

Company Registration No. 199904785Z

Wilmar International Limited and its Subsidiaries

Unaudited Condensed Interim Financial Statements
For the six months ended 30 June 2021

Table of Contents

A. Financial highlights	Page 3
B. Unaudited condensed interim consolidated income statement	Page 4
C. Unaudited condensed interim consolidated statement of comprehensive income	Page 5
D. Unaudited condensed interim balance sheets	Page 6
E. Unaudited condensed interim statements of changes in equity	Page 8
F. Unaudited condensed interim consolidated cash flow statement	Page 11
G. Notes to the unaudited condensed interim consolidated financial statements	Page 13
H. Other information required by listing rule appendix 7.2	Page 28

A. Financial highlights

	6 months ended 30 June 2021 US\$'000	6 months ended 30 June 2020 US\$'000 Restated*	Change
Revenue	29,534,417	22,657,717	30.4%
Profit Before Tax	1,215,508	824,492	47.4%
Net Profit	750,913	610,523	23.0%
Core Net Profit	732,217	635,528	15.2%
EBITDA	1,884,094	1,488,640	26.6%
EPS - Basic (US cents per share)	11.9	9.6	23.7%
EPS - Fully diluted (US cents per share)	11.9	9.6	23.5%
	30 June 2021	31 December 2020	Change
Net Tangible Asset (US\$'000)	13,592,147	13,436,663	1.2%
Net Asset per share (US\$ per share)	3.02	2.99	1.0%
Net Tangible Asset per share (US\$ per share)	2.16	2.13	1.4%

**In accordance with SFRS(I) 3, the Group has restated prior period's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries*

B. Unaudited condensed interim consolidated income statement

	Note	6 months ended 30 June 2021 US\$'000	6 months ended 30 June 2020 US\$'000 Restated*
Revenue	11	29,534,417	22,657,717
Cost of sales		(26,202,823)	(20,127,353)
Gross profit		3,331,594	2,530,364
Other items of income			
Finance income		160,706	236,407
Other operating income		112,593	106,857
Other items of expense			
Selling and distribution expenses		(1,645,751)	(1,152,219)
Administrative expenses		(538,885)	(454,277)
Other operating expenses		(92,576)	(105,291)
Finance costs		(272,337)	(400,645)
Non-operating items		20,961	(20,771)
Share of results of joint ventures		40,007	38,499
Share of results of associates		99,196	45,568
Profit before tax	4	1,215,508	824,492
Income tax expense	5	(349,964)	(176,023)
Profit after tax		865,544	648,469
Attributable to:			
Owners of the Company		750,913	610,523
Non-controlling interests		114,631	37,946
		865,544	648,469

**In accordance with SFRS(I) 3, the Group has restated prior period's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries*

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 2021 US\$'000	6 months ended 30 June 2020 US\$'000 Restated*
Profit after tax	865,544	648,469
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	39,949	(108,020)
Gain on disposal of investment securities at fair value through other comprehensive income	6	-
	39,955	(108,020)
Items that may be reclassified subsequently to income statement		
Foreign currency translation	71,360	(319,966)
Fair value adjustment on cash flow hedges	80,303	46,077
Fair value adjustment on forward elements of forward contracts	(7,807)	15,797
	143,856	(258,092)
Other comprehensive income, net of tax	183,811	(366,112)
Total comprehensive income for the period	1,049,355	282,357
Attributable to:		
Owners of the Company	912,291	263,232
Non-controlling interests	137,064	19,125
	1,049,355	282,357

**In accordance with SFRS(I) 3, the Group has restated prior period's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries*

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	31 December	30 June	31 December
		2021	2020	2021	2020
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	13,294,119	12,773,714	109,227	97,627
Investment properties		32,891	32,475	-	-
Bearer plants		649,128	666,133	-	-
Intangible assets		5,420,442	5,445,692	-	-
Investment in subsidiaries		-	-	10,506,050	10,141,987
Investment in joint ventures		665,344	624,159	-	3,800
Investment in associates		2,849,458	2,726,322	13,677	13,677
Investment securities		415,145	370,808	-	-
Deferred tax assets		231,465	203,494	-	-
Derivative financial instruments	7	9,769	61,188	-	-
Other financial receivables		160,201	127,642	323,222	303,137
Other non-financial assets		65,044	64,779	-	-
Other bank deposits		1,583,284	-	-	-
		25,376,290	23,096,406	10,952,176	10,560,228
Current assets					
Inventories		11,441,805	9,436,151	-	-
Trade receivables		5,404,425	5,277,871	-	-
Other financial receivables		3,623,497	4,548,468	5,815,193	5,913,550
Other non-financial assets		1,844,884	1,804,917	5,673	6,337
Derivative financial instruments	7	604,221	641,249	-	-
Investment securities		302,501	286,706	-	-
Other bank deposits		4,146,128	3,222,044	-	-
Cash and bank balances		2,904,843	2,706,164	3,956	6,371
		30,272,304	27,923,570	5,824,822	5,926,258
TOTAL ASSETS		55,648,594	51,019,976	16,776,998	16,486,486
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables		1,663,146	1,613,448	-	-
Other financial payables		2,073,911	2,084,097	5,538,030	5,566,865
Other non-financial liabilities		352,135	764,248	-	-
Derivative financial instruments	7	660,434	893,729	-	-
Loans and borrowings	8	21,358,668	17,145,894	211,364	163,593
Tax payables		232,725	331,740	-	-
		26,341,019	22,833,156	5,749,394	5,730,458
NET CURRENT ASSETS		3,931,285	5,090,414	75,428	195,800

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

D. Unaudited condensed interim balance sheets (continued)

		Group		Company	
	Note	30 June 2021 US\$'000	31 December 2020 US\$'000	30 June 2021 US\$'000	31 December 2020 US\$'000
Non-current liabilities					
Other financial payables		282,146	268,604	982,000	589,708
Other non-financial liabilities		204,497	182,678	-	-
Derivative financial instruments	7	21,673	49,836	-	-
Loans and borrowings	8	6,860,320	6,003,578	223,065	323,180
Deferred tax liabilities		297,628	298,817	-	-
		7,666,264	6,803,513	1,205,065	912,888
TOTAL LIABILITIES		34,007,283	29,636,669	6,954,459	6,643,346
NET ASSETS		21,641,311	21,383,307	9,822,539	9,843,140
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	(270,074)	(222,039)	(270,074)	(222,039)
Retained earnings		10,829,519	10,953,237	996,004	972,709
Other reserves		(5,851)	(307,838)	201,475	197,336
		19,012,589	18,882,355	9,822,539	9,843,140
Non-controlling interests		2,628,722	2,500,952	-	-
TOTAL EQUITY		21,641,311	21,383,307	9,822,539	9,843,140
TOTAL EQUITY AND LIABILITIES		55,648,594	51,019,976	16,776,998	16,486,486

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				Equity attributable to owners of the Company, total	Non-controlling interests	Equity total
	Share capital	Treasury shares	Retained earnings	Other reserves			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2021							
GROUP							
Opening balance at 1 January 2021	8,458,995	(222,039)	10,953,237	(307,838)	18,882,355	2,500,952	21,383,307
Profit for the period	-	-	750,913	-	750,913	114,631	865,544
Other comprehensive income	-	-	6	161,372	161,378	22,433	183,811
Total comprehensive income for the period	-	-	750,919	161,372	912,291	137,064	1,049,355
Grant of equity-settled share options	-	-	-	3,548	3,548	-	3,548
Share capital contributed by non-controlling shareholders	-	-	-	-	-	18,227	18,227
Acquisition of treasury shares	-	(55,454)	-	-	(55,454)	-	(55,454)
Reissuance of treasury shares pursuant to exercise of share options	-	7,419	-	591	8,010	-	8,010
Dividends on ordinary shares	-	-	(736,533)	-	(736,533)	-	(736,533)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	(47,822)	(47,822)
Net transfer to other reserves	-	-	(138,104)	138,104	-	-	-
Total contributions by and distributions to owners	-	(48,035)	(874,637)	142,243	(780,429)	(29,595)	(810,024)
Acquisition of a subsidiary	-	-	-	-	-	23,146	23,146
Acquisition of additional interest in subsidiaries	-	-	-	(1,628)	(1,628)	(255)	(1,883)
Liquidation of a subsidiary	-	-	-	-	-	(2,590)	(2,590)
Total changes in ownership interests in subsidiaries	-	-	-	(1,628)	(1,628)	20,301	18,673
Closing balance at 30 June 2021	8,458,995	(270,074)	10,829,519	(5,851)	19,012,589	2,628,722	21,641,311

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						
	Share capital US\$'000	Treasury shares US\$'000	Retained earnings US\$'000	Other reserves US\$'000	Equity attributable to owners of the Company, total US\$'000	Non-controlling interests US\$'000	Equity total US\$'000
2020							
GROUP							
Opening balance at 1 January 2020	8,458,995	(122,579)	10,113,650	(1,687,557)	16,762,509	1,113,609	17,876,118
Profit for the period, as restated*	-	-	610,523	-	610,523	37,946	648,469
Other comprehensive income	-	-	-	(347,291)	(347,291)	(18,821)	(366,112)
Total comprehensive income for the period	-	-	610,523	(347,291)	263,232	19,125	282,357
Grant of equity-settled share options	-	-	-	889	889	-	889
Share capital contributed by non-controlling shareholders	-	-	-	-	-	9,284	9,284
Reissuance of treasury shares pursuant to exercise of share options	-	31,136	-	1,337	32,473	-	32,473
Dividends on ordinary shares	-	-	(432,671)	-	(432,671)	-	(432,671)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	-	(57,358)	(57,358)
Net transfer to other reserves	-	-	(99,947)	99,947	-	-	-
Total contributions by and distributions to owners	-	31,136	(532,618)	102,173	(399,309)	(48,074)	(447,383)
Acquisition of subsidiaries	-	-	-	-	-	3,312	3,312
Acquisition of additional interest in subsidiaries	-	-	-	(144,482)	(144,482)	(16,006)	(160,488)
Dilution of interest in a subsidiary	-	-	-	301	301	920	1,221
Total changes in ownership interests in subsidiaries	-	-	-	(144,181)	(144,181)	(11,774)	(155,955)
Closing balance at 30 June 2020	8,458,995	(91,443)	10,191,555	(2,076,856)	16,482,251	1,072,886	17,555,137

*In accordance with SFRS(I) 3, the Group has restated prior period's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries

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
	Share capital	Treasury shares	Retained earnings	Other reserves	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2021					
COMPANY					
Opening balance at 1 January 2021	8,895,134	(222,039)	972,709	197,336	9,843,140
Profit for the period	-	-	759,828	-	759,828
Total comprehensive income for the period	-	-	759,828	-	759,828
Grant of equity-settled share options	-	-	-	3,548	3,548
Acquisition of treasury shares	-	(55,454)	-	-	(55,454)
Reissuance of treasury shares pursuant to exercise of share options	-	7,419	-	591	8,010
Dividends on ordinary shares	-	-	(736,533)	-	(736,533)
Total transactions with owners in their capacity as owners	-	(48,035)	(736,533)	4,139	(780,429)
Closing balance at 30 June 2021	8,895,134	(270,074)	996,004	201,475	9,822,539
2020					
COMPANY					
Opening balance at 1 January 2020	8,895,134	(122,579)	1,381,856	233,753	10,388,164
Loss for the period	-	-	(116,240)	-	(116,240)
Total comprehensive income for the period	-	-	(116,240)	-	(116,240)
Grant of equity-settled share options	-	-	-	889	889
Reissuance of treasury shares pursuant to exercise of share options	-	31,136	-	1,337	32,473
Dividends on ordinary shares	-	-	(432,671)	-	(432,671)
Total transactions with owners in their capacity as owners	-	31,136	(432,671)	2,226	(399,309)
Closing balance at 30 June 2020	8,895,134	(91,443)	832,945	235,979	9,872,615

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 2021 US\$'000	6 months ended 30 June 2020 US\$'000 Restated*
Cash flows from operating activities		
Profit before tax	1,215,508	824,492
Adjustments for:		
Depreciation of bearer plants	28,794	27,931
Depreciation of property, plant and equipment	523,186	464,933
Loss on disposal of investment in a joint venture	-	129
Loss on disposal of investment in associates	-	1,748
Fair value gain arising from changes of interest in joint ventures resulting in change of control	-	(2,440)
Amortisation of intangible assets	1,835	1,253
Loss on disposal of property, plant and equipment	6,378	4,923
Gain on disposal of biological assets	(221)	(33)
Loss on disposal/liquidation of subsidiaries	712	218
Loss/(gain) on disposal of investment securities at fair value through profit or loss	389	(3,174)
Grant of share options to employees	3,548	889
Net fair value gain on derivative financial instruments	(47,231)	(88,177)
Net fair value (gain)/loss on investment securities at fair value through profit or loss	(9,558)	72,210
Foreign exchange differences arising from translation	125,931	21,264
Investment income from investment securities	(18,908)	(58,349)
Interest expense	275,477	406,438
Interest income	(160,706)	(236,407)
Share of results of joint ventures	(40,007)	(38,499)
Share of results of associates	(99,196)	(45,568)
Operating cash flows before working capital changes	1,805,931	1,353,781
Changes in working capital:		
(Increase)/decrease in inventories	(2,079,478)	1,168,184
(Increase)/decrease in receivables and other assets	(146,213)	221,923
Decrease in payables	(408,726)	(346,002)
Cash flows (used in)/generated from operations	(828,486)	2,397,886
Interest paid	(254,149)	(376,603)
Interest received	154,754	239,591
Income taxes paid	(465,354)	(188,808)
Net cash flows (used in)/generated from operating activities	(1,393,235)	2,072,066

**In accordance with SFRS(I) 3, the Group has restated prior period's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries*

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 2021 US\$'000	6 months ended 30 June 2020 US\$'000 Restated*
Cash flows from investing activities		
Net cash flow on acquisition of subsidiaries	1,330	(42,302)
Decrease in plasma investments	4,134	165
Increase in investment securities at fair value through profit or loss	(5,848)	(17,355)
Payments for property, plant and equipment	(1,081,991)	(824,459)
Payments for bearer plants	(22,605)	(23,930)
(Increase)/decrease in investment securities at fair value through other comprehensive income	(446)	19,539
Investment income from investment securities	18,908	58,349
Payments for investment in joint ventures	(20,177)	-
Payments for investment in associates	(657)	(10,679)
Payments for intangible assets	(378)	(146)
Dividends received from joint ventures	-	13,642
Dividends received from associates	9,588	16,232
Proceeds from disposal of property, plant and equipment	20,054	22,299
Proceeds from disposal/liquidation of joint ventures	12,046	185
Proceeds from disposal/dilution of interest in associates	-	15,600
Net cash flow from disposal/liquidation of subsidiaries	(2,588)	3,104
Net cash flows used in investing activities	(1,068,630)	(769,756)
Cash flows from financing activities		
Decrease in net amount due from related parties	21,150	9,243
Decrease/(increase) in net amount due from joint ventures	11,631	(2,820)
Increase in net amount due from associates	(27,697)	(10,013)
Increase in advances from non-controlling shareholders	16,956	5,659
Proceeds from loans and borrowings	5,677,785	2,133,390
Increase in fixed deposits pledged with financial institutions for bank facilities	(2,173,586)	(1,222,911)
Decrease/(increase) in other financial receivables	899,560	(1,375,451)
Increase in other deposits with maturity more than 3 months	(964,067)	(80,566)
Interest paid	(5,588)	(12,501)
Net cash flow from acquisition of additional interest in subsidiaries	(1,883)	(160,488)
Shares buy-back held as treasury shares	(55,454)	-
Dividends paid by the Company	(736,533)	(432,671)
Dividends paid to non-controlling shareholders by subsidiaries	(47,822)	(57,358)
Proceeds from dilution of interest in a subsidiary	-	1,221
Proceeds from reissuance of treasury shares by the Company	8,010	32,473
Proceeds from issue of ordinary shares by subsidiaries to non-controlling	18,227	9,284
Net cash flows generated from/(used in) financing activities	2,640,689	(1,163,509)
Net increase in cash and cash equivalents	178,824	138,801
Cash and cash equivalents at the beginning of the financial period	2,583,496	2,048,878
Cash and cash equivalents at the end of the financial period	2,762,320	2,187,679

*In accordance with SFRS(I) 3, the Group has restated prior period's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries

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 2021 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 2020.

2 BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements for the six months ended 30 June 2021 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 2020.

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 revised standards that are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

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 2020.

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 2021 were approximately US\$3,876,983,000 (31 December 2020: US\$3,868,037,000) and US\$1,519,882,000 (31 December 2020: US\$1,552,654,000) respectively.

(b) Income and deferred taxes

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payable, deferred tax assets and deferred tax liabilities as at 30 June 2021 were approximately US\$232,725,000 (31 December 2020: US\$331,740,000), US\$231,465,000 (31 December 2020: US\$203,494,000) and US\$297,628,000 (31 December 2020: US\$298,817,000) 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 2021 US\$'000	6 months ended 30 June 2020 US\$'000
Depreciation and impairment loss of property, plant and equipment and bearer plants - net	(551,980)	(492,864)
Amortisation of intangible assets	(1,835)	(1,253)
Bad debts recovered	7	9
Bad debts written off (non-trade)	(32)	(282)
Inventories written off	(21)	(1,257)
Loss on disposal of property, plant and equipment	(6,378)	(4,923)
Write back of allowance for expected credit losses	11,310	4,387

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 2021 US\$'000	6 months ended 30 June 2020 US\$'000
Related Parties		
Purchase of goods	519,542	478,802
Sale of goods	175,588	105,238
Joint ventures		
Purchase of goods	578,178	544,550
Sale of goods	794,968	508,773
Associates		
Purchase of goods	326,224	373,364
Sale of goods	470,897	360,172

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 2021 US\$'000	6 months ended 30 June 2020 US\$'000
Consolidated Income Statement		
<i>Current income tax - continuing operations</i>		
Current period	399,437	210,884
Over provision in respect of previous years	(24,598)	(12,941)
	374,839	197,943
<i>Deferred income tax - continuing operations</i>		
Origination and reversal of temporary differences	(36,322)	(35,838)
Under provision in respect of previous years	11,447	13,918
Income tax expense recognised in the income statement	349,964	176,023
Deferred income tax related to other comprehensive income:		
Net tax (credit)/charges in fair value of derivative financial instruments designated as cash flow hedges and others	(2,789)	1,538

6. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired assets amounting to US\$1,069,129,000 (30 June 2020: US\$812,836,000) and disposed of assets amounting to US\$85,180,000 (30 June 2020: US\$72,127,000), resulting in a net loss on disposal of US\$6,378,000 (30 June 2020: US\$4,923,000).

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

7. DERIVATIVE FINANCIAL INSTRUMENTS

	Group					
	30 June 2021			31 December 2020		
	Contract/ Notional amount US\$'000	Assets US\$'000	Liabilities US\$'000	Contract/ Notional amount US\$'000	Assets US\$'000	Liabilities US\$'000
Forward currency contracts, options and cross currency interest rate swaps	13,129,086	69,294	136,384	10,576,276	185,348	254,837
Futures, options and swap contracts	8,429,266	284,785	394,576	11,447,195	341,894	596,679
Interest rate swap	323,019	439	6,917	1,113,978	-	10,972
Fair value of firm commitment contracts	6,875,767	259,472	144,230	6,952,962	175,195	81,077
Total derivative financial instruments		613,990	682,107		702,437	943,565
Less: Current portion		(604,221)	(660,434)		(641,249)	(893,729)
Non-current portion		9,769	21,673		61,188	49,836

The Group classifies derivative financial instruments as financial assets/liabilities at fair value through profit or loss. The Group does not apply hedge accounting, except for those designated as hedges of commodity products, Medium Term Notes and foreign exchange risk.

Certain derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) Master Netting Agreements and Long Form Confirmations. In general, the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

8. LOANS AND BORROWINGS

	Group			
	30 June 2021		31 December 2020	
	Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
(a) Amount repayable in one year or less, or on demand	534,821	20,823,847	347,211	16,798,683
(b) Amount repayable after one year	986,490	5,873,830	707,534	5,296,044
	1,521,311	26,697,677	1,054,745	22,094,727

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 2020, 31 December 2020, 1 January 2021 and 30 June 2021	6,403,402	8,458,995	6,403,402	8,895,134

The holders of ordinary shares, except for treasury shares, are entitled to receive dividends as and when declared by the Company. All ordinary shares, except for treasury shares, carry one vote per share without restrictions. The ordinary shares have no par value. All the above issued ordinary shares are fully paid.

The Company has granted options to both directors and executives of the Group to subscribe for the Company's ordinary shares.

As at 30 June 2021, the issued and paid up capital excluding treasury shares comprised 6,305,235,000 (31 December 2020: 6,316,232,000) ordinary shares.

(b) Treasury shares

	Group and Company	
	Number of shares	
	'000	US\$'000
At 1 January 2020	(62,529)	(122,579)
Acquired during the financial year	(44,716)	(141,009)
Reissued pursuant to employee share option plans:		
- For cash on exercise of employee share options	20,075	43,888
- Transferred from employee share option reserve	-	8,382
- Transferred to general reserve on reissuance of treasury shares	-	(10,721)
	20,075	41,549
At 31 December 2020 and 1 January 2021	(87,170)	(222,039)
Acquired during the financial period	(14,494)	(55,454)
Reissued pursuant to employee share option plans:		
- For cash on exercise of employee share options	3,497	8,010
- Transferred from employee share option reserve	-	1,488
- Transferred to general reserve on reissuance of treasury shares	-	(2,079)
	3,497	7,419
At 30 June 2021	(98,167)	(270,074)

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

14,494,000 shares (30 June 2020: Nil) had been acquired during the financial period.

Options for a total of 3,497,000 ordinary shares (30 June 2020: 15,064,000) were exercised during the financial period pursuant to Wilmar ESOS 2009.

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	
2021				
Assets measured at fair value				
Financial assets:				
Investment securities at FVOCI	66,134	272,312	76,699	415,145
Investment securities at FVPL	302,501	-	-	302,501
Derivatives:				
- Forward currency contracts, options and cross currency interest rate swaps	-	69,294	-	69,294
- Futures, options, swap contracts, interest rate swap and firm commitment contracts	255,254	289,442	-	544,696
At 30 June 2021	623,889	631,048	76,699	1,331,636
Non-financial assets:				
Biological assets	-	-	44,726	44,726
Investment properties	-	-	32,891	32,891
At 30 June 2021	-	-	77,617	77,617
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
- Forward currency contracts, options and cross currency interest rate swaps	-	136,384	-	136,384
- Futures, options, swap contracts, interest rate swap and firm commitment contracts	373,783	171,940	-	545,723
At 30 June 2021	373,783	308,324	-	682,107

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	
2020				
Assets measured at fair value				
Financial assets:				
Investment securities at FVOCI	46,826	252,869	71,113	370,808
Investment securities at FVPL	286,706	-	-	286,706
Derivatives:				
- Forward currency contracts, options and cross currency interest rate swaps	-	185,348	-	185,348
- Futures, options, swap contracts, interest rate swap and firm commitment contracts	270,805	246,284	-	517,089
At 31 December 2020	604,337	684,501	71,113	1,359,951
Non-financial assets:				
Biological assets	-	-	44,724	44,724
Investment properties	-	-	32,475	32,475
At 31 December 2020	-	-	77,199	77,199
Liabilities measured at fair value				
Financial liabilities:				
Derivatives:				
- Forward currency contracts, options and cross currency interest rate swaps	-	254,837	-	254,837
- Futures, options, swap contracts, interest rate swap and firm commitment contracts	551,599	137,129	-	688,728
At 31 December 2020	551,599	391,966	-	943,565

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.
<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, interest rate swap and firm commitment contracts	Where available, quoted market prices are used as a measure of fair values for the outstanding contracts. Where the quoted market prices are not available, the fair values are based on management's best estimate and are arrived at by reference to the market prices of another contract that is substantially similar.
<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 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			
	Investment securities US\$'000	Biological assets US\$'000	Investment properties US\$'000	Total US\$'000
At 1 January 2020	186,515	38,641	33,181	258,337
Total gain/(loss) recognised in the income statement:				
- Net gain arising from changes in fair value of biological assets	-	6,107	-	6,107
- Net loss arising from fair value adjustment of investment properties	-	-	(2,834)	(2,834)
Additions	132	-	-	132
Disposals	(41,079)	-	-	(41,079)
Total (loss)/gain recognised in the other comprehensive income:				
- Net loss arising from changes in fair value	(78,023)	-	-	(78,023)
- Foreign currency translation	3,568	(24)	2,128	5,672
At 31 December 2020	71,113	44,724	32,475	148,312
At 1 January 2021	71,113	44,724	32,475	148,312
Additions	873	-	-	873
Total gain/(loss) recognised in the other comprehensive income:				
- Net gain arising from changes in fair value	5,920	-	-	5,920
- Foreign currency translation	(1,207)	2	416	(789)
At 30 June 2021	76,699	44,726	32,891	154,316

There has been no transfer from Level 1 and Level 2 to Level 3 for the financial period ended 30 June 2021 and financial year ended 31 December 2020.

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 2021 US\$'000		31 December 2020 US\$'000	
	Carrying amount	Effect of reasonably possible alternative assumptions	Carrying amount	Effect of reasonably possible alternative assumptions
Investment securities				
- Quoted equity instruments	36,401	(i)	37,416	(i)
- Unquoted equity instruments	40,298	(ii)	33,697	(ii)

- (i) The fair value of the quoted equity instruments is estimated using a discounted cash flow model, which includes some assumptions that are not supported by observable market data. The key inputs used in determining the fair value include future rental income, capital expenditure and operating expenses. Management believes that capital expenditure is the only assumption to which there is a reasonably possible alternative. However, any significant capital expenditure above the estimated level would be factored into any future rental negotiations. Therefore, no sensitivity of changes in this input is undertaken.
- (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 2021						
Revenue:						
Sales to external customers	13,427,170	15,531,540	510,624	65,083	-	29,534,417
Inter-segment	218,221	1,632,553	935,598	71,716	(2,858,088)	-
Total revenue	13,645,391	17,164,093	1,446,222	136,799	(2,858,088)	29,534,417
Results:						
Segment results	428,334	478,831	163,952	8,736	-	1,079,853
Share of results of joint ventures	3,962	36,388	-	(343)	-	40,007
Share of results of associates	24,095	38,997	28,917	7,187	-	99,196
Unallocated expenses						(3,548)
Profit before tax						1,215,508
Income tax expense						(349,964)
Profit for the period						865,544
Assets and Liabilities: (As at 30 June 2021)						
Segment assets	21,663,092	24,076,399	7,839,021	5,133,789	(6,912,807)	51,799,494
Investment in joint ventures	359,369	307,070	-	(1,095)	-	665,344
Investment in associates	974,745	854,800	500,793	519,120	-	2,849,458
Unallocated assets						334,298
Total assets						55,648,594
Segment liabilities	15,038,753	16,001,275	3,796,790	5,118,490	(6,912,807)	33,042,501
Unallocated liabilities						964,782
Total liabilities						34,007,283

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 Restated*
6 months ended 30 June 2020						
Revenue:						
Sales to external customers	10,287,373	11,798,036	306,854	265,454	-	22,657,717
Inter-segment	90,521	1,119,642	634,312	90,818	(1,935,293)	-
Total revenue	10,377,894	12,917,678	941,166	356,272	(1,935,293)	22,657,717
Results:						
Segment results	495,006	370,738	(82,941)	(41,489)	-	741,314
Share of results of joint ventures	21,759	13,105	-	3,635	-	38,499
Share of results of associates	27,437	(2,227)	14,754	5,604	-	45,568
Unallocated expenses						(889)
Profit before tax						824,492
Income tax expense						(176,023)
Profit for the period						648,469
Assets and Liabilities: (As at 31 December 2020)						
Segment assets	19,234,743	19,612,155	5,667,814	8,901,258	(6,069,963)	47,346,007
Investment in joint ventures	341,091	279,824	-	3,244	-	624,159
Investment in associates	951,533	808,946	478,813	487,030	-	2,726,322
Unallocated assets						323,488
Total assets						51,019,976
Segment liