6	6.4	50.0%
EPS - Fully diluted (US cents per share)	9.6	6.4	50.0%
EPS - Basic (US cents per share) - excluding discontinued operations	9.6	7.0	37.1%
EPS - Fully diluted (US cents per share) - excluding discontinued operations	9.6	7.0	37.1%
	30.06.2020	31.12.2019	Change
Net Tangible Asset (US\$'000)	11,129,982	11,378,104	-2.2%
Net Asset per share (US\$ per share)	2.59	2.64	-1.9%
Net Tangible Asset per share (US\$ per share)	1.75	1.79	-2.2%

Unaudited Financial Statements for the First Half ended 30 June 2020
1(a)(i) Consolidated Income Statement

	Group		
	Six months ended		
	30.06.2020 US\$'000	30.06.2019 US\$'000	Change
Revenue	22,657,717	20,226,522	12.0%
Cost of sales	(20,126,861)	(18,305,614)	-9.9%
Gross profit	2,530,856	1,920,908	31.8%
Other items of income			
Finance income	236,407	251,156	-5.9%
Other operating income	106,857	117,938	-9.4%
Other items of expense			
Selling and distribution expenses	(1,152,219)	(892,095)	-29.2%
Administrative expenses	(454,277)	(380,065)	-19.5%
Other operating expenses	(105,291)	(75,783)	-38.9%
Finance costs	(400,645)	(480,440)	16.6%
Non-operating items	(20,771)	15,650	n.m.
Share of results of joint ventures	38,499	37,330	3.1%
Share of results of associates	45,568	5,515	726.3%
Profit before tax from continuing operations	824,984	520,114	58.6%
Income tax expense	(176,171)	(62,362)	-182.5%
Profit from continuing operations, net of tax	648,813	457,752	41.7%
Loss from discontinued operations, net of tax	-	(55,544)	n.m.
Profit for the period	648,813	402,208	61.3%

Attributable to:

Owners of the Company			
Profit from continuing operations, net of tax	610,867	440,273	38.7%
Loss from discontinued operations, net of tax	-	(32,404)	n.m.
Profit for the period attributable to owners of the Company	610,867	407,869	49.8%
Non-controlling interests			
Profit from continuing operations, net of tax	37,946	17,479	117.1%
Loss from discontinued operations, net of tax	-	(23,140)	n.m.
Profit/(loss) for the period attributable to non-controlling interests	37,946	(5,661)	n.m.
Profit for the period	648,813	402,208	61.3%

n.m. - not meaningful

Unaudited Financial Statements for the First Half ended 30 June 2020
1(a)(ii) Consolidated Statement of Comprehensive Income

	Group		
	Six months ended		
	30.06.2020 US\$'000	30.06.2019 US\$'000	Inc/(Dec) US\$'000
Profit after tax	648,813	402,208	246,605
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	(108,020)	17,002	(125,022)
Gain on disposal of investment securities at fair value through other comprehensive income	-	1,049	(1,049)
	(108,020)	18,051	(126,071)
- Items that may be reclassified subsequently to income statement			
Foreign currency translation	(319,966)	6,408	(326,374)
Fair value adjustment on cash flow hedges	46,077	14,917	31,160
Fair value adjustment on forward elements of forward contracts	15,797	29,774	(13,977)
	(258,092)	51,099	(309,191)
Other comprehensive income from continuing operations, net of tax	(366,112)	69,150	(435,262)
Other comprehensive income from discontinued operations, net of tax	-	(474)	474
Total comprehensive income	282,701	470,884	(188,183)

Attributable to:

Owners of the Company	263,576	483,166	(219,590)
Non-controlling interests	19,125	(12,282)	31,407
	282,701	470,884	(188,183)

Attributable to:
Owners of the Company

Total comprehensive income from continuing operations, net of tax	263,576	515,847	(252,271)
Total comprehensive income from discontinued operations, net of tax	-	(32,681)	32,681
	263,576	483,166	(219,590)

Unaudited Financial Statements for the First Half ended 30 June 2020
1(b)(i) Balance Sheets

	Group		Company	
	30.06.2020 US\$'000	31.12.2019 US\$'000	30.06.2020 US\$'000	31.12.2019 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	11,425,977	11,244,998	91,755	63,599
Bearer plants	674,041	690,640	-	-
Investment properties	32,654	33,181	-	-
Intangible assets	5,352,613	5,384,405	-	-
Investment in subsidiaries	-	-	10,101,302	10,033,212
Investment in joint ventures	544,463	552,001	3,800	21,508
Investment in associates	2,501,895	2,551,179	13,677	13,677
Investment securities	435,578	566,654	-	-
Deferred tax assets	235,448	244,040	-	-
Derivative financial instruments	17,276	16,585	-	-
Other financial receivables	141,849	132,017	307,004	284,673
Other non-financial assets	57,880	58,619	-	-
	21,419,674	21,474,319	10,517,538	10,416,669
Current assets				
Inventories	6,843,206	7,960,753	-	-
Trade receivables	3,992,194	4,251,589	-	-
Other financial receivables	8,739,223	7,278,153	6,023,445	5,476,380
Other non-financial assets	1,426,933	1,383,400	4,628	7,102
Derivative financial instruments	523,163	338,981	-	-
Investment securities	263,877	315,518	-	-
Other bank deposits	1,835,815	1,932,754	-	-
Cash and bank balances	2,278,094	2,113,139	1,456	344,605
	25,902,505	25,574,287	6,029,529	5,828,087
TOTAL ASSETS	47,322,179	47,048,606	16,547,067	16,244,756

Unaudited Financial Statements for the First Half ended 30 June 2020
1(b)(i) Balance Sheets (continued)

	Group		Company	
	30.06.2020 US\$'000	31.12.2019 US\$'000	30.06.2020 US\$'000	31.12.2019 US\$'000
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	1,660,300	1,690,698	-	-
Other financial payables	1,762,285	1,858,588	5,838,450	5,613,964
Other non-financial liabilities	386,891	590,872	-	-
Derivative financial instruments	441,250	370,753	-	-
Loans and borrowings	18,685,612	18,288,112	39,210	-
Tax payables	182,525	196,301	-	-
	23,118,863	22,995,324	5,877,660	5,613,964
NET CURRENT ASSETS	2,783,642	2,578,963	151,869	214,123
Non-current liabilities				
Other financial payables	261,572	258,288	589,708	-
Other non-financial liabilities	195,430	178,082	-	-
Derivative financial instruments	33,066	32,552	-	-
Loans and borrowings	5,899,793	5,419,323	207,084	242,628
Deferred tax liabilities	257,974	288,919	-	-
	6,647,835	6,177,164	796,792	242,628
TOTAL LIABILITIES	29,766,698	29,172,488	6,674,452	5,856,592
NET ASSETS	17,555,481	17,876,118	9,872,615	10,388,164
Equity attributable to owners of the Company				
Share capital	8,458,995	8,458,995	8,895,134	8,895,134
Treasury shares	(91,443)	(122,579)	(91,443)	(122,579)
Retained earnings	10,191,899	10,113,650	832,945	1,381,856
Other reserves	(2,076,856)	(1,687,557)	235,979	233,753
	16,482,595	16,762,509	9,872,615	10,388,164
Non-controlling interests	1,072,886	1,113,609	-	-
TOTAL EQUITY	17,555,481	17,876,118	9,872,615	10,388,164
TOTAL EQUITY AND LIABILITIES	47,322,179	47,048,606	16,547,067	16,244,756

Unaudited Financial Statements for the First Half ended 30 June 2020
1(b)(ii) Group's Borrowings and Debt Securities

	Group		Group	
	30.06.2020		31.12.2019	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
(a) Amount repayable in one year or less, or on demand	815,983	17,869,629	1,451,115	16,836,997
(b) Amount repayable after one year	677,480	5,222,313	525,196	4,894,127
	1,493,463	23,091,942	1,976,311	21,731,124

Details of any collateral

A portion of the bank term loans and short term working capital loans is secured by a pledge over property, plant and equipment, bearer plants, fixed deposits and other deposits with financial institutions, trade receivables and corporate guarantees from the Company and certain subsidiaries.

The Group's bank loans and other bank deposits amounting to approximately US\$3,031,501,000 are disclosed off balance sheet as at 30 June 2020 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.

Unaudited Financial Statements for the First Half ended 30 June 2020
1(c) Consolidated Cash Flow Statement

	Group	
	Six months ended	
	30.06.2020 US\$'000	30.06.2019 US\$'000
Cash flows from operating activities		
Profit before tax from continuing operations	824,984	520,114
Loss before tax from discontinued operations	-	(55,544)
Profit before tax, total	824,984	464,570
Adjustments for:		
Depreciation of bearer plants	27,931	27,282
Depreciation of property, plant and equipment	464,441	392,099
Loss on disposal of investment in a joint venture	129	-
Loss/(gain) on disposal of investment in associates	1,748	(2,311)
Fair value gain arising from changes of interest in joint ventures resulting in change of control	(2,440)	(66)
Fair value gain arising from changes of interest in an associate resulting in change of control	-	(907)
Amortisation of intangible assets	1,253	562
Loss on disposal of property, plant and equipment	4,923	3,318
(Gain)/loss on disposal of biological assets	(33)	50
Loss on disposal/liquidation of subsidiaries	218	5,443
Gain on disposal of investment securities at fair value through profit or loss	(3,174)	-
Grant of share options to employees	889	9,054
Net fair value (gain)/loss on derivative financial instruments	(88,177)	110,999
Net fair value loss/(gain) on investment securities at fair value through profit or loss	72,210	(14,329)
Foreign exchange differences arising from translation	21,264	21,550
Investment income from investment securities	(58,349)	(17,515)
Interest expense	406,438	498,210
Interest income	(236,407)	(251,156)
Share of results of joint ventures	(38,499)	(37,330)
Share of results of associates	(45,568)	(5,515)
Operating cash flows before working capital changes	1,353,781	1,204,008
Changes in working capital:		
Decrease in inventories	1,168,184	1,216,299
Decrease in receivables and other assets	221,923	841,221
Decrease in payables	(346,002)	(444,986)
Cash flows generated from operations	2,397,886	2,816,542
Interest paid	(376,603)	(453,511)
Interest received	239,591	202,646
Income taxes paid	(188,808)	(172,993)
Net cash flows generated from operating activities	2,072,066	2,392,684

Unaudited Financial Statements for the First Half ended 30 June 2020
1(c) Consolidated Cash Flow Statement (continued)

	Group	
	Six months ended	
	30.06.2020 US\$'000	30.06.2019 US\$'000
Cash flows from investing activities		
Net cash flow on acquisition of subsidiaries	(42,302)	2,870
Decrease/(increase) in plasma investments	165	(381)
(Increase)/decrease in investment securities at fair value through profit or loss	(17,355)	770
Increase in other non-financial assets	-	(5,752)
Payments for property, plant and equipment	(824,459)	(794,686)
Payments for bearer plants	(23,930)	(35,094)
Decrease/(increase) in investment securities at fair value through other comprehensive income	19,539	(16,943)
Investment income from investment securities	58,349	17,515
Payments for investment in a joint venture	-	(12,429)
Payments for investment in associates	(10,679)	-
Payments for intangible assets	(146)	(258)
Dividends received from joint ventures	13,642	25,004
Dividends received from associates	16,232	16,195
Proceeds from disposal of property, plant and equipment	22,299	42,601
Proceeds from disposal of interest in a joint venture	185	-
Proceeds from disposal of interest in associates	15,600	12,183
Net cash flow from disposal/liquidation of subsidiaries	3,104	402
Net cash flows used in investing activities	(769,756)	(748,003)
Cash flows from financing activities		
Decrease/(increase) in net amount due from related parties	9,243	(532)
Increase in net amount due from joint ventures	(2,820)	(75,700)
(Increase)/decrease in net amount due from associates	(10,013)	10,987
Increase/(decrease) in advances from non-controlling shareholders	5,659	(9,890)
Proceeds from loans and borrowings	2,133,390	1,205,873
Increase in fixed deposits pledged with financial institutions for bank facilities	(1,222,911)	(665,174)
Increase in other financial receivables	(1,375,451)	(1,071,128)
Increase in other deposits with maturity more than 3 months	(80,566)	(416,423)
Interest paid	(12,501)	(22,939)
Net cash flow from acquisition of additional interest in subsidiaries	(160,488)	(19,278)
Dividends paid by the Company	(432,671)	(324,953)
Dividends paid to non-controlling shareholders by subsidiaries	(57,358)	(69,032)
Proceeds from dilution of interest in a subsidiary	1,221	-
Proceeds from reissuance of treasury shares by the Company	32,473	7,300
Proceeds from issue of shares by subsidiaries to non-controlling shareholders	9,284	8,114
Net cash flows used in financing activities	(1,163,509)	(1,442,775)
Net increase in cash and cash equivalents	138,801	201,906
Cash and cash equivalents at the beginning of the financial period	2,048,878	1,595,494
Cash and cash equivalents at the end of the financial period	2,187,679	1,797,400
Represented by:		
Total cash and bank balances	4,113,909	4,206,479
Less: Fixed deposits pledged with financial institutions for bank facilities	(780,085)	(1,488,768)
Less: Other deposits with maturity more than 3 months	(1,055,730)	(871,403)
Bank overdrafts	(90,415)	(48,908)
Total cash and cash equivalents	2,187,679	1,797,400

Unaudited Financial Statements for the First Half ended 30 June 2020
1(d)(i) Statements of Changes in Equity

	Attributable to owners of the Company					Non-controlling interests	Equity total
	Share capital	Treasury shares	Retained earnings	Other reserves	Equity attributable to owners of the Company, total		
For the period From 01.01.2020 to 30.06.2020	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
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 period	-	-	610,867	-	610,867	37,946	648,813
Other comprehensive income	-	-	-	(347,291)	(347,291)	(18,821)	(366,112)
Total comprehensive income	-	-	610,867	(347,291)	263,576	19,125	282,701
Grant of equity-settled share options	-	-	-	889	889	-	889
Share capital contributed by non-controlling shareholders	-	-	-	-	-	9,284	9,284
Reissuance of treasury shares pursuant to exercise of share options	-	31,136	-	1,337	32,473	-	32,473
Dividends on ordinary shares	-	-	(432,671)	-	(432,671)	-	(432,671)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	(57,358)	(57,358)
Net transfer to other reserves	-	-	(99,947)	99,947	-	-	-
Total contributions by and distributions to owners	-	31,136	(532,618)	102,173	(399,309)	(48,074)	(447,383)
Acquisition of subsidiaries	-	-	-	-	-	3,312	3,312
Acquisition of additional interest in subsidiaries	-	-	-	(144,482)	(144,482)	(16,006)	(160,488)
Dilution of interest in a subsidiary	-	-	-	301	301	920	1,221
Total changes in ownership interests in subsidiaries	-	-	-	(144,181)	(144,181)	(11,774)	(155,955)
Closing balance at 30 June 2020	8,458,995	(91,443)	10,191,899	(2,076,856)	16,482,595	1,072,886	17,555,481

