

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
FINANCIAL HIGHLIGHTS

	2Q2019 US\$'000	2Q2018 US\$'000 Restated*	Change	1H2019 US\$'000	1H2018 US\$'000 Restated*	Change
Revenue	9,782,065	10,751,063	-9.0%	20,226,522	21,888,561	-7.6%
Net Profit	150,877	316,396	-52.3%	407,869	519,677	-21.5%
Net Profit - excluding discontinued operations	170,609	316,396	-46.1%	440,273	519,677	-15.3%
Core Net Profit	176,822	351,845	-49.7%	427,141	535,342	-20.2%
EBITDA	541,691	699,537	-22.6%	1,187,111	1,258,315	-5.7%
EPS - Basic (US cents per share)	2.4	5.0	-52.0%	6.4	8.2	-22.0%
EPS - Fully diluted (US cents per share)	2.4	5.0	-52.0%	6.4	8.2	-22.0%
EPS - Basic (US cents per share) - excluding discontinued operations	2.7	5.0	-46.0%	7.0	8.2	-14.6%
EPS - Fully diluted (US cents per share) - excluding discontinued operations	2.7	5.0	-46.0%	7.0	8.2	-14.6%
				30.06.2019	31.12.2018 Restated^	Change
Net Tangible Asset (US\$'000)				11,710,273	11,559,024	1.3%
Net Asset per share (US\$ per share)				2.56	2.54	0.8%
Net Tangible Asset per share (US\$ per share)				1.85	1.83	1.1%

*Prior period figures were restated upon adoption of SFRS (I) 15 Revenue from Contracts with Customers

^In accordance with SFRS(I) 3, the Group has restated the prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
1(a)(i) Consolidated Income Statement

	Group			Group		
	Three months ended			Six months ended		
	30.06.2019 US\$'000	30.06.2018 US\$'000 Restated*	Change	30.06.2019 US\$'000	30.06.2018 US\$'000 Restated*	Change
Revenue	9,782,065	10,751,063	-9.0%	20,226,522	21,888,561	-7.6%
Cost of sales	(8,872,165)	(9,667,633)	8.2%	(18,305,614)	(19,878,251)	7.9%
Gross profit	909,900	1,083,430	-16.0%	1,920,908	2,010,310	-4.4%
Other items of income						
Finance income	125,125	117,919	6.1%	251,156	221,155	13.6%
Other operating income	51,539	50,851	1.4%	117,938	93,182	26.6%
Other items of expense						
Selling and distribution expenses	(427,324)	(425,390)	-0.5%	(892,095)	(909,648)	1.9%
Administrative expenses	(180,135)	(185,343)	2.8%	(380,065)	(370,584)	-2.6%
Other operating expenses	(54,219)	(43,611)	-24.3%	(75,783)	(45,292)	-67.3%
Finance costs	(246,529)	(193,838)	-27.2%	(480,440)	(348,910)	-37.7%
Non-operating items	(6,588)	(33,894)	80.6%	15,650	(12,291)	n.m.
Share of results of joint ventures	28,004	(4,191)	n.m.	37,330	2,395	1458.7%
Share of results of associates	(6,094)	53,784	n.m.	5,515	88,655	-93.8%
Profit before tax from continuing operations	193,679	419,717	-53.9%	520,114	728,972	-28.7%
Income tax expense	(19,877)	(74,913)	73.5%	(62,362)	(148,424)	58.0%
Profit from continuing operations, net of tax	173,802	344,804	-49.6%	457,752	580,548	-21.2%
Loss from discontinued operations, net of tax	(33,823)	-	n.m.	(55,544)	-	n.m.
Profit for the period	139,979	344,804	-59.4%	402,208	580,548	-30.7%

Attributable to:

Owners of the Company						
Profit from continuing operations, net of tax	170,609	316,396	-46.1%	440,273	519,677	-15.3%
Loss from discontinued operations, net of tax	(19,732)	-	n.m.	(32,404)	-	n.m.
Profit for the period attributable to owners of the Company	150,877	316,396	-52.3%	407,869	519,677	-21.5%
Non-controlling interests						
Profit from continuing operations, net of tax	3,193	28,408	-88.8%	17,479	60,871	-71.3%
Loss from discontinued operations, net of tax	(14,091)	-	n.m.	(23,140)	-	n.m.
Profit for the period attributable to non-controlling interests	(10,898)	28,408	n.m.	(5,661)	60,871	n.m.
Profit for the period	139,979	344,804	-59.4%	402,208	580,548	-30.7%

*Prior period figures were restated upon adoption of SFRS (I) 15 Revenue from Contracts with Customers

n.m. - not meaningful

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
1(a)(ii) Consolidated Statement of Comprehensive Income

	Group			Group		
	Three months ended			Six months ended		
	30.06.2019 US\$'000	30.06.2018 US\$'000	Inc/(Dec) US\$'000	30.06.2019 US\$'000	30.06.2018 US\$'000	Inc/(Dec) US\$'000
Profit after tax	139,979	344,804	(204,825)	402,208	580,548	(178,340)
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	29,450	(12,600)	42,050	17,002	(48,462)	65,464
Gain on disposal of investment securities at fair value through other comprehensive income	1,049	98	951	1,049	4,766	(3,717)
	30,499	(12,502)	43,001	18,051	(43,696)	61,747
- Items that may be reclassified subsequently to income statement						
Foreign currency translation	(221,418)	(533,374)	311,956	6,408	(208,202)	214,610
Fair value adjustment on cash flow hedges	17,873	35,390	(17,517)	14,917	17,548	(2,631)
Fair value adjustment on forward elements of forward contracts	(1,294)	(17,112)	15,818	29,774	(28,431)	58,205
	(204,839)	(515,096)	310,257	51,099	(219,085)	270,184
Other comprehensive income from continuing operations, net of tax	(174,340)	(527,598)	353,258	69,150	(262,781)	331,931
Other comprehensive income from discontinued operations, net of tax	279	-	279	(474)	-	(474)
Total comprehensive income	(34,082)	(182,794)	148,712	470,884	317,767	153,117

Attributable to:

Owners of the Company	4,686	(169,482)	174,168	483,166	280,333	202,833
Non-controlling interests	(38,768)	(13,312)	(25,456)	(12,282)	37,434	(49,716)
	(34,082)	(182,794)	148,712	470,884	317,767	153,117

Attributable to:
Owners of the Company

Total comprehensive income from continuing operations, net of tax	24,256	(169,482)	193,738	515,847	280,333	235,514
Total comprehensive income from discontinued operations, net of tax	(19,570)	-	(19,570)	(32,681)	-	(32,681)
	4,686	(169,482)	174,168	483,166	280,333	202,833

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
1(b)(i) Balance Sheets

	Group		Company	
	30.06.2019 US\$'000	31.12.2018 US\$'000 Restated*	30.06.2019 US\$'000	31.12.2018 US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	10,233,390	9,345,149	50,671	43,543
Bearer plants	686,792	676,570	-	-
Investment properties	21,791	21,782	-	-
Intangible assets	4,506,216	4,486,752	-	-
Investment in subsidiaries	-	-	9,000,382	9,093,313
Investment in joint ventures	1,129,769	1,092,207	124,230	124,230
Investment in associates	2,591,204	2,622,953	36,644	36,644
Investment securities	570,381	573,188	-	-
Deferred tax assets	405,816	330,979	-	-
Derivative financial instruments	7,713	7,012	-	-
Other financial receivables	132,605	197,760	346,172	369,799
Other non-financial assets	59,094	72,481	-	-
	20,344,771	19,426,833	9,558,099	9,667,529
Current assets				
Inventories	6,816,647	7,911,302	-	-
Trade receivables	3,740,116	4,349,147	-	-
Other financial receivables	8,182,221	7,519,130	4,376,934	4,259,606
Other non-financial assets	1,390,384	1,467,301	5,377	5,543
Derivative financial instruments	320,880	524,989	89	-
Investment securities	340,025	326,164	-	-
Other bank deposits	2,360,171	1,719,077	-	-
Cash and bank balances	1,846,308	1,650,478	3,331	1,848
	24,996,752	25,467,588	4,385,731	4,266,997
Assets of disposal group classified as held for sale	833,772	822,816	-	-
	25,830,524	26,290,404	4,385,731	4,266,997
TOTAL ASSETS	46,175,295	45,717,237	13,943,830	13,934,526

*In accordance with SFRS(I) 3, the Group has restated the prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
1(b)(i) Balance Sheets (continued)

	Group		Company	
	30.06.2019 US\$'000	31.12.2018 US\$'000 Restated*	30.06.2019 US\$'000	31.12.2018 US\$'000
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	1,240,007	1,441,729	-	-
Other financial payables	1,545,982	1,509,637	3,942,672	3,492,000
Other non-financial liabilities	243,241	411,577	-	-
Derivative financial instruments	232,658	321,857	717	-
Loans and borrowings	18,737,067	17,821,225	-	72,110
Tax payables	135,798	139,746	-	-
	22,134,753	21,645,771	3,943,389	3,564,110
Liabilities directly associated with disposal group classified as held for sale	1,251,575	1,201,904	-	-
	23,386,328	22,847,675	3,943,389	3,564,110
NET CURRENT ASSETS	2,444,196	3,442,729	442,342	702,887
Non-current liabilities				
Other financial payables	152,964	75,851	-	-
Other non-financial liabilities	148,273	126,329	-	-
Derivative financial instruments	23,964	32,673	-	-
Loans and borrowings	5,256,657	5,523,374	247,870	244,015
Deferred tax liabilities	317,481	339,392	-	-
	5,899,339	6,097,619	247,870	244,015
TOTAL LIABILITIES	29,285,667	28,945,294	4,191,259	3,808,125
NET ASSETS	16,889,628	16,771,943	9,752,571	10,126,401
Equity attributable to owners of the Company				
Share capital	8,458,995	8,458,995	8,895,134	8,895,134
Treasury shares	(146,072)	(153,315)	(146,072)	(153,315)
Retained earnings	9,377,968	9,303,827	771,439	1,161,712
Other reserves	(1,474,402)	(1,563,731)	232,070	222,870
	16,216,489	16,045,776	9,752,571	10,126,401
Non-controlling interests	673,139	726,167	-	-
TOTAL EQUITY	16,889,628	16,771,943	9,752,571	10,126,401
TOTAL EQUITY AND LIABILITIES	46,175,295	45,717,237	13,943,830	13,934,526

*In accordance with SFRS(I) 3, the Group has restated the prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
1(b)(ii) Group's Borrowings and Debt Securities

	Group		Group	
	30.06.2019		31.12.2018	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
(a) Amount repayable in one year or less, or on demand	2,405,475	16,331,592	2,900,145	14,921,080
(b) Amount repayable after one year	552,377	4,704,280	308,922	5,214,452
	2,957,852	21,035,872	3,209,067	20,135,532

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\$1,234,696,000 are disclosed off balance sheet as at 30 June 2019 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 Second Quarter ended 30 June 2019
1(c) Consolidated Cash Flow Statement

