

Company Registration No. 199904785Z

Wilmar International Limited and its Subsidiaries

Unaudited Condensed Interim Financial Statements
For the six months ended 30 June 2023

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A. Financial highlights

	6 months ended 30 June 2023 ("1H2023") US\$'000	6 months ended 30 June 2022 ("1H2022") US\$'000	Change
Revenue	32,538,036	36,133,782	-10.0%
Profit Before Tax	697,729	1,611,444	-56.7%
Net Profit	550,925	1,164,977	-52.7%
Core Net Profit	577,227	1,155,441	-50.0%
EBITDA	1,654,317	2,349,847	-29.6%
EPS - Basic (US cents per share)	8.8	18.5	-52.4%
EPS - Fully diluted (US cents per share)	8.8	18.5	-52.4%
	30 June 2023	31 December 2022	Change
Net Tangible Asset (US\$'000)	14,051,081	14,582,566	-3.6%
Net Asset per share (US\$ per share)	3.11	3.20	-2.8%
Net Tangible Asset per share (US\$ per share)	2.25	2.34	-3.8%

B. Unaudited condensed interim consolidated income statement

	Note	6 months ended 30 June 2023 US\$'000	6 months ended 30 June 2022 US\$'000
Revenue	11	32,538,036	36,133,782
Cost of sales		(29,706,694)	(32,444,795)
Gross profit		2,831,342	3,688,987
Other items of income			
Finance income		250,340	201,657
Other operating income		174,239	341,061
Other items of expense			
Selling and distribution expenses		(1,458,070)	(1,726,328)
Administrative expenses		(581,949)	(561,103)
Other operating expenses		(88,401)	(132,960)
Finance costs		(599,734)	(365,562)
Non-operating items		(28,959)	12,616
Share of results of joint ventures		55,421	27,902
Share of results of associates		143,500	125,174
Profit before tax	4	697,729	1,611,444
Income tax expense	5	(109,136)	(330,505)
Profit after tax		588,593	1,280,939
Attributable to:			
Owners of the Company		550,925	1,164,977
Non-controlling interests		37,668	115,962
		588,593	1,280,939

The accompanying explanatory notes form an integral part of the unaudited condensed interim consolidated financial statements.

C. Unaudited condensed interim consolidated statement of comprehensive income

	6 months ended 30 June 2023 US\$'000	6 months ended 30 June 2022 US\$'000
Profit after tax	588,593	1,280,939
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	25,398	(12,434)
Loss on disposal of investment securities at fair value through other comprehensive income	-	(8,895)
	<u>25,398</u>	<u>(21,329)</u>
Items that may be reclassified subsequently to income statement		
Foreign currency translation	(706,111)	(930,550)
Fair value adjustment on cash flow hedges	34,120	147,346
Fair value adjustment on forward elements of forward contracts	2,887	(55,815)
	<u>(669,104)</u>	<u>(839,019)</u>
Other comprehensive income, net of tax	(643,706)	(860,348)
Total comprehensive income for the period	(55,113)	420,591
Attributable to:		
Owners of the Company	(5,794)	441,430
Non-controlling interests	(49,319)	(20,839)
	<u>(55,113)</u>	<u>420,591</u>

The accompanying explanatory notes form an integral part of the unaudited condensed interim consolidated financial statements.

D. Unaudited condensed interim balance sheets

	Note	Group		Company	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	14,908,826	14,814,301	117,491	120,555
Investment properties		82,582	82,757	-	-
Bearer plants		564,936	601,518	-	-
Intangible assets		5,379,715	5,403,170	-	-
Investment in subsidiaries		-	-	11,859,240	11,859,238
Investment in joint ventures		454,407	370,001	-	-
Investment in associates		3,291,705	3,244,865	13,934	13,677
Investment securities		362,322	301,999	-	-
Deferred tax assets		341,091	284,921	-	-
Derivative financial instruments	7	64,703	27,587	-	-
Other financial receivables		191,754	193,395	119,405	281,627
Other non-financial assets		57,398	69,192	-	-
Other bank deposits		1,284,921	2,375,854	-	-
		26,984,360	27,769,560	12,110,070	12,275,097
Current assets					
Inventories		10,496,208	13,230,073	-	-
Trade receivables		5,446,679	6,549,012	-	-
Other financial receivables		4,282,292	4,534,665	5,945,448	5,778,438
Other non-financial assets		1,926,022	1,659,511	5,503	5,454
Derivative financial instruments	7	1,143,178	574,562	-	-
Investment securities		302,053	362,921	-	-
Other bank deposits		5,017,188	2,722,249	-	-
Cash and bank balances		4,195,050	2,999,417	1,991	1,448
		32,808,670	32,632,410	5,952,942	5,785,340
TOTAL ASSETS		59,793,030	60,401,970	18,063,012	18,060,437
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables		2,052,980	2,351,947	-	-
Other financial payables		2,088,599	2,416,629	5,219,773	5,631,541
Other non-financial liabilities		397,709	765,132	-	-
Derivative financial instruments	7	1,185,491	718,229	-	30
Loans and borrowings	8	23,699,984	23,434,545	-	-
Tax payables		172,531	255,861	-	-
		29,597,294	29,942,343	5,219,773	5,631,571
NET CURRENT ASSETS		3,211,376	2,690,067	733,169	153,769

The accompanying explanatory notes form an integral part of the unaudited condensed interim consolidated financial statements.

D. Unaudited condensed interim balance sheets (continued)

	Note	Group		Company	
		30 June	31 December	30 June	31 December
		2023	2022	2023	2022
		US\$'000	US\$'000	US\$'000	US\$'000
Non-current liabilities					
Other financial payables		225,864	229,055	3,000,000	2,125,000
Other non-financial liabilities		228,160	223,168	-	-
Derivative financial instruments	7	20,269	24,698	-	-
Loans and borrowings	8	7,429,702	6,994,456	69,152	75,919
Deferred tax liabilities		373,357	387,682	-	-
		8,277,352	7,859,059	3,069,152	2,200,919
TOTAL LIABILITIES		37,874,646	37,801,402	8,288,925	7,832,490
NET ASSETS		21,918,384	22,600,568	9,774,087	10,227,947
Equity attributable to owners of the Company					
Share capital	9	8,458,995	8,458,995	8,895,134	8,895,134
Treasury shares	9	(475,372)	(475,882)	(475,372)	(475,882)
Retained earnings		13,246,770	13,244,811	1,131,677	1,591,114
Other reserves		(1,799,597)	(1,242,188)	222,648	217,581
		19,430,796	19,985,736	9,774,087	10,227,947
Non-controlling interests		2,487,588	2,614,832	-	-
TOTAL EQUITY		21,918,384	22,600,568	9,774,087	10,227,947
TOTAL EQUITY AND LIABILITIES		59,793,030	60,401,970	18,063,012	18,060,437

The accompanying explanatory notes form an integral part of the unaudited condensed interim consolidated financial statements.

E. Unaudited condensed interim statements of changes in equity

	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
2023							
GROUP							
Opening balance at 1 January 2023	8,458,995	(475,882)	13,244,811	(1,242,188)	19,985,736	2,614,832	22,600,568
Profit for the period	-	-	550,925	-	550,925	37,668	588,593
Other comprehensive income, net of tax	-	-	-	(556,719)	(556,719)	(86,987)	(643,706)
Total comprehensive income for the period	-	-	550,925	(556,719)	(5,794)	(49,319)	(55,113)
Grant of equity-settled share options	-	-	-	13,599	13,599	1,906	15,505
Share capital contributed by non-controlling shareholders	-	-	-	-	-	2,315	2,315
Reissuance of treasury shares pursuant to exercise of share options	-	510	-	258	768	-	768
Dividends on ordinary shares	-	-	(514,091)	-	(514,091)	-	(514,091)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	(28,485)	(28,485)
Net transfer to other reserves	-	-	(34,875)	34,875	-	-	-
Total contributions by and distributions to owners	-	510	(548,966)	48,732	(499,724)	(24,264)	(523,988)
Acquisition of additional interest in subsidiaries	-	-	-	(49,440)	(49,440)	(53,661)	(103,101)
Liquidation of subsidiaries	-	-	-	18	18	-	18
Total changes in ownership interests in subsidiaries	-	-	-	(49,422)	(49,422)	(53,661)	(103,083)
Closing balance at 30 June 2023	8,458,995	(475,372)	13,246,770	(1,799,597)	19,430,796	2,487,588	21,918,384

The accompanying explanatory notes form an integral part of the unaudited condensed interim consolidated financial statements.

E. Unaudited condensed interim statements of changes in equity (continued)

	Attributable to owners of the Company						Equity total US\$'000
	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	
2022							
GROUP							
Opening balance at 1 January 2022	8,458,995	(304,886)	11,726,821	42,945	19,923,875	2,678,454	22,602,329
Profit for the period	-	-	1,164,977	-	1,164,977	115,962	1,280,939
Other comprehensive income, net of tax	-	-	(3,249)	(720,298)	(723,547)	(136,801)	(860,348)
Total comprehensive income for the period	-	-	1,161,728	(720,298)	441,430	(20,839)	420,591
Grant of equity-settled share options	-	-	-	4,822	4,822	-	4,822
Share capital contributed by non-controlling shareholders	-	-	-	-	-	21,723	21,723
Acquisition of treasury shares	-	(99,045)	-	-	(99,045)	-	(99,045)
Reissuance of treasury shares pursuant to exercise of share options	-	15,334	-	1,978	17,312	-	17,312
Dividends on ordinary shares	-	-	(482,426)	-	(482,426)	-	(482,426)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	(32,816)	(32,816)
Net transfer to other reserves	-	-	(109,150)	109,150	-	-	-
Total contributions by and distributions to owners	-	(83,711)	(591,576)	115,950	(559,337)	(11,093)	(570,430)
Acquisition of additional interest in subsidiaries	-	-	-	(253)	(253)	(2,692)	(2,945)
Disposal of subsidiaries	-	-	-	(422)	(422)	(4,566)	(4,988)
Dilution of interest in subsidiaries	-	-	-	95	95	167	262
Total changes in ownership interests in subsidiaries	-	-	-	(580)	(580)	(7,091)	(7,671)
Closing balance at 30 June 2022	8,458,995	(388,597)	12,296,973	(561,983)	19,805,388	2,639,431	22,444,819

The accompanying explanatory notes form an integral part of the unaudited condensed interim consolidated financial statements.

E. Unaudited condensed interim statements of changes in equity (continued)

	Attributable to owners of the Company				Equity attributable to owners of the Company, total US\$'000
	Share capital US\$'000	Treasury shares US\$'000	Retained earnings US\$'000	Other reserves US\$'000	
2023					
COMPANY					
Opening balance at 1 January 2023	8,895,134	(475,882)	1,591,114	217,581	10,227,947
Profit for the period	-	-	54,654	-	54,654
Total comprehensive income for the period	-	-	54,654	-	54,654
Grant of equity-settled share options	-	-	-	4,809	4,809
Reissuance of treasury shares pursuant to exercise of share options	-	510	-	258	768
Dividends on ordinary shares	-	-	(514,091)	-	(514,091)
Total transactions with owners in their capacity as owners	-	510	(514,091)	5,067	(508,514)
Closing balance at 30 June 2023	8,895,134	(475,372)	1,131,677	222,648	9,774,087
2022					
COMPANY					
Opening balance at 1 January 2022	8,895,134	(304,886)	696,726	205,428	9,492,402
Profit for the period	-	-	471,057	-	471,057
Total comprehensive income for the period	-	-	471,057	-	471,057
Grant of equity-settled share options	-	-	-	2,907	2,907
Acquisition of treasury shares	-	(99,045)	-	-	(99,045)
Reissuance of treasury shares pursuant to exercise of share options	-	15,334	-	1,978	17,312
Dividends on ordinary shares	-	-	(482,426)	-	(482,426)
Total transactions with owners in their capacity as owners	-	(83,711)	(482,426)	4,885	(561,252)
Closing balance at 30 June 2022	8,895,134	(388,597)	685,357	210,313	9,402,207

The accompanying explanatory notes form an integral part of the unaudited condensed interim consolidated financial statements.

F. Unaudited condensed interim consolidated cash flow statement

	6 months ended 30 June 2023 US\$'000	6 months ended 30 June 2022 US\$'000
Cash flows from operating activities		
Profit before tax	697,729	1,611,444
Adjustments for:		
Depreciation of bearer plants	23,147	28,776
Depreciation of property, plant and equipment	566,907	540,421
Gain on disposal of investment in joint ventures	-	(180,589)
Gain on disposal of investment in associates	-	(11,942)
Fair value gain arising from changes of interest in a joint venture resulting in change of control	-	(386)
Amortisation of intangible assets	1,102	1,218
Loss/(gain) on disposal of property, plant and equipment	1,840	(23,425)
Gain on disposal of biological assets	(36)	(116)
Gain on disposal/liquidation of subsidiaries	(836)	(8,988)
Gain on disposal of investment securities at fair value through profit or loss	(2,056)	(671)
Grant of share options to employees	15,505	4,822
Net fair value gain on derivative financial instruments	(197,629)	(150,483)
Net fair value loss on investment securities at fair value through profit or loss	17,263	2,499
Foreign exchange differences arising from translation	(136,262)	(286,142)
Investment income received from investment securities	(14,637)	(23,499)
Interest expense	615,772	369,645
Interest income	(250,340)	(201,657)
Share of results of joint ventures	(55,421)	(27,902)
Share of results of associates	(143,500)	(125,174)
Operating cash flows before working capital changes	1,138,548	1,517,851
Changes in working capital:		
Decrease/(increase) in inventories	2,818,198	(476,008)
Decrease/(increase) in receivables and other assets	870,827	(598,372)
Decrease in payables and other liabilities	(977,157)	(213,026)
Cash flows generated from operations	3,850,416	230,445
Interest paid	(600,246)	(349,346)
Interest received	233,862	221,748
Income taxes paid	(293,885)	(372,683)
Net cash flows generated from/(used in) operating activities	3,190,147	(269,836)

The accompanying explanatory notes form an integral part of the unaudited condensed interim consolidated financial statements.

F. Unaudited condensed interim consolidated cash flow statement (continued)

	6 months ended 30 June 2023 US\$'000	6 months ended 30 June 2022 US\$'000
Cash flows from investing activities		
Net cash flow from acquisition of subsidiaries	-	(85,327)
Decrease in plasma investments	10,247	270
Decrease/(increase) in investment securities at fair value through profit or loss	45,745	(40,079)
Payments for property, plant and equipment	(1,138,789)	(1,236,450)
Payments for bearer plants	(22,431)	(19,520)
(Increase)/decrease in investment securities at fair value through other comprehensive income	(38,228)	4,756
Investment income received from investment securities	14,637	23,499
Payments for investment in joint ventures	(32,679)	(1,005)
Payments for investment in associates	(6,465)	(13,956)
Payments for intangible assets	-	(237)
Dividends received from joint ventures	217	15,175
Dividends received from associates	26,585	22,991
Proceeds from disposal of property, plant and equipment	14,716	37,038
Proceeds from disposal of bearer plants	228	778
Proceeds from disposal of interest in joint ventures	-	1,389
Proceeds from disposal/dilution of interest/capital reduction in associates	1,000	22,865
Net cash flow from disposal/liquidation of subsidiaries	4,171	10,769
Decrease in net amount due from related parties	21,895	2,736
Decrease/(increase) in net amount due from joint ventures	9,123	(149,985)
Decrease/(increase) in net amount due from associates	16,375	(25,253)
Decrease in other financial receivables	232,434	919,202
Increase in other deposits with maturity more than 3 months	(1,705,267)	(501,134)
Net cash flow from acquisition of additional interest in subsidiaries	(103,101)	(2,945)
Proceeds from dilution of interest in subsidiaries	-	262
Net cash flows used in investing activities	(2,649,587)	(1,014,161)
Cash flows from financing activities		
Decrease in advances from non-controlling shareholders	(618)	(11,686)
Proceeds from loans and borrowings	107,954	2,169,312
Decrease in fixed deposits pledged with financial institutions for bank facilities	1,137,780	544,287
Interest paid	(25,700)	(9,574)
Shares buy-back held as treasury shares	-	(99,045)
Dividends paid by the Company	(514,091)	(482,426)
Dividends paid to non-controlling shareholders by subsidiaries	(28,485)	(32,816)
Proceeds from reissuance of treasury shares by the Company	768	17,312
Proceeds from issue of ordinary shares by subsidiaries to non-controlling shareholders	2,315	21,723
Net cash flows generated from financing activities	679,923	2,117,087
Net increase in cash and cash equivalents	1,220,483	833,090
Cash and cash equivalents at the beginning of the financial period	2,846,701	2,587,643
Cash and cash equivalents at the end of the financial period	4,067,184	3,420,733

The accompanying explanatory notes form an integral part of the unaudited condensed interim consolidated financial statements.

G. Notes to the unaudited condensed interim consolidated financial statements

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”). These unaudited condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the Group).

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 the Group’s annual consolidated financial statements as at 31 December 2022.

2. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual consolidated financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The unaudited condensed interim consolidated 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.

2.1 ADOPTION OF NEW AND AMENDED SFRS(I)

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and amendments to SFRS(I)s that are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these new and amendments did not have any material effect on the financial performance or position of the Group and the Company.