Unaudited Financial Statements for the First Half ended 30 June 2020
1(d)(i) Statements of Changes in Equity (continued)

	Attributable to owners of the Company					Non-controlling interests	Equity total
	Share capital	Treasury shares	Retained earnings	Other reserves	Equity attributable to owners of the Company, total		
For the period From 01.01.2019 to 30.06.2019	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Group							
Opening balance at 1 January 2019	8,458,995	(153,315)	9,303,827	(1,563,731)	16,045,776	729,240	16,775,016
Profit for the period	-	-	407,869	-	407,869	(5,661)	402,208
Other comprehensive income	-	-	1,049	74,248	75,297	(6,621)	68,676
Total comprehensive income	-	-	408,918	74,248	483,166	(12,282)	470,884
Grant of equity-settled share options	-	-	-	9,054	9,054	-	9,054
Share capital contributed by non-controlling shareholders	-	-	-	-	-	8,114	8,114
Reissuance of treasury shares pursuant to exercise of share options	-	7,243	-	57	7,300	-	7,300
Dividends on ordinary shares	-	-	(324,953)	-	(324,953)	-	(324,953)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	(69,032)	(69,032)
Net transfer to other reserves	-	-	(9,824)	9,824	-	-	-
Total contributions by and distributions to owners	-	7,243	(334,777)	18,935	(308,599)	(60,918)	(369,517)
Acquisition of subsidiaries	-	-	-	-	-	32,833	32,833
Acquisition of additional interest in subsidiaries	-	-	-	(3,854)	(3,854)	(15,424)	(19,278)
Disposal of subsidiaries	-	-	-	-	-	(310)	(310)
Total changes in ownership interests in subsidiaries	-	-	-	(3,854)	(3,854)	17,099	13,245
Closing balance at 30 June 2019	8,458,995	(146,072)	9,377,968	(1,474,402)	16,216,489	673,139	16,889,628

Unaudited Financial Statements for the First Half ended 30 June 2020
1(d)(i) Statements of Changes in Equity (continued)

	Attributable to owners of the Company				
	Share capital	Treasury shares	Retained earnings	Other reserves	Equity attributable to owners of the Company, total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
For the period					
From 01.01.2020 to 30.06.2020					
Company					
Opening balance at 1 January 2020	8,895,134	(122,579)	1,381,856	233,753	10,388,164
Loss for the period	-	-	(116,240)	-	(116,240)
Total comprehensive income	-	-	(116,240)	-	(116,240)
Grant of equity-settled share options	-	-	-	889	889
Reissuance of treasury shares pursuant to exercise of share options	-	31,136	-	1,337	32,473
Dividends on ordinary shares	-	-	(432,671)	-	(432,671)
Total transactions with owners in their capacity as owners	-	31,136	(432,671)	2,226	(399,309)
Closing balance at 30 June 2020	8,895,134	(91,443)	832,945	235,979	9,872,615

	Attributable to owners of the Company				
	Share capital	Treasury shares	Retained earnings	Other reserves	Equity attributable to owners of the Company, total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
For the period					
From 01.01.2019 to 30.06.2019					
Company					
Opening balance at 1 January 2019	8,895,134	(153,315)	1,161,712	222,870	10,126,401
Loss for the period	-	-	(65,320)	-	(65,320)
Other comprehensive income	-	-	-	89	89
Total comprehensive income	-	-	(65,320)	89	(65,231)
Grant of equity-settled share options	-	-	-	9,054	9,054
Reissuance of treasury shares pursuant to exercise of share options	-	7,243	-	57	7,300
Dividends on ordinary shares	-	-	(324,953)	-	(324,953)
Total transactions with owners in their capacity as owners	-	7,243	(324,953)	9,111	(308,599)
Closing balance at 30 June 2019	8,895,134	(146,072)	771,439	232,070	9,752,571

Unaudited Financial Statements for the First Half ended 30 June 2020**1(d)(ii) Share Capital**

Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	
	30.06.2020	30.06.2019
Issued and fully paid ordinary shares		
Balance at the beginning of the financial period	6,403,401,106	6,403,401,106
Balance at the end of the financial period	6,403,401,106	6,403,401,106
Treasury shares		
Balance at the beginning of the financial period	(62,528,700)	(76,432,850)
Reissuance of treasury shares pursuant to exercise of share options	15,063,600	3,257,500
Balance at the end of the financial period	(47,465,100)	(73,175,350)
Issued ordinary shares excluding treasury shares	6,355,936,006	6,330,225,756
The number of shares that may be issued on exercise of share options outstanding at the end of the financial period	26,564,700	54,563,750

1(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

The Company's total number of issued shares as at 30 June 2020 and 31 December 2019 were 6,403,401,106, of which 47,465,100 shares and 62,528,700 shares were held by the Company as treasury shares as at 30 June 2020 and 31 December 2019 respectively.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Please refer to item 1(d)(ii) above.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements presented above have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

Unaudited Financial Statements for the First Half ended 30 June 2020

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period compared with the audited financial statements as at 31 December 2019 except for the adoption of new or revised SFRS(I) and INT SFRS(I) that are mandatory for financial years beginning on or after 1 January 2020. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group's consolidated financial statements.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to item 4 above.

Unaudited Financial Statements for the First Half ended 30 June 2020
6. Earnings Per Ordinary Share (EPS)

	Group	
	Six months ended	
	30.06.2020	30.06.2019
(a) Based on weighted average number of shares (US cents per share)	9.6	6.4
(b) Based on fully diluted basis (US cents per share)	9.6	6.4
(c) Based on weighted average number of shares (US cents per share) - excluding discontinued operations	9.6	7.0
(d) Based on fully diluted basis (US cents per share) - excluding discontinued operations	9.6	7.0
Weighted average number of shares applicable to basic earnings per share ('000)	6,345,752	6,327,997
Weighted average number of shares based on fully diluted basis ('000)	6,353,861	6,333,746

7. Net Asset Value Per Ordinary Share (NAV)

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	259.3	264.4	155.3	163.8

Unaudited Financial Statements for the First Half ended 30 June 2020

Change in Segment Reporting

With effect from January 2020, the Group adopted a new segment classification for reporting its segment revenue and results. The change in segments better reflects the Group's core businesses and strategy. Previously, the Group has segmented its business based on different agricultural commodities, mainly Tropical Oils, Oilseeds and Grains, Sugar and Others. Going forward, the four reporting segments will be based on the types of products, namely Food Products, Feed and Industrial Products, Plantation and Sugar Milling and Others.

- **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 the manufacturing and distribution of fertiliser products, logistics & jetty port services, and investment activities.

Beginning in FY2020, our financial statements will reflect the new reporting segments with prior periods adjusted accordingly. This reclassification will have no impact on the consolidated revenue, operating income or profit for the Group.

Unaudited Financial Statements for the First Half ended 30 June 2020**8. Review of Group Performance****Overview**

The Group continued its 1Q2020 robust performance into 2Q2020 as it more than doubled its net profit to US\$386.6 million in 2Q2020 (2Q2019: US\$150.9 million). Correspondingly, net profit for 1H2020 improved by 49.8% to US\$610.9 million (1H2019: US\$407.9 million) on the back of improved contributions across all the Group's core segments. In particular, the strong recovery in crushing margins and volume in China led Feed and Industrial Products segment to record 104.9% jump in profit to US\$370.8 million for 1H2020 (1H2019: US\$181.0 million). Further, the Group also saw stronger demand for consumer products and reported better oil palm plantation performance on the back of higher palm oil prices in 1H2020. Share of results of associates and joint ventures was also higher in 1H2020, mainly due to better contributions by the Group's investments in China, India and Africa. The recovery in equity markets pared the overall losses in investment securities incurred in 1Q2020, thereby reducing the non-core losses (after tax) to US\$25.0 million in 1H2020. Correspondingly, core net profit for the Group increased by 48.9% to US\$635.9 million (1H2019: US\$427.1 million).

Revenue and Cost of Sales

The Group recorded an increase in revenue by 12.0% in 1H2020 to US\$22.7 billion (1H2019: US\$20.2 billion), driven by improved demand across all its core segments. As a result of the COVID-19 pandemic, consumer products sales increased significantly because people ate more often at home and also bought higher quality products. This and the consolidation of Goodman Fielders' results in the current period, contributed to the higher revenue recognised in 1H2020. Although the overall volume for both medium pack and bulk businesses in the Food Products segment improved in 2Q2020, 1H2020 volume was lower by 7.5% to 7.5 million MT owing to lower demand from the Hotel/Restaurant/Catering (HORECA) businesses which had been negatively impacted by lockdowns in all its major markets. Correspondingly, cost of sales increased by 9.9% to US\$20.1 billion in 1H2020 (1H2019: US\$18.3 billion).

Finance Income**Finance Costs**

	1H2020	1H2019
	US\$ million	US\$ million
Finance income	236.4	251.2
Finance costs	(400.6)	(480.4)

In line with the declining interest rate environment globally, finance cost decreased by 16.6% to US\$400.6 million in 1H2020 (1H2019: US\$480.4 million). Similarly, finance income decreased but at a lower 5.9% to US\$236.4 million in 1H2020 (1H2019: US\$251.2 million) as the lower effective interest rates were partially offset by higher deposits placed during the period.

Unaudited Financial Statements for the First Half ended 30 June 2020***Other Operating Items – Net***

	1H2020	1H2019
	US\$ million	US\$ million
Other operating income	106.9	117.9
Other operating expenses	(105.3)	(75.8)
Other operating items – net	1.6	42.1

Net other operating gains was lower at US\$1.6 million in 1H2020 (1H2019: US\$42.1 million gain), dragged down by an impairment of Sugar assets in India during the current period. Foreign exchange losses arising from revaluation of the Group's financial assets and liabilities are also included in net other operating gains.

Taking into account foreign exchange gains arising from the forward exchange instruments entered into for hedging purposes under cost of sales, the Group recorded a net foreign exchange gain of US\$5.4 million in 1H2020 (1H2019: US\$6.0 million gain).

Selling and Distribution Expenses

In line with the higher sales activities during the period, selling and distribution expenses increased by 29.2% to US\$1.2 billion in 1H2020 (1H2019: US\$892.1 million) mainly from higher freight charges. In addition, the Group incurred higher export duties during the current period as a result of the resumption of export duties in Indonesia with effect from January 2020.

Administrative Expenses

Administrative expenses, comprising mainly personnel costs, increased by 19.5% to US\$454.3 million in 1H2020 (1H2019: US\$380.1 million). The increase is mainly brought about by the consolidation of Goodman Fielders' results during the current period.

Non-operating Items

The Group recorded non-operating loss of US\$20.8 million in 1H2020 (1H2019: US\$15.7 million gain) mainly from losses arising from investment securities, in line with the weaker equity market conditions globally in 1Q2020. The recovery of equity markets in 2Q2020 has reduced overall losses in investment securities for 1H2020. These losses were further offset by distribution income received in respect of these investments during the current period.

Share of Results of Joint Ventures & Associates

Share of results of joint ventures & associates doubled in the current period, from US\$42.8 million in 1H2019 to US\$84.1million in 1H2020, as a result of stronger contributions from the Group's investments in China, India and Africa.

Income Tax Expense

Effective tax rate for the Group was 23.8% in 1H2020 (1H2019: 13.1%) as a result of higher profits recognised in higher tax jurisdictions in the current period.

Unaudited Financial Statements for the First Half ended 30 June 2020
Group Financial Performance by Business Segment
Sales Volume of Key Segments

	Sales Volume			Sales Volume		
	2Q2020	2Q2019	Inc/(Dec)	1H2020	1H2019	Inc/(Dec)
	MT'000	MT'000	%	MT'000	MT'000	%
Food Products						
- Consumer Products	1,871	1,555	20.3%	4,726	3,673	28.7%
- Medium Pack and Bulk	4,223	4,005	5.4%	7,538	8,149	-7.5%
Feed and Industrial Products						
- Tropical Oils	5,477	5,802	-5.6%	10,714	11,614	-7.7%
- Oilseeds and Grains	5,902	4,730	24.8%	10,182	8,379	21.5%
- Sugar	3,367	1,919	75.5%	5,449	4,065	34.0%
Plantation and Sugar Milling #						
- Sugar Milling	831	707	17.5%	1,321	1,024	29.0%

Excludes oil palm plantation volume

Six Months Ended 30 June

	1H2020	1H2019	Variance	
	US\$'000	US\$'000	US\$'000	%
Revenue				
Food Products				
- Consumer Products	5,303,680	3,787,525	1,516,155	40.0%
- Medium Pack and Bulk	5,074,214	5,597,636	(523,422)	-9.4%
Feed and Industrial Products				
- Tropical Oils	7,524,476	7,110,908	413,568	5.8%
- Oilseeds and Grains	3,545,505	2,854,449	691,056	24.2%
- Sugar	1,847,697	1,288,512	559,185	43.4%
Plantation and Sugar Milling				
- Oil Palm Plantation	484,553	480,024	4,529	0.9%
- Sugar Milling	456,613	363,179	93,434	25.7%
Others	356,272	424,018	(67,746)	-16.0%
Eliminations	(1,935,293)	(1,679,729)	(255,564)	-15.2%
Total revenue	22,657,717	20,226,522	2,431,195	12.0%

Unaudited Financial Statements for the First Half ended 30 June 2020
Six Months Ended 30 June

Profit before tax	1H2020	1H2019	Variance	
	US\$'000	US\$'000	US\$'000	%
Food Products	495,102	408,267	86,835	21.3%
Feed and Industrial Products	370,800	181,007	189,793	104.9%
Plantation and Sugar Milling	(82,941)	(103,499)	20,558	19.9%
Others	(41,155)	548	(41,703)	n.m.
Share of results of joint ventures	38,499	37,330	1,169	3.1%
Share of results of associates	45,568	5,515	40,053	726.3%
Unallocated expenses #	(889)	(9,054)	8,165	90.2%
Total profit before tax	824,984	520,114	304,870	58.6%

Unallocated expenses refer to expenses in relation to the grant of share options to employees.

n.m. - not meaningful

Unaudited Financial Statements for the First Half ended 30 June 2020***Food Products (Consumer Products, Medium Pack and Bulk)***

Strong demand for consumer products in 1H2020 boosted the performance of the Group's Food Products segment. However, overall segment's results were affected by lower sales in the medium pack and bulk businesses, as demand from the hotels/restaurants/catering (HORECA) industry was weak in 1Q2020 due to lockdowns in the major markets where the Group operates. For 1H2020, profit for the segment improved by 21.3% to US\$495.1 million (1H2019: US\$408.3 million).

For 1H2020, consumer products sales improved by 28.7% to 4.7 million MT (1H2019: 3.7 million MT) while medium pack and bulk sales decreased by 7.5% to 7.5 million MT (1H2019: 8.1 million MT). Correspondingly, revenue for consumer products sales increased by 40.0% to US\$5.3 billion (1H2019: US\$3.8 billion) while revenue for medium pack and bulk sales decreased by 9.4% to US\$5.1 billion (1H2019: US\$5.6 billion).

Feed and Industrial Products (Tropical Oils, Oilseeds & Grains and Sugar)

Profit for the segment jumped by 104.9% to US\$370.8 million in 1H2020 (1H2019: US\$181.0 million) on the back of a strong recovery in Oilseeds & Grains business, as demand in China recovered from the African swine fever outbreak that occurred in the previous year. This allowed the Group to enjoy strong crush margins and volume on its oilseeds crushing activities during the current period. In addition, higher sugar merchandising activities in 1H2020 further improved the performance of the segment. The improved results were partially affected by lower performance of the Tropical Oils business.

Overall volume for the segment increased by 9.5%, from 24.1 million MT in 1H2019 to 26.3 million MT in 1H2020, mainly driven by improved sales in both Oilseeds and Grains and Sugar businesses. Revenue for the segment increased by 14.8% to US\$12.9 billion in 1H2020 (1H2019: US\$11.3 billion).

Plantation and Sugar Milling

Losses before tax for the segment was lower at US\$82.9 million (1H2019: US\$103.5 million loss) mainly aided by better performance from the palm oil plantation businesses, on the back of stronger palm oil prices compared to 1H2019. While total mature hectareage increased in the current period, production yield decreased marginally by 1.5% to 9.8 MT per hectare in 1H2020 (1H2019: 9.9 MT per hectare) as a result of a younger palm oil plantation age profile due to the Group's replanting activities in recent years. Total fresh fruit bunches production for 1H2020 increased marginally by 0.5% to 1,908,757 MT (1H2019: 1,898,714 MT).

Performance for sugar milling business was weaker during the current period, mainly due to lower sugar prices in early 1H2020. While sugar prices have started recovering towards the end of the current period, the prices were still lower compared to 1H2019. In addition, the Group recognised US\$20.0 million impairment of property, plant and equipment on sugar milling assets in India during the current period.

Sales volume for sugar milling operations increased by 29.0% to 1.3 million MT in 1H2020 (1H2019: 1.0 million MT) while revenue increased by 25.7% to US\$456.6 million (1H2019: US\$363.2 million).

Others

The segment recorded a loss before tax of US\$41.2 million in 1H2020 (1H2019: US\$0.5 million profit) mainly from mark-to-market losses from the Group's investment portfolio. Investment income and mark-to-market gains from the Group's investment portfolio totalling US\$67.7 million in 2Q2020 reduced the investment income and mark-to-market losses of US\$79.7 million in 1Q2020.

Unaudited Financial Statements for the First Half ended 30 June 2020***Review of Balance Sheet and Cash Flows***

Inventories decreased by 14.0% to US\$6.8 billion as at 30 June 2020 due to lower inventory stockholding in China, mainly from the post Chinese Spring Festival seasonal impact and the higher inventory turnover as a result of increased demand for food products in China. The COVID-19 lockdown situation in China during the earlier part of the year has caused consumers to stock up more household food products. Consequently, average inventory turnover days improved from 77 days in 1H2019 to 65 days in 1H2020.

Despite higher sales during the period, trade receivables decreased by US\$259.4 million to US\$4.0 billion in 1H2020 as a result of tighter credit controls measures adopted by the Group. Consequently, average turnover days for 1H2020 improved to 34 days (1H2019: 37 days).

Trade payables was comparable at US\$1.7 billion in 1H2020 (FY2019: US\$1.7 billion), while average turnover days remained at 15 days (1H2019: 15 days).

Other financial receivables (non-current and current) increased by US\$1.5 billion to US\$8.9 billion mainly due to higher deposits and financial products placed with financial institutions. Strong positive cash flows generated from operations and lower working capital resulted in a decrease in net loans and borrowings (net of other bank deposits, cash and bank balances and financial products with financial institutions – current) by US\$608.9 million to US\$12.6 billion. Correspondingly, net gearing ratio improved to 0.77x in 1H2020 (FY2019: 0.79x).

During the period, the Group generated strong cash inflow from operating activities amounting to US\$2.1 billion. The Group continued to spend on the expansion of its existing business, resulting in higher capital expenditure (including advances paid) at US\$848.4 million (1H2019: US\$829.8 million) and higher disbursement used for the acquisition of subsidiaries, joint ventures and associates at US\$213.5 million (1H2019: US\$28.8 million). After accounting for dividend distribution of US\$432.7 million and reducing net debt by US\$608.9 million, the Group recorded an overall cash inflow of US\$138.8 million as at 30 June 2020.

Note : Turnover days are calculated by averaging the monthly turnover days to better reflect the true turnover period in view of the seasonality of the Group's business. Monthly turnover days are computed using revenue and cost of sales for the month.

Unaudited Financial Statements for the First Half ended 30 June 2020**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast was previously disclosed by the Group.

10. Prospects

The COVID-19 pandemic has severely impacted the global economy and brought about significant disruptions and market volatility in the countries where the Group operates, with lockdowns introduced by governments in many countries to prevent the spread of the virus. We have been fortunate that our operations have not been significantly impacted as the Group's business is predominantly in the production and distribution of essential food products. Further, China, the country where the Group has the largest operations, has recovered from this pandemic earlier than most countries. We are also aided by having many integrated manufacturing complexes in our major markets which helped to ensure continuous supply of our products during the lockdowns.

The Group has produced a resilient set of results for 1H2020 amidst the COVID-19 pandemic. Both our Food Products and Feed and Industrial Products segments did well in 1H2020, on the back of strong recovery in 2Q2020, and are expected to continue to perform well for the rest of the year. The recent increase in palm prices will also contribute favourably to our plantation business. We are cautiously optimistic that our second half performance will be satisfactory.

Our Chinese subsidiary, Yihai Kerry Arawana Holdings Co., Ltd, has obtained listing clearance from the Shenzhen Stock Exchange ("SZSE") ChiNext Board Listing Committee (the "Committee") and has submitted the updated prospectus to the China Securities Regulatory Commission ("CSRC") for final registration approval for listing on SZSE ChiNext Board. We would like to emphasize that although listing clearance from the Committee has been obtained, there is no certainty or assurance as at the date of this announcement that the listing proposal will be carried out as it is still subject to CSRC approval and market conditions. Shareholders are advised to exercise caution in trading their shares in the Company.

11. Dividend**(a) Current financial period reported on**

Any dividend declared for the current financial period reported on?

Yes.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Interim and final ordinary dividend

	30.06.2020	30.06.2019
	SGD per share	SGD per share
Interim ordinary dividend	0.040	0.030

Unaudited Financial Statements for the First Half ended 30 June 2020

- (c) Whether the dividend is before tax, net of tax or tax exempt? If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

The dividend is tax exempt and declared in Singapore.

- (d) Date Payable

27 August 2020

- (e) Notice of Record Date for Interim Dividend

Notice is hereby given that the Share Transfer Register and Register of Members of the Company will be closed on 20 August 2020 for the preparation of dividend warrants in respect of the Company's interim tax exempt (one-tier) dividend of S\$0.040 per ordinary share for the financial year ending 31 December 2020 (the "Interim Dividend").

Duly completed registrable transfers of ordinary shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services of 80 Robinson Road #02-00, Singapore 068898, up to 5.00 pm on 19 August 2020 ("Record Date"), will be registered to determine shareholders' entitlement to the Interim Dividend.

Depositors whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at Record Date will be entitled to the Interim Dividend.

The Interim Dividend will be paid on 27 August 2020.

12. If no dividend has been declared or recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

Unaudited Financial Statements for the First Half ended 30 June 2020
13. Interested Person Transactions

Name of Interested Person	Aggregate value of all Interested Person Transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	1H 2020 US\$'000	1H 2020 US\$'000
Archer Daniels Midland Group	NIL	522,745
Associates of Kuok Khoon Ean & Kuok Khoon Hua [#]	38,380	21,686
Kuok Khoon Hong's Associates	40,274	21,714
PPB Group Bhd	73,825	NIL
Kuok Brothers Sdn Bhd	NIL	NIL

[#] The IP associates for Mr Kuok Khoon Ean and Mr Kuok Khoon Hua are substantially the same, and are not disclosed separately to avoid duplication.

14. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720 (1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

.....
 KUOK KHOON HONG
 Chairman and
 Chief Executive Officer

11 August 2020

Unaudited Financial Statements for the First Half ended 30 June 2020

CONFIRMATION BY THE BOARD

We, Kuok Khoon Hong and Pua Seck Guan, being two of the directors of Wilmar International Limited ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the first half ended 30 June 2020 financial results to be false or misleading in any material respect.

On behalf of the Board,

KUOK KHOON HONG
Chairman and
Chief Executive Officer

PUA SECK GUAN
Chief Operating Officer

11 August 2020