	Group		Group	
	Three months ended		Six months ended	
	30.06.2019 US\$'000	30.06.2018 US\$'000	30.06.2019 US\$'000	30.06.2018 US\$'000
Cash flows from operating activities				
Profit before tax from continuing operations	193,679	419,717	520,114	728,972
Loss before tax from discontinued operations	(33,823)	-	(55,544)	-
Profit before tax, total	159,856	419,717	464,570	728,972
Adjustments for:				
Depreciation of bearer plants	13,523	13,266	27,282	26,749
Depreciation of property, plant and equipment	204,019	182,533	392,099	359,649
Gain on disposal of investment in associates	-	-	(2,311)	(1,732)
Fair value gain arising from changes of interest in joint ventures resulting in change of control	(66)	(1,375)	(66)	(1,144)
Fair value gain arising from changes of interest in an associate resulting in change of control	-	-	(907)	-
Amortisation of intangible assets	281	330	562	664
Loss/(gain) on disposal of property, plant and equipment	3,595	(1,545)	3,318	(1,201)
(Gain)/loss on disposal of biological assets	(2)	179	50	178
Loss on disposal/liquidation of subsidiaries	5,443	3,482	5,443	3,293
Gain on disposal of investment securities at fair value through profit or loss	-	(2,181)	-	(7,180)
Grant of share options to employees	1,557	2,407	9,054	5,979
Net fair value (gain)/loss on derivative financial instruments	(92,101)	(494,600)	110,999	(306,354)
Net fair value loss/(gain) on investment securities at fair value through profit or loss	4,923	39,652	(14,329)	63,063
Foreign exchange differences arising from translation	(73,789)	(221,603)	21,550	(108,612)
Dividend income from investment securities at fair value through profit or loss	(3,503)	(3,485)	(7,606)	(7,142)
Investment income from investment securities at fair value through other comprehensive income	(3,345)	(11,330)	(9,909)	(54,648)
Interest expense	255,314	201,610	498,210	363,436
Interest income	(125,125)	(117,919)	(251,156)	(221,155)
Share of results of joint ventures	(28,004)	4,191	(37,330)	(2,395)
Share of results of associates	6,094	(53,784)	(5,515)	(88,655)
Operating cash flows before working capital changes	328,670	(40,455)	1,204,008	751,765
Changes in working capital:				
Decrease/(increase) in inventories	317,079	(618,851)	1,216,299	414,950
Decrease in receivables and other assets	237,846	152,724	841,221	223,958
Increase/(decrease) in payables	20,553	(352,105)	(444,986)	(291,809)
Cash flows generated from/(used in) operations	904,148	(858,687)	2,816,542	1,098,864
Interest paid	(231,438)	(112,710)	(453,511)	(286,629)
Interest received	116,845	113,740	202,646	200,286
Income taxes paid	(90,836)	(139,456)	(172,993)	(225,244)
Net cash flows generated from/(used in) operating activities	698,719	(997,113)	2,392,684	787,277

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
1(c) Consolidated Cash Flow Statement (continued)

	Group		Group	
	Three months ended		Six months ended	
	30.06.2019 US\$'000	30.06.2018 US\$'000	30.06.2019 US\$'000	30.06.2018 US\$'000
Cash flows from investing activities				
Net cash flow on acquisition of subsidiaries	(4,686)	(89,232)	2,870	(231,941)
(Increase)/decrease in plasma investments	(1,200)	3,557	(381)	4,776
Decrease in investment securities at fair value through profit or loss	26	21,947	770	33,189
(Increase)/decrease in other non-financial assets	(5,752)	1,832	(5,752)	1,832
Payments for property, plant and equipment	(417,931)	(345,523)	(794,686)	(621,627)
Payments for bearer plants	(16,006)	(18,455)	(35,094)	(31,589)
(Increase)/decrease in investment securities at fair value through other comprehensive income	(15,760)	4,527	(16,943)	20,814
Dividend income from investment securities at fair value through profit or loss	3,503	3,485	7,606	7,142
Investment income from investment securities at fair value through other comprehensive income	3,345	11,330	9,909	54,648
Payments for investment in joint ventures	-	(21,202)	(12,429)	(21,227)
Decrease/(increase) in investment in associates	-	6,117	-	(141,734)
Payments for intangible assets	-	-	(258)	-
Dividends received from joint ventures	500	1,262	25,004	21,295
Dividends received from associates	16,100	81,196	16,195	87,121
Proceeds from disposal of property, plant and equipment	3,406	23,565	42,601	49,346
Proceeds from disposal/liquidation/dilution of interest in associates	-	-	12,183	15,112
Net cash flow from disposal/liquidation of subsidiaries	402	10,870	402	13,758
Net cash flows used in investing activities	(434,053)	(304,724)	(748,003)	(739,085)
Cash flows from financing activities				
(Increase)/decrease in net amount due from related parties	(54)	392	(532)	668
(Increase)/decrease in net amount due from joint ventures	(70,822)	(17,110)	(75,700)	60,964
Decrease/(increase) in net amount due from associates	450	3,240	10,987	(6,969)
Increase/(decrease) in advances from non-controlling shareholders	3,082	(17,044)	(9,890)	(24,691)
Proceeds from loans and borrowings	781,036	1,000,775	1,205,873	1,790,343
(Increase)/decrease in fixed deposits pledged with financial institutions for bank facilities	(547,807)	829,326	(665,174)	1,370,531
Increase in other financial receivables	(80,005)	(246,785)	(1,071,128)	(2,406,972)
(Increase)/decrease in other deposits with maturity more than 3 months	(117,271)	177,672	(416,423)	78,252
Interest paid	(12,153)	(8,365)	(22,939)	(16,264)
Net cash flow from acquisition of additional interest in subsidiaries	-	(468)	(19,278)	(468)
Dividends paid by the Company	(324,953)	(332,816)	(324,953)	(332,816)
Dividends paid to non-controlling shareholders by subsidiaries	(64,791)	(3,701)	(69,032)	(9,124)
Proceeds from reissuance of treasury shares by the Company	6,279	423	7,300	1,910
Proceeds from issue of shares by subsidiaries to non-controlling shareholders	1,748	3,143	8,114	15,146
Net cash flows (used in)/generated from financing activities	(425,261)	1,388,682	(1,442,775)	520,510
Net (decrease)/increase in cash and cash equivalents	(160,595)	86,845	201,906	568,702
Cash and cash equivalents at the beginning of the financial period	1,957,995	1,917,082	1,595,494	1,435,225
Cash and cash equivalents at the end of the financial period	1,797,400	2,003,927	1,797,400	2,003,927
Represented by:				
Total cash and bank balances	4,206,479	3,583,536	4,206,479	3,583,536
Less: Fixed deposits pledged with financial institutions for bank facilities	(1,488,768)	(925,632)	(1,488,768)	(925,632)
Less: Other deposits with maturity more than 3 months	(871,403)	(615,335)	(871,403)	(615,335)
Bank overdrafts	(48,908)	(38,642)	(48,908)	(38,642)
Total cash and cash equivalents	1,797,400	2,003,927	1,797,400	2,003,927