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

2.2 USE OF JUDGEMENTS AND ESTIMATES

In preparing the unaudited condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 interim period are disclosed below.

(a) Impairment of goodwill and brands

The Group determines whether goodwill and brands are impaired on an annual basis or when there is an indication of impairment. 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 30 June 2023 were approximately US\$3,810,657,000 (31 December 2022: US\$3,832,204,000) and US\$1,552,105,000 (31 December 2022: US\$1,552,361,000) 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 30 June 2023 were approximately US\$172,531,000 (31 December 2022: US\$255,861,000), US\$341,091,000 (31 December 2022: US\$284,921,000) and US\$373,357,000 (31 December 2022: US\$387,682,000) respectively.

3. SEASONAL OPERATIONS

The Group's seasonal peak sales period is typically in the second half of the year.

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

4. PROFIT BEFORE TAX

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

	Group	
	6 months ended 30 June 2023 US\$'000	6 months ended 30 June 2022 US\$'000
Depreciation and impairment loss of property, plant and equipment and bearer plants - net	(590,054)	(569,197)
Amortisation of intangible assets	(1,102)	(1,218)
Gain on disposal of investment in joint ventures	-	180,589
Gain on disposal of investment in associates	-	11,942
(Loss)/gain on disposal of property, plant and equipment	(1,840)	23,425

4.2 Related party disclosures

Sale and purchase of goods and services

The following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial period:

	Group	
	6 months ended 30 June 2023 US\$'000	6 months ended 30 June 2022 US\$'000
Related Parties		
Purchase of goods	599,493	334,619
Sale of goods	211,215	245,997
Joint ventures		
Purchase of goods	481,764	571,038
Sale of goods	257,094	330,282
Associates		
Purchase of goods	607,542	875,477
Sale of goods	1,130,161	1,347,483

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

5. INCOME TAX EXPENSE

The major components of income tax expense in the unaudited condensed interim consolidated income statement are:

	Group	
	6 months ended 30 June 2023 US\$'000	6 months ended 30 June 2022 US\$'000
Consolidated Income Statement		
<i>Current income tax</i>		
Current period	178,736	423,710
Over provision in respect of previous periods	(6,868)	(42,264)
Withholding tax expenses	9,408	2,869
	181,276	384,315
<i>Deferred income tax</i>		
Origination and reversal of temporary differences	(71,575)	(90,974)
(Over)/under provision in respect of previous periods	(565)	37,164
Income tax expense recognised in the income statement	109,136	330,505
Deferred income tax related to other comprehensive income:		
Net tax expense/(credit) in fair value of derivative financial instruments designated as cash flow hedges and others	1,010	(17,217)

6. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired assets amounting to US\$1,120,497,000 (30 June 2022: US\$1,255,068,000) and disposed of assets amounting to US\$16,556,000 (30 June 2022: US\$43,242,000), resulting in a net loss on disposal of US\$1,840,000 (30 June 2022: US\$23,425,000 net gain on disposal).

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

7. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	30 June 2023			31 December 2022		
	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	11,935,612	200,309	163,708	15,142,097	179,261	223,690
Futures, options and swap contracts	9,887,397	595,076	794,838	11,535,000	272,638	441,036
Fair value of firm commitment contracts	8,443,680	412,496	247,214	5,794,515	150,250	78,201
Total derivative financial instruments		1,207,881	1,205,760		602,149	742,927
Less: Current portion		(1,143,178)	(1,185,491)		(574,562)	(718,229)
Non-current portion		64,703	20,269		27,587	24,698

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 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 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.

8. LOANS AND BORROWINGS

	Group			
	30 June 2023		31 December 2022	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
(a) Amount repayable in one year or less, or on demand	2,387,455	21,312,529	2,240,712	21,193,833
(b) Amount repayable after one year	1,272,577	6,157,125	1,862,374	5,132,082
	3,660,032	27,469,654	4,103,086	26,325,915

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

9. SHARE CAPITAL TREASURY SHARES

(a) Share capital

	Group		Company	
	Number of shares		Number of shares	
	'000	US\$'000	'000	US\$'000
At 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023	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.

As at 30 June 2023, the issued and paid up capital excluding treasury shares comprised 6,242,734,000 (31 December 2022: 6,242,474,000) ordinary shares.

(b) Treasury shares

	Group and Company	
	Number of shares '000	US\$'000
At 1 January 2022	(108,230)	(304,886)
Acquired during the financial year	(67,608)	(199,548)
Reissued pursuant to employee share option plans:		
- For cash on exercise of employee share options	14,910	33,667
- Transferred from employee share option reserve	-	6,039
- Transferred to general reserve on reissuance of treasury shares	-	(11,154)
	14,910	28,552
At 31 December 2022 and 1 January 2023	(160,928)	(475,882)
Reissued pursuant to employee share option plans:		
- For cash on exercise of employee share options	260	768
- Transferred from employee share option reserve	-	115
- Transferred to general reserve on reissuance of treasury shares	-	(373)
	260	510
At 30 June 2023	(160,668)	(475,372)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

No shares (30 June 2022: 33,033,000) were acquired during the financial period.

Options for a total of 260,000 ordinary shares (30 June 2022: 7,754,000) were exercised during the financial period pursuant to Wilmar ESOS 2009 and Wilmar ESOS 2019.

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

10. FAIR VALUE OF ASSETS AND LIABILITIES

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			Total US\$'000
	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	
2023				
Assets measured at fair value				
Financial assets:				
Investment securities at FVOCI	82,790	211,857	67,675	362,322
Investment securities at FVPL	302,053	-	-	302,053
Derivatives:				
- Forward currency contracts, options and cross currency interest rate swaps	-	200,309	-	200,309
- Futures, options, swap contracts, and firm commitment contracts	581,170	426,402	-	1,007,572
At 30 June 2023	966,013	838,568	67,675	1,872,256
Non-financial assets:				
Biological assets	-	-	49,142	49,142
Investment properties	-	-	82,582	82,582
At 30 June 2023	-	-	131,724	131,724
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
- Forward currency contracts, options and cross currency interest rate swaps	-	163,708	-	163,708
- Futures, options, swap contracts, and firm commitment contracts	744,861	297,191	-	1,042,052
At 30 June 2023	744,861	460,899	-	1,205,760

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

10. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Fair value of assets and liabilities that are carried at fair value (continued)

	Group			Total US\$'000
	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	
Assets measured at fair value				
Financial assets:				
Investment securities at FVOCI	23,620	209,737	68,642	301,999
Investment securities at FVPL	362,921	-	-	362,921
Derivatives:				
- Forward currency contracts, options and cross currency interest rate swaps	-	179,261	-	179,261
- Futures, options, swap contracts, and firm commitment contracts	222,897	199,991	-	422,888
At 31 December 2022	<u>609,438</u>	<u>588,989</u>	<u>68,642</u>	<u>1,267,069</u>
Non-financial assets:				
Biological assets	-	-	50,996	50,996
Investment properties	-	-	82,757	82,757
At 31 December 2022	<u>-</u>	<u>-</u>	<u>133,753</u>	<u>133,753</u>
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
- Forward currency contracts, options and cross currency interest rate swaps	-	223,690	-	223,690
- Futures, options, swap contracts, and firm commitment contracts	378,469	140,768	-	519,237
At 31 December 2022	<u>378,469</u>	<u>364,458</u>	<u>-</u>	<u>742,927</u>

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).

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

10. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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 are as follows:

Assets and liabilities	Methods and assumptions
<ul style="list-style-type: none">• 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.
<ul style="list-style-type: none">• Investment funds	The fair value is determined by reference to valuation provided by non-related fund managers using adjusted net asset value method.
<ul style="list-style-type: none">• Unquoted equity instruments	The fair value is derived using valuation methods which include earnings multiple approach and discounted cash flows.
<ul style="list-style-type: none">• Forward currency contracts	Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.
<ul style="list-style-type: none">• Futures, options and swap contracts, 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.
<ul style="list-style-type: none">• Biological assets	Fair value of biological assets has been determined based on the market price and the estimated yield of fresh fruit bunches (FFB), net of maintenance and harvesting costs, overhead costs and estimated cost to sell.
<ul style="list-style-type: none">• Investment properties	The fair value of investment property is based on current and estimated future rental income generated from comparable properties.

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

10. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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			Total US\$'000
	Investment securities US\$'000	Biological assets US\$'000	Investment properties US\$'000	
At 1 January 2022	66,686	66,012	38,286	170,984
Total (loss)/gain recognised in the income statement:				
- Net loss arising from changes in fair value of biological assets	-	(14,157)	-	(14,157)
- Net gain arising from changes in fair value of investment properties	-	-	940	940
Additions	135	-	743	878
Transfer from property, plant and equipment and right-of-use assets	-	-	42,970	42,970
Transfer from level 2	7,926	-	-	7,926
Total (loss)/gain recognised in the other comprehensive income:				
- Net (loss)/gain arising from changes in fair value	(2,471)	-	2,627	156
- Foreign currency translation	(3,634)	(859)	(2,809)	(7,302)
At 31 December 2022	68,642	50,996	82,757	202,395
At 1 January 2023	68,642	50,996	82,757	202,395
Additions	400	-	-	400
Transfer from property, plant and equipment	-	-	2,607	2,607
Total loss recognised in the other comprehensive income:				
- Net loss arising from changes in fair value	(466)	-	-	(466)
- Foreign currency translation	(901)	(1,854)	(2,782)	(5,537)
At 30 June 2023	67,675	49,142	82,582	199,399

There has been transfer of investment securities from Level 2 to Level 3 for the financial year ended 31 December 2022 as offer received to sell the securities has been withdrawn.

There has been no transfer from Level 1 and Level 2 to Level 3 for the financial period ended 30 June 2023.

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

10. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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			
	30 June 2023		31 December 2022	
	US\$'000		US\$'000	
	Carrying amount	Effect of reasonably possible alternative assumptions	Carrying amount	Effect of reasonably possible alternative assumptions
Investment securities				
- Quoted equity instruments	32,124	(i)	32,998	(i)
- Unquoted equity instruments	35,551	(ii)	35,644	(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.

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

11. SEGMENT AND REVENUE INFORMATION

Reporting format

For the management purposes, the Group is organised into business units 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.

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.

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

11. SEGMENT AND REVENUE INFORMATION (CONTINUED)

	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
6 months ended 30 June 2023						
Revenue:						
Sales to external customers	13,790,946	17,611,460	1,031,948	103,682	-	32,538,036
Inter-segment	377,227	1,798,035	857,975	118,374	(3,151,611)	-
Total revenue	<u>14,168,173</u>	<u>19,409,495</u>	<u>1,889,923</u>	<u>222,056</u>	<u>(3,151,611)</u>	<u>32,538,036</u>
Results:						
Segment results	82,664	398,959	62,930	(30,240)	-	514,313
Share of results of joint ventures	19,261	36,160	(10)	10	-	55,421
Share of results of associates	91,491	10,516	36,609	4,884	-	143,500
Unallocated expenses						<u>(15,505)</u>
Profit before tax						<u>697,729</u>
Income tax expense						<u>(109,136)</u>
Profit for the period						<u>588,593</u>
Assets and Liabilities: (As at 30 June 2023)						
Segment assets	21,604,976	21,793,764	6,809,778	11,423,870	(6,134,997)	55,497,391
Investment in joint ventures	188,582	262,777	2,254	794	-	454,407
Investment in associates	1,361,639	912,456	705,381	312,229	-	3,291,705
Unallocated assets						<u>549,527</u>
Total assets						<u>59,793,030</u>
Segment liabilities	15,364,920	13,262,260	2,540,717	12,157,984	(6,134,997)	37,190,884
Unallocated liabilities						<u>683,762</u>
Total liabilities						<u>37,874,646</u>

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

11. SEGMENT AND REVENUE INFORMATION (CONTINUED)

	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
6 months ended 30 June 2022						
Revenue:						
Sales to external customers	15,465,365	19,606,440	980,972	81,005	-	36,133,782
Inter-segment	450,228	2,054,203	1,196,780	106,198	(3,807,409)	-
Total revenue	<u>15,915,593</u>	<u>21,660,643</u>	<u>2,177,752</u>	<u>187,203</u>	<u>(3,807,409)</u>	<u>36,133,782</u>
Results:						
Segment results	521,507	503,047	435,789	2,847	-	1,463,190
Share of results of joint ventures	24,271	3,383	-	248	-	27,902
Share of results of associates	22,141	47,916	42,597	12,520	-	125,174
Unallocated expenses						<u>(4,822)</u>
Profit before tax						1,611,444
Income tax expense						<u>(330,505)</u>
Profit for the period						<u>1,280,939</u>
Assets and Liabilities: (As at 31 December 2022)						
Segment assets	21,822,652	22,497,012	7,382,014	10,860,026	(6,238,050)	56,323,654
Investment in joint ventures	166,264	198,416	804	4,517	-	370,001
Investment in associates	1,312,311	947,213	655,569	329,772	-	3,244,865
Unallocated assets						<u>463,450</u>
Total assets						<u>60,401,970</u>
Segment liabilities	15,250,932	13,499,669	3,007,932	11,129,578	(6,238,050)	36,650,061
Unallocated liabilities						<u>1,151,341</u>
Total liabilities						<u>37,801,402</u>

G. Notes to the unaudited condensed interim consolidated financial statements (continued)

11. SEGMENT AND REVENUE INFORMATION (CONTINUED)

Geographical information

Revenue information based on the geographical location of customers as follows:

	Revenue	
	6 months ended 30 June 2023 US\$ million	6 months ended 30 June 2022 US\$ million
People's Republic of China	16,833	18,055
South East Asia	6,365	7,463
India	999	1,040
Europe	1,148	1,402
Australia/New Zealand	1,316	1,300
Africa	2,187	2,791
Others	3,690	4,083
	32,538	36,134

12. DIVIDENDS

	6 months ended 30 June 2023 SGD per share	6 months ended 30 June 2022 SGD per share
Interim ordinary dividend	0.060	0.060

	6 months ended 30 June 2023 US\$'000	6 months ended 30 June 2022 US\$'000
Annual Dividend		
Ordinary		
- Interim #	281,585	273,009

Interim ordinary dividend for the 6 months ended 30 June 2023 is estimated based on number of shares outstanding (excluding treasury shares) as at 31 July 2023.

H. Other information required by listing rule appendix 7.2

1. Review

The condensed interim balance sheets of Wilmar International Limited and its subsidiaries as at 30 June 2023 and the related condensed interim consolidated income statement, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated cash flow statement for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

Overview

The Group reported lower core net profits of US\$577.2 million for 1H2023. Results for Food Products segment was impacted by unfavourable sales mix, lower sales volume from our consumer products and weaker margins as a result of higher feedstock costs for the flour business. This was further dragged down by the absence of a gain on dilution of interest in Adani Wilmar Limited (US\$175.6 million) which had been recognised in the prior period. In addition, the compressed margins from our Feed and Industrial Products segment and lower profits from Plantation and Sugar Milling segment due to lower palm oil prices contributed to the 50.0% reduction in core net profits. The above was partially offset by better performance from both our Sugar merchandising and Shipping divisions, as well as stronger contributions from our European associates and joint ventures.

Together with losses from non-operating items, net profit for the period decreased by 52.7% to US\$550.9 million (1H2022: US\$1.16 billion).

Revenue and Cost of Sales

Revenue across all the Group's core segments declined as prices of most commodities decreased in 1H2023 compared to 1H2022. Overall revenue for the period was lower by 10.0% to US\$32.54 billion (1H2022: US\$36.13 billion) though this was partially offset by higher volume of sales during the period. Correspondingly, cost of sales for the period decreased by 8.4% to US\$29.71 billion (1H2022: US\$32.44 billion).

Finance Income

Finance Costs

	1H2023	1H2022
	US\$ million	US\$ million
Finance income	250.3	201.7
Finance costs	(599.7)	(365.6)

In line with the increasing interest rate environment globally, finance income increased by 24.1% to US\$250.3 million (1H2022: US\$201.7 million). Correspondingly, our finance costs which are predominantly trade related, increased by 64.1% to US\$599.7 million (1H2022: US\$365.6 million).

H. Other information required by listing rule appendix 7.2 (continued)

Other Operating Items – Net

	1H2023	1H2022
	US\$ million	US\$ million
Other operating income	174.2	341.1
Other operating expenses	(88.4)	(133.0)
Other operating items – net	85.8	208.1

Excluding the gain of US\$175.6 million recognised by the Group in 1H2022 arising from the dilution of interest in Adani Wilmar Limited, net other operating gains for the period were higher at US\$85.8 million (1H2022: US\$32.5 million gain). The higher net operating gains resulted mainly from higher foreign exchange gains due to the revaluation of the Group's financial assets and liabilities.

Taking into account foreign exchange impact arising from the forward exchange instruments entered into for hedging purposes under cost of sales, the Group recorded a net foreign exchange loss of US\$32.6 million in 1H2023 (1H2022: US\$71.3 million loss).

Selling and Distribution Expenses

Selling and distribution expenses decreased by 15.5% to US\$1.46 billion in 1H2023 (1H2022: US\$1.73 billion) mainly due to lower export duties imposed in Indonesia during the period. This was coupled by lower freight costs incurred by the Group.

Administrative Expenses

Administrative expenses, comprising mainly personnel costs, IT related costs and depreciation charges, increased by 3.7% to US\$581.9 million in 1H2023 (1H2022: US\$561.1 million). This is in line with the growth of the Group's business.

Non-operating Items

The Group recorded non-operating loss of US\$29.0 million in 1H2023 (1H2022: US\$12.6 million gain) as the weaker equity market conditions during the period led to higher losses on its investment securities and lower investment income.

Share of Results of Joint Ventures and Associates

Stronger performance from the Group's investments in Europe saw share of results of joint ventures and associates improve by 29.9% to US\$198.9 million in 1H2023 (1H2022: US\$153.1 million).

Income Tax Expense

The Group recorded an effective tax rate of 21.9% in 1H2023 (1H2022: 26.3% excluding gains on disposal of associates and subsidiaries) as a result of higher profits recognised in lower tax jurisdictions during the current period.

H. Other information required by listing rule appendix 7.2 (continued)

Group Financial Performance by Business Segment

Sales Volume of Key Segments

	Sales Volume			Sales Volume		
	2Q2023 MT'000	2Q2022 MT'000	Variance %	1H2023 MT'000	1H2022 MT'000	Variance %
Food Products						
- Consumer Products	1,640	1,941	-15.5%	3,931	4,271	-8.0%
- Medium Pack and Bulk	5,754	4,979	15.6%	10,648	9,554	11.5%
Feed and Industrial Products						
- Tropical Oils	5,499	4,890	12.5%	11,404	9,948	14.6%
- Oilseeds and Grains	6,172	5,519	11.8%	11,211	9,617	16.6%
- Sugar	2,567	2,491	3.1%	5,306	5,209	1.9%
Plantation and Sugar Milling #						
- Sugar Milling	428	532	-19.5%	879	911	-3.5%

Excludes oil palm plantation volume

Six Months Ended 30 June

Revenue	1H2023	1H2022	Variance	
	US\$'000	US\$'000	US\$'000	%
Food Products				
- Consumer Products	5,769,665	6,698,446	(928,781)	-13.9%
- Medium Pack and Bulk	8,398,508	9,217,147	(818,639)	-8.9%
Feed and Industrial Products				
- Tropical Oils	11,015,308	14,057,260	(3,041,952)	-21.6%
- Oilseeds and Grains	5,403,904	4,921,056	482,848	9.8%
- Sugar	2,990,283	2,682,327	307,956	11.5%
Plantation and Sugar Milling				
- Oil Palm Plantation	1,421,310	1,728,913	(307,603)	-17.8%
- Sugar Milling	468,613	448,839	19,774	4.4%
Others	222,056	187,203	34,853	18.6%
Eliminations	(3,151,611)	(3,807,409)	655,798	17.2%
Total revenue	32,538,036	36,133,782	(3,595,746)	-10.0%

Six Months Ended 30 June

Profit before tax	1H2023	1H2022	Variance	
	US\$'000	US\$'000	US\$'000	%
Food Products	82,664	521,507	(438,843)	-84.1%
Feed and Industrial Products	398,959	503,047	(104,088)	-20.7%
Plantation and Sugar Milling	62,930	435,789	(372,859)	-85.6%
Others	(30,240)	2,847	(33,087)	n.m.
Share of results of joint ventures	55,421	27,902	27,519	98.6%
Share of results of associates	143,500	125,174	18,326	14.6%
Unallocated expenses #	(15,505)	(4,822)	(10,683)	-221.5%
Total profit before tax	697,729	1,611,444	(913,715)	-56.7%

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

H. Other information required by listing rule appendix 7.2 (continued)

Food Products (Consumer Products, Medium Pack and Bulk)

Overall sales volume for Food Products segment grew by 5.5% to 14.6 million MT for the period (1H2022: 13.8 million MT), with stronger sales volume recorded for its medium pack and bulk products. As China lifted all its lockdown restrictions since December 2022, demand from HORECA customers increased during the period, driving up sales volume for medium pack products. Consequently, sales of consumer products slowed down as more people resumed dining out and also due to weaker consumer demand from a slowdown in economy. The Food Products segment also saw robust volume growth in its rice and flour products during the current period, in line with the Group's capacity expansion plans for these products. Nevertheless, as commodity prices declined, overall revenue for the segment decreased by 11.0% to US\$14.17 billion (1H2022: US\$15.92 billion).

Profit for the segment was at US\$82.7 million in 1H2023 (1H2022: US\$521.5 million) mainly due to unfavourable sales mix, lower sales volume from our consumer products and weaker margins as a result of high feedstock costs for the flour business. This was further dragged down by the absence of a gain on dilution of interest in Adani Wilmar Limited (US\$175.6 million) which had been recognised in the prior period.

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

Higher volume of sales across all its main businesses led the segment to report an improvement in overall sales volume by 12.7% to 27.9 million MT in 1H2023 (1H2022: 24.8 million MT). Sales volume for tropical oils normalised in 1H2023, bringing tropical oils sales volume to 11.4 million MT during the period (1H2022: 9.9 million MT). Oilseeds and grains business also reported an increase in sales volume of 16.6% to 11.2 million MT in 1H2023 (1H2022: 9.6 million MT), supported by the resumption of Canada canola seeds imports into China, which consequently drove up crushing and sales activities during the period. Further, the segment reported marginally higher volume of sugar sales in the current period. However, despite the strong volume growth, overall revenue for the segment was lower by 10.4% to US\$19.41 billion (1H2022: US\$21.66 billion) as commodity prices were weaker during the period.

For 1H2023, the segment reported profit before tax of US\$399.0 million (1H2022: US\$503.0 million). The decrease in segmental profit was mainly due to much lower margins for the mid and downstream tropical oils operations. The segment results were further dragged down by weak crush margin arising from lower demand from the poultry and hog industries and elevated soybean prices during the second quarter. These were partially offset by good contributions from both Sugar merchandising and Shipping operations.

Plantation and Sugar Milling

Profit for the segment was at US\$62.9 million for the period (1H2022: US\$435.8 million), with weaker performance across palm plantation and sugar milling businesses as well as losses in our fertiliser operations. Profit for palm plantation business was much lower due to lower palm oil prices. In addition, fresh fruit bunches production decreased by 2.5% to 2,079,749 MT in 1H2023 (1H2022: 2,132,339 MT), mainly impacted by weaker production in Indonesia resulting from poorer weather conditions and crop profile. While sugar prices remained higher in 1H2023 compared to 1H2022, performance for sugar milling business during the period was partially impacted by weaker volume of sugar sales. Fertiliser division reported losses due to a sharp drop in fertiliser prices during the period.

Consequently, revenue for the oil palm plantation business decreased by 17.8% to US\$1.42 billion in 1H2023 (1H2022: US\$1.73 billion). However, revenue for sugar milling business was higher at US\$468.6 million (1H2022: US\$448.8 million) on the back of firm sugar prices.

Others

This segment recorded a loss before tax of US\$30.2 million in 1H2023 (1H2022: US\$2.8 million profit) mainly due to higher losses on investment securities and lower investment income during the period.

H. Other information required by listing rule appendix 7.2 (continued)

Review of Balance Sheet and Cash Flows

Inventories decreased by 20.7% to US\$10.50 billion as at 30 June 2023 largely due to the post-Chinese Spring Festival seasonal impact, leading to lower inventory stockholding in China compared to December 2022. Average turnover days increased marginally to 71 days for the period (1H2022: 70 days).

Trade receivables decreased by 16.8% to US\$5.45 billion as of 30 June 2023, in line with the lower sales revenue during the period. Average turnover days improved to 30 days (1H2022: 32 days).

Trade payables decreased by US\$299.0 million to US\$2.05 billion in 1H2023 mainly due to timing of purchases. Average turnover days remained comparable at 13 days for the period (1H2022: 13 days).

The weakening of regional currencies against the US dollar which led to lower translation reserves as at 30 June 2023, coupled with high dividend payout during the period, resulted in lower shareholders' funds as at 30 June 2023 of US\$19.43 billion (FY2022: US\$19.99 billion).

Even though prices of soy and sugar-related commodities have increased compared to prior year end, prices of palm commodities fell at a relatively steeper rate. Correspondingly, net loans and borrowings (net of other bank deposits, cash and bank balances and financial products with financial institutions – current) decreased by US\$1.45 billion to US\$17.30 billion as of 30 June 2023. This also led to an improvement in net gearing ratio, from 0.94x in FY2022 to 0.89x in 1H2023.

During the period, the Group generated US\$3.19 billion from operating activities. Capital expenditure for the period (including advances paid) was lower at US\$1.16 billion (1H2022: US\$1.26 billion) while US\$142.2 million (1H2022: US\$103.2 million) was used for the acquisition of subsidiaries, joint ventures and associates. Together with dividend distribution of US\$542.6 million and a decrease in net debt by US\$1.45 billion, the Group had a cash inflow of US\$1.22 billion and free cash flow of US\$1.89 billion at the end of the reporting period. As at 30 June 2023, the Group also had US\$25.67 billion of unutilised banking facilities.

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.

H. Other information required by listing rule appendix 7.2 (continued)

3. 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.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events.

Results for 1H2023 were significantly lower than 1H2022 as most of our markets, with the exception of India, experienced a slowdown in the second quarter of 2023. Our results were further impacted by lower palm oil and fertiliser prices, as well as lower processing margins for our mid and downstream operations. These were partially offset by strong performance from Sugar and Shipping divisions. The Group has made good progress in our new businesses like condiments, Food Park and Central Kitchen projects which we believe will become significant contributors to the Group's operations in future. Barring unforeseen circumstances, we believe the second half of 2023 will be better than 1H2023.

H. Other information required by listing rule appendix 7.2 (continued)

5. Dividend Information

5a. Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

Yes.

5b. Corresponding Period of the Immediate Preceding Financial Year

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

Yes.

Please see Note 12 for more information.

5c. Date payable

30 August 2023

5d. Books closure date

Notice is hereby given that the Share Transfer Register and Register of Members of the Company will be closed on 23 August 2023 for the purposes of determining shareholders' entitlements to the interim dividend of S\$0.06 per ordinary share for the financial year ending 31 December 2023 (the "Interim Dividend").

Duly completed and stamped transfers in respect of ordinary shares not registered in the name of The Central Depository (Pte) Limited, together with all relevant documents of title thereto, 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 22 August 2023, will be registered to determine shareholders' entitlement to the Interim Dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares as at 5.00 pm on 22 August 2023 will be entitled to the Interim Dividend.

The Interim Dividend will be paid on 30 August 2023.

H. Other information required by listing rule appendix 7.2 (continued)

6. 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)
	6 months ended 30 June 2023 US\$'000	6 months ended 30 June 2023 US\$'000
Archer Daniels Midland Group	NIL	657,182
Associates of Kuok Khoon Ean & Kuok Khoon Hua [#]	963	3,110
Kuok Khoon Hong's Associates	3,841	5,897
PPB Group Bhd	126,517	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.

7. 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 7.7) pursuant to Rule 720 (1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

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KUOK KHOON HONG
Chairman and
Chief Executive Officer

11 August 2023

H. Other information required by listing rule appendix 7.2 (continued)

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 our knowledge, nothing has come to the attention of the board of directors of the Company which may render the six months ended 30 June 2023 unaudited financial results to be false or misleading in any material respect.

On behalf of the Board of Directors

KUOK KHOON HONG
Chairman and
Chief Executive Officer

PUA SECK GUAN
Chief Operating Officer

11 August 2023