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
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		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
For the period							
From 01.04.2019 to 30.06.2019							
Group							
Opening balance at 1 April 2019, as previously reported	8,458,995	(152,299)	9,555,167	(1,329,894)	16,531,969	755,434	17,287,403
Adjustments from finalisation of purchase price allocation for acquisition of SRSL [^]	-	-	(3,049)	-	(3,049)	8,420	5,371
Opening balance at 1 April 2019, as restated	8,458,995	(152,299)	9,552,118	(1,329,894)	16,528,920	763,854	17,292,774
Profit for the period	-	-	150,877	-	150,877	(10,898)	139,979
Other comprehensive income	-	-	1,049	(147,240)	(146,191)	(27,870)	(174,061)
Total comprehensive income	-	-	151,926	(147,240)	4,686	(38,768)	(34,082)
Grant of equity-settled share options	-	-	-	1,557	1,557	-	1,557
Share capital contributed by non-controlling shareholders	-	-	-	-	-	1,748	1,748
Reissuance of treasury shares pursuant to exercise of share options	-	6,227	-	52	6,279	-	6,279
Dividends on ordinary shares	-	-	(324,953)	-	(324,953)	-	(324,953)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	(64,791)	(64,791)
Net transfer to other reserves	-	-	(1,123)	1,123	-	-	-
Total contributions by and distributions to owners	-	6,227	(326,076)	2,732	(317,117)	(63,043)	(380,160)
Acquisition of subsidiaries	-	-	-	-	-	11,406	11,406
Disposal of subsidiaries	-	-	-	-	-	(310)	(310)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	11,096	11,096
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

[^]In accordance with SFRS(I) 3, the Group has restated the prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
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		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
For the period							
From 01.04.2018 to 30.06.2018							
Group							
Opening balance at 1 April 2018	8,458,995	(154,730)	8,884,342	(701,423)	16,487,184	1,078,833	17,566,017
Profit for the period	-	-	316,396	-	316,396	28,408	344,804
Other comprehensive income	-	-	98	(485,976)	(485,878)	(41,720)	(527,598)
Total comprehensive income	-	-	316,494	(485,976)	(169,482)	(13,312)	(182,794)
Grant of equity-settled share options	-	-	-	2,407	2,407	-	2,407
Share capital contributed by non-controlling shareholders	-	-	-	-	-	3,143	3,143
Reissuance of treasury shares pursuant to exercise of share options	-	421	-	2	423	-	423
Dividends on ordinary shares	-	-	(332,816)	-	(332,816)	-	(332,816)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	(3,701)	(3,701)
Net transfer to other reserves	-	-	(204)	204	-	-	-
Total contributions by and distributions to owners	-	421	(333,020)	2,613	(329,986)	(558)	(330,544)
Acquisition of subsidiaries (restated [^])	-	-	-	-	-	(316,083)	(316,083)
Acquisition of additional interest in a subsidiary	-	-	-	(58)	(58)	(410)	(468)
Disposal of a subsidiary	-	-	-	-	-	(14,385)	(14,385)
Total changes in ownership interests in subsidiaries	-	-	-	(58)	(58)	(330,878)	(330,936)
Closing balance at 30 June 2018	8,458,995	(154,309)	8,867,816	(1,184,844)	15,987,658	734,085	16,721,743

[^]In accordance with SFRS(I) 3, the Group has restated the prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
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 01.04.2019 to 30.06.2019					
Company					
Opening balance at 1 April 2019	8,895,134	(152,299)	1,133,272	230,372	10,106,479
Loss for the period	-	-	(36,880)	-	(36,880)
Other comprehensive income	-	-	-	89	89
Total comprehensive income	-	-	(36,880)	89	(36,791)
Grant of equity-settled share options	-	-	-	1,557	1,557
Reissuance of treasury shares pursuant to exercise of share options	-	6,227	-	52	6,279
Dividends on ordinary shares	-	-	(324,953)	-	(324,953)
Total transactions with owners in their capacity as owners	-	6,227	(324,953)	1,609	(317,117)
Closing balance at 30 June 2019	8,895,134	(146,072)	771,439	232,070	9,752,571

	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 01.04.2018 to 30.06.2018					
Company					
Opening balance at 1 April 2018	8,895,134	(154,730)	1,541,079	215,571	10,497,054
Profit for the period	-	-	27,929	-	27,929
Other comprehensive income	-	-	-	133	133
Total comprehensive income	-	-	27,929	133	28,062
Grant of equity-settled share options	-	-	-	2,407	2,407
Reissuance of treasury shares pursuant to exercise of share options	-	421	-	2	423
Dividends on ordinary shares	-	-	(332,816)	-	(332,816)
Total transactions with owners in their capacity as owners	-	421	(332,816)	2,409	(329,986)
Closing balance at 30 June 2018	8,895,134	(154,309)	1,236,192	218,113	10,195,130

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
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		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
For the period							
From 01.01.2019 to 30.06.2019							
Group							
Opening balance at 1 January 2019, as previously reported	8,458,995	(153,315)	9,306,876	(1,563,731)	16,048,825	717,747	16,766,572
Adjustments from finalisation of purchase price allocation for acquisition of SRSL [^]	-	-	(3,049)	-	(3,049)	8,420	5,371
Opening balance at 1 January 2019, as restated	8,458,995	(153,315)	9,303,827	(1,563,731)	16,045,776	726,167	16,771,943
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	-	-	-	-	-	35,906	35,906
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)	20,172	16,318
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

[^]In accordance with SFRS(I) 3, the Group has restated the prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
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		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
For the period							
From 01.01.2018 to 30.06.2018							
Group							
Opening balance at 1 January 2018	8,458,995	(156,209)	8,680,262	(950,738)	16,032,310	1,021,507	17,053,817
Profit for the period	-	-	519,677	-	519,677	60,871	580,548
Other comprehensive income	-	-	4,766	(244,110)	(239,344)	(23,437)	(262,781)
Total comprehensive income	-	-	524,443	(244,110)	280,333	37,434	317,767
Grant of equity-settled share options	-	-	-	5,979	5,979	-	5,979
Share capital contributed by non-controlling shareholders	-	-	-	-	-	15,146	15,146
Reissuance of treasury shares pursuant to exercise of share options	-	1,900	-	10	1,910	-	1,910
Dividends on ordinary shares	-	-	(332,816)	-	(332,816)	-	(332,816)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	(9,124)	(9,124)
Net transfer to other reserves	-	-	(4,073)	4,073	-	-	-
Total contributions by and distributions to owners	-	1,900	(336,889)	10,062	(324,927)	6,022	(318,905)
Acquisition of subsidiaries (restated [^])	-	-	-	-	-	(316,083)	(316,083)
Acquisition of additional interest in a subsidiary	-	-	-	(58)	(58)	(410)	(468)
Disposal of a subsidiary	-	-	-	-	-	(14,385)	(14,385)
Total changes in ownership interests in subsidiaries	-	-	-	(58)	(58)	(330,878)	(330,936)
Closing balance at 30 June 2018	8,458,995	(154,309)	8,867,816	(1,184,844)	15,987,658	734,085	16,721,743

[^]In accordance with SFRS(I) 3, the Group has restated the prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
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 01.01.2019 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

	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 01.01.2018 to 30.06.2018					
Company					
Opening balance at 1 January 2018	8,895,134	(156,209)	1,544,230	211,991	10,495,146
Profit for the period	-	-	24,778	-	24,778
Other comprehensive income	-	-	-	133	133
Total comprehensive income	-	-	24,778	133	24,911
Grant of equity-settled share options	-	-	-	5,979	5,979
Reissuance of treasury shares pursuant to exercise of share options	-	1,900	-	10	1,910
Dividends on ordinary shares	-	-	(332,816)	-	(332,816)
Total transactions with owners in their capacity as owners	-	1,900	(332,816)	5,989	(324,927)
Closing balance at 30 June 2018	8,895,134	(154,309)	1,236,192	218,113	10,195,130

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
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	
	30.06.2019	30.06.2018
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	(76,432,850)	(77,714,000)
Reissuance of treasury shares pursuant to exercise of share options	3,257,500	831,350
Balance at the end of the financial period	(73,175,350)	(76,882,650)
Issued ordinary shares excluding treasury shares	6,330,225,756	6,326,518,456
The number of shares that may be issued on exercise of share options outstanding at the end of the financial period	54,563,750	142,686,300

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 2019 and 31 December 2018 were 6,403,401,106, of which 73,175,350 shares and 76,432,850 shares were held by the Company as treasury shares as at 30 June 2019 and 31 December 2018 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 Second Quarter ended 30 June 2019

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 2018 except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) and new or revised SFRS(I) and INT SFRS(I) that are mandatory for financial years beginning on or after 1 January 2019. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group's consolidated financial statements, except as disclosed in item 5 below.

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.

Adoption of SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. At commencement date of a lease, a lessee will recognise a liability to make a lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use (ROU) asset).

The Group has applied the practical expedient to recognise amounts of ROU assets equal to its lease liabilities at 1 January 2019. The impact of the adoption of SFRS(I) 16 Leases is as follows:-

The effects on adoption of SFRS(I) 16 on 1 January 2019 are set below:

	US\$'000
	Increase / (decrease)
Right of use asset	1,085,361
Lease liabilities	130,800
Land and land rights	(935,654)
Prepayments	(18,907)

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
6. Earnings Per Ordinary Share (EPS)

	Group		Group	
	Three months ended		Six months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
(a) Based on weighted average number of shares (US cents per share)	2.4	5.0	6.4	8.2
(b) Based on fully diluted basis (US cents per share)	2.4	5.0	6.4	8.2
(c) Based on weighted average number of shares (US cents per share) - excluding discontinued operations	2.7	5.0	7.0	8.2
(d) Based on fully diluted basis (US cents per share) - excluding discontinued operations	2.7	5.0	7.0	8.2
Weighted average number of shares applicable to basic earnings per share ('000)	6,328,904	6,326,412	6,327,997	6,326,154
Weighted average number of shares based on fully diluted basis ('000)	6,334,918	6,328,302	6,333,746	6,327,822

7. Net Asset Value Per Ordinary Share (NAV)

	Group		Company	
	30.06.2019	31.12.2018 Restated[^]	30.06.2019	31.12.2018
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	256.2	253.6	154.1	160.1

[^]In accordance with SFRS(I) 3, the Group has restated the prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries

Unaudited Financial Statements for the Second Quarter ended 30 June 2019**8. Review of Group Performance****Overview**

The Group recorded core net profit of US\$176.8 million in 2Q2019 (2Q2018: US\$351.8 million). Crush margins for this quarter were lower as the impact of African swine fever on soybean meal demand was greater than our earlier expectation. However, this was partially offset by strong performance from other segments like Consumer Products and Oleochemicals. Although the Group's sugar operations in Australia and Indonesia have performed better this year, the segment was impacted by the consolidation of Shree Renuka Sugars Limited which became a subsidiary in June 2018 and the accounting losses of its discontinued operations in Brazil. In addition, the results were also affected by lower contributions from China Associates. Taking into consideration losses from the Group's other non-operating items, net profit (including discontinued operations) was lower at US\$150.9 million (2Q2018: US\$316.4 million) for 2Q2019.

The Group recorded core net profit of US\$427.1 million in 1H2019 (1H2018: US\$535.3 million) and net profit (including discontinued operations) was lower at US\$407.9 million (1H2018: US\$519.7 million). Despite the challenging operating environment in 2Q2019, the Group's EBITDA decreased marginally by 5.7% to US\$1.2 billion in 1H2019 (1H2018: US\$1.3 billion).

Revenue and Cost of Sales

While overall sales volume increased by 3.9%, revenue decreased by 9.0% to US\$9.8 billion in 2Q2019 (2Q2018: US\$10.8 billion) as a result of lower commodity prices. Correspondingly, cost of sales decreased by 8.2% to US\$8.9 billion (2Q2018: US\$9.7 billion).

For 1H2019, overall revenue decreased by 7.6% to US\$20.2 billion (1H2018: US\$21.9 billion) while cost of sales decreased by 7.9% to US\$18.3 billion (1H2018: US\$19.9 billion).

Finance Income**Finance Costs**

	2Q2019	2Q2018	1H2019	1H2018
	US\$ million	US\$ million	US\$ million	US\$ million
Finance income	125.1	117.9	251.2	221.2
Finance costs	(246.5)	(193.8)	(480.4)	(348.9)

Finance income increased by 6.1% to US\$125.1 million in 2Q2019 (2Q2018: US\$117.9 million) on the back of higher average deposits placed during the quarter, partially offset by lower effective interest rates. Finance cost increased by 27.2% to US\$246.5 million in 2Q2019 (2Q2018: US\$193.8 million) from higher effective borrowing rates as a result of hikes in interest rate and higher average bank borrowings.

For 1H2019, finance income increased by 13.6% to US\$251.2 million (1H2018: US\$221.2 million) while finance cost increased by 37.7% to US\$480.4 million (1H2018: US\$348.9 million).

Unaudited Financial Statements for the Second Quarter ended 30 June 2019***Other Operating Items – Net***

	2Q2019	2Q2018	1H2019	1H2018
	US\$ million	US\$ million	US\$ million	US\$ million
Other operating income	51.5	50.9	117.9	93.2
Other operating expenses	(54.2)	(43.6)	(75.8)	(45.3)
Other operating items – net	(2.7)	7.3	42.1	47.9

Net other operating items for the current quarter was a loss of US\$2.7 million (2Q2018: US\$7.3 million gain) while 1H2019 recorded a lower gain of US\$42.1 million (1H2018: US\$47.9 million gain), mainly due to higher foreign exchange loss arising from revaluation of its 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\$20.4 million in 2Q2019 (2Q2018: US\$22.4 million loss) and a gain of US\$6.0 million in 1H2019 (1H2018: US\$54.0 million loss).

Selling and Distribution Expenses

Selling and distribution expenses increased marginally by 0.5% to US\$427.3 million in 2Q2019 (2Q2018: US\$425.4 million) on the back of higher freight and transportation costs. This was partially offset by the removal of export duties in Indonesia.

For 1H2019, selling and distribution expenses decreased marginally by 1.9% to US\$892.1 million (1H2018: US\$909.6 million) mainly due to the removal of export duties in Indonesia with effect from December 2018. This was partially offset by higher freight and transportation costs.

Administrative Expenses

Administrative expenses, comprising mainly personnel costs, decreased marginally by 2.8% to US\$180.1 million in 2Q2019 (2Q2018: US\$185.3 million) and increased marginally by 2.6% to US\$380.1 million in 1H2019 (1H2018: US\$370.6 million).

Non-operating Items

The group recorded lower non-operating losses of US\$6.6 million in 2Q2019 (2Q2018: US\$33.9 million) resulting from distribution income from its investment portfolio.

For 1H2019, non-operating gain was US\$15.7 million (1H2018: US\$12.3 million loss), as a result of gains arising from its investment portfolio which is in line with stronger equity market conditions.

Unaudited Financial Statements for the Second Quarter ended 30 June 2019

Share of Results of Joint Ventures & Associates

The Group recorded lower contributions of US\$21.9 million for the quarter (2Q2018: US\$49.6 million) mainly due to weaker performance from the Group's China associates. For 1H2019, share of results reduced by 52.9% to US\$42.8 million (1H2018: US\$91.1 million), due to weaker contributions from its China and African investments.

Income Tax Expense

The Group recorded lower effective tax rate of 11.6% in 2Q2019 (2Q2018: 20.2%) and 13.1% in 1H2019 (1H2018: 23.3%) due to higher profits recorded in lower tax jurisdictions.

Loss from discontinued operations

The loss from discontinued operations of US\$33.8 million recorded in 2Q2019 and US\$55.5 million in 1H2019 was mainly due to operating losses and finance costs incurred by the Brazilian operations under Shree Renuka Sugars Limited.

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
Group Financial Performance by Business Segment
Sales Volume of Key Segments

	Sales Volume			Sales Volume		
	2Q2019 MT'000	2Q2018 MT'000	Inc/(Dec) %	1H2019 MT'000	1H2018 MT'000	Inc/(Dec) %
Tropical Oils #						
- Manufacturing & Merchandising	6,213	5,649	10.0%	12,411	11,376	9.1%
Oilseeds and Grains						
- Manufacturing	7,679	7,538	1.9%	14,369	14,779	-2.8%
- Consumer Products	1,241	1,194	3.9%	3,026	2,809	7.7%
Sugar						
- Milling	456	131	248.1%	804	260	209.2%
- Merchandising, Refining and Consumer Products	2,260	2,669	-15.3%	4,762	4,727	0.7%

Tropical Oils exclude plantation volume.

Three Months Ended 30 June

	2Q2019 US\$'000	2Q2018 US\$'000 Restated*	Variance US\$'000	%
Revenue				
Tropical Oils				
- Plantation	11,650	13,544	(1,894)	-14.0%
- Manufacturing & Merchandising	3,756,486	4,242,284	(485,798)	-11.5%
Oilseeds and Grains				
- Manufacturing	3,523,882	3,944,263	(420,381)	-10.7%
- Consumer Products	1,322,766	1,354,289	(31,523)	-2.3%
Sugar				
- Milling	166,085	68,171	97,914	143.6%
- Merchandising, Refining and Consumer Products	781,896	928,326	(146,430)	-15.8%
Others	543,714	584,267	(40,553)	-6.9%
Eliminations	(324,414)	(384,081)	59,667	15.5%
Total revenue	9,782,065	10,751,063	(968,998)	-9.0%

Six Months Ended 30 June

	1H2019 US\$'000	1H2018 US\$'000 Restated*	Variance US\$'000	%
Revenue				
Tropical Oils				
- Plantation	23,023	27,375	(4,352)	-15.9%
- Manufacturing & Merchandising	7,564,622	8,623,327	(1,058,705)	-12.3%
Oilseeds and Grains				
- Manufacturing	6,908,055	7,627,549	(719,494)	-9.4%
- Consumer Products	3,322,986	3,329,587	(6,601)	-0.2%
Sugar				
- Milling	299,445	113,734	185,711	163.3%
- Merchandising, Refining and Consumer Products	1,656,475	1,718,346	(61,871)	-3.6%
Others	1,011,566	1,126,386	(114,820)	-10.2%
Eliminations	(559,650)	(677,743)	118,093	17.4%
Total revenue	20,226,522	21,888,561	(1,662,039)	-7.6%

Unaudited Financial Statements for the Second Quarter ended 30 June 2019
Three Months Ended 30 June

	2Q2019 US\$'000	2Q2018 US\$'000	Variance US\$'000	%
Profit before tax				
Tropical Oils	177,340	154,864	22,476	14.5%
Oilseeds and Grains	59,190	290,217	(231,027)	-79.6%
Sugar	(69,387)	(46,237)	(23,150)	-50.1%
Others	6,183	(26,313)	32,496	n.m.
Share of results of joint ventures	28,004	(4,191)	32,195	n.m.
Share of results of associates	(6,094)	53,784	(59,878)	n.m.
Unallocated expenses #	(1,557)	(2,407)	850	35.3%
Total profit before tax	193,679	419,717	(226,038)	-53.9%

Six Months Ended 30 June

	1H2019 US\$'000	1H2018 US\$'000	Variance US\$'000	%
Profit before tax				
Tropical Oils	361,164	256,536	104,628	40.8%
Oilseeds and Grains	150,267	462,809	(312,542)	-67.5%
Sugar	(67,701)	(85,239)	17,538	20.6%
Others	42,593	9,795	32,798	334.8%
Share of results of joint ventures	37,330	2,395	34,935	1458.7%
Share of results of associates	5,515	88,655	(83,140)	-93.8%
Unallocated expenses #	(9,054)	(5,979)	(3,075)	-51.4%
Total profit before tax	520,114	728,972	(208,858)	-28.7%

*Prior period figures were restated upon adoption of SFRS (I) 15 Revenue from Contracts with Customers

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

n.m. - not meaningful

Unaudited Financial Statements for the Second Quarter ended 30 June 2019***Tropical Oils (Plantation, Manufacturing and Merchandising)***

Profit before tax increased by 14.5% in 2Q2019 to US\$177.3 million (2Q2018: US\$154.9 million), boosted by stronger performance from the manufacturing and merchandising business, on the back of higher sales volume during the quarter. This was partially offset by lower CPO prices and production yields, which reduced contributions from the plantation business. Overall profit for the segment increased by 40.8% to US\$361.2 million for 1H2019 (1H2018: US\$256.5 million). This segment has been delivering consistent good performance since 2Q2018.

Production yield decreased by 10.3% to 5.2 MT per hectare in 2Q2019 (2Q2018: 5.8 MT per hectare) and 7.5% to 9.9 MT per hectare in 1H2019 (1H2018: 10.7 MT per hectare) as a result of unfavourable weather conditions. This resulted in a decrease in total fresh fruit bunches production to 993,454 MT for 2Q2019 (2Q2018: 1,081,425 MT) and 1,898,714 MT for 1H2019 (1H2018: 2,066,423 MT).

Volume for Tropical Oils (Manufacturing & Merchandising) increased by 10.0% to 6.2 million MT in 2Q2019 (2Q2018: 5.7 million MT) and by 9.1% to 12.4 million MT in 1H2019 (1H2018: 11.4 million MT). Weaker commodity prices in the current period led overall revenue to decrease by 11.5% to US\$3.8 billion in 2Q2019 (2Q2018: US\$4.3 billion) and by 12.3% to US\$7.6 billion in 1H2019 (1H2018: US\$8.7 billion).

Oilseeds and Grains (Manufacturing and Consumer Products)

Segment profits was lower at US\$59.2 million in 2Q2019 (2Q2018: US\$290.2 million), mainly due to the absence of strong crush volume and margins experienced in 2Q2018. Although crush margins improved from 1Q2019, crushing operations in 2Q2019 continued to be affected by the African swine fever outbreak. Consumer Products maintained its strong performance while rice and flour milling continued to make good progress during the quarter. For 1H2019, overall profit was lower at US\$150.3 million (1H2018: US\$462.8 million).

Overall sales volume increased by 0.2 million MT to 8.9 million MT in 2Q2019 (2Q2018: 8.7 million MT) and decreased by 0.2 million MT to 17.4 million MT in 1H2019 (1H2018: 17.6 million MT).

Sugar (Milling, Merchandising, Refining and Consumer Products)

This segment recorded a loss before tax of US\$69.4 million in the current quarter (2Q2018: US\$46.2 million loss). The weaker result was mainly due to the consolidation of Shree Renuka Sugars Limited which became a subsidiary in June 2018. The Australian and Indonesian operations performed better during the quarter. Overall losses for 1H2019 was lower at US\$67.7 million (1H2018: US\$85.2 million loss) driven by stronger performance from refining and merchandising activities.

Sales volume for Sugar (Milling) increased to 456,000 MT in 2Q2019 (2Q2018: 131,000 MT). For 1H2019, sales volume increased by 209.2% to 804,000 MT (1H2018: 260,000 MT) due to contributions from Shree Renuka Sugars Limited milling operations. However, lower sales activities in the merchandising and processing business in 2Q2019 led overall sales volume for the segment to decrease by 3.0% to 2.7 million MT in 2Q2019 (2Q2018: 2.8 million MT). Correspondingly, revenue decreased by 4.9% to US\$948.0 million in 2Q2019 (2Q2018: US\$996.5 million). For 1H2019, overall sales volume increased by 11.6% to 5.6 million MT (1H2018: 5.0 million MT), resulting in higher revenue by 6.8% to US\$2.0 billion (1H2018: US\$1.8 billion).

Others

This segment recorded a profit before tax of US\$6.2 million in 2Q2019 (2Q2018: US\$26.3 million loss) mainly from positive contributions from the Shipping and Fertiliser businesses. Profit before tax for 1H2019 was higher at US\$42.6 million (1H2018: US\$9.8 million) mainly due to higher investment income from the Group's investment portfolio.

Unaudited Financial Statements for the Second Quarter ended 30 June 2019***Review of Balance Sheet and Cash Flows***

Inventories decreased from December 2018 by 13.8% to US\$6.8 billion as at 30 June 2019, mainly due to lower stockholding in China which resulted from the post Chinese Spring Festival seasonal impact. Excluding the impact of the acquisition of Shree Renuka Sugars Limited, average turnover was at 75 days in 1H2019 (1H2018: 72 days).

Trade receivables decreased by US\$609.0m to US\$3.7 billion in 1H2019. Excluding the impact of the acquisition of Shree Renuka Sugars Limited, average turnover days increased to 37 days in 1H2019 (1H2018: 34 days). Despite the higher turnover days during the period, the Group continues to maintain a healthy profile of its aging balance.

Trade payables decreased by US\$201.7 million to US\$1.2 billion in 1H2019 mainly due to timing difference of purchases made. Excluding the impact of the acquisition of Shree Renuka Sugars Limited, average turnover days increased to 12 days in 1H2019 (1H2018: 10 days).

Other financial receivables (non-current and current) increased by US\$597.9 million to US\$8.3 billion mainly due to higher other deposits and financial products placed with financial institutions.

Net loans and borrowings (net of other bank deposits, cash and bank balances and financial products with financial institutions – current) decreased by US\$1.0 billion to US\$12.4 billion. Correspondingly, net gearing ratio improved to 0.77x in 1H2019 (FY2018: 0.84x).

During the period, the Group generated US\$2.4 billion from operating activities. Capital expenditure for the period (including advances paid) was higher at US\$829.8 million (1H2018: US\$653.2 million) while US\$28.8 million (1H2018: US\$395.4 million) was used for the acquisition of subsidiaries and joint ventures. Together with dividend distribution of US\$325.0 million and a decrease in net debt of US\$1.0 billion, the Group recorded a cash inflow of US\$201.9 million as at 30 June 2019.

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 Second Quarter ended 30 June 2019

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

Over the years, the Group has invested significant capital, mainly in Asia and Africa, and we have often been questioned by analysts on the rationale for these investments as there has been no significant increase in profits thus far. The Group has always been bullish on the huge potential of approximately 4.5 billion people in the Asian and African countries in which we operate and where our products are often the leading brands. We believe that food is the biggest industry in these countries, and with some of the world's fastest economic and population growth, the future demand for food will be much larger than in the developed countries in the West. Most of our capital expenditure in these countries was spent on building agri processing plants, building brands and distribution networks. We believe we have built very competitive business models for the agri businesses in these countries. We chose to build greenfield when it makes sense as they are usually lower costs versus acquisitions and the plants are much better quality and more efficient. However, gestation periods for these investments are longer as greenfield projects take typically longer time to build and developing brands and distribution networks also take time.

We are seeing increasing sales and profitability from these investments and those established earlier; as examples, India and Vietnam, which are now making good profits. The increase in profit contributions in recent years from Consumer Products and some of the new businesses like Oleochemicals, Rice and Flour, help dampen the volatility of earnings, especially as compared with pure Plantation companies. Our strategy has always been to make our Group earnings more stable and less vulnerable to fluctuations in commodity prices.

We have submitted our application to list our China operations on the Shenzhen Stock Exchange. With the disclosure of our China operations in the Prospectus, there is now a better understanding and appreciation of the Group's China operations. In China, the Group has more than 300 plants in 62 locations with many top brands and a vast marketing and distribution network. We believe such an operation is not easily replicated and will cost significantly more to build today. We have built similar operations in many countries including Indonesia, India, Vietnam and in many African countries. We strongly believe that these operations, when fully mature, will enjoy similar good returns in the future.

The African swine fever's impact on China soybean meal demand is likely to take several years to eradicate, although the lower China hog production will be offset partially by strong growth in the poultry sector. We are fortunate to be in the agri processing business as the slowing economy, due partly to the US-China trade conflict, has not impacted Chinese domestic consumption of food. In fact, the demand for better quality food products in China continues to grow. The stricter control on plant and food safety and the environment also helps our plants in China perform better. Thus, we are not overly concerned about the current external environment and will continue to expand our operations in our core businesses as we believe the future for food demand is in Asia and Africa.

Barring any unforeseen circumstances, we expect the margins of our crushing business and other segments to perform better in the remaining half of the year.

Unaudited Financial Statements for the Second Quarter ended 30 June 2019**11. Dividend**

- (a) Whether an interim (final) ordinary dividend has been declared (recommended) for the current financial period reported on?

Yes.

- (b) Interim and final ordinary dividend

	30.06.2019	30.06.2018
	SGD per share	SGD per share
Interim ordinary dividend	0.030	0.035

- (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

30 August 2019.

- (e) Books Closure Date

Notice is hereby given that the Share Transfer Register and Register of Members of the Company will be closed from 22 August 2019 at 5.00 pm to 23 August 2019 (both dates inclusive), for the purpose of determining shareholders' entitlement to the Company's interim tax exempt (one-tier) dividend of S\$0.030 per ordinary share for the financial year ending 31 December 2019 ("Interim Dividend"), to be paid on 30 August 2019.

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 22 August 2019 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 5.00 pm on 22 August 2019 will be entitled to the Interim Dividend.

12. If no dividend has been declared or recommended, a statement to that effect.

Not applicable.

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)
	2Q 2019 US\$'000	2Q 2019 US\$'000
Archer Daniels Midland Group	NIL	220,102
Pua Seck Guan	NIL	NIL
Associates of Kuok Khoon Ean & Kuok Khoon Hua [#]	259	1,906
Kuok Khoon Hong's Associates	NIL	822
PPB Group Bhd	36,909	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

13 August 2019

Unaudited Financial Statements for the Second Quarter ended 30 June 2019

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 second quarter ended 30 June 2019 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

13 August 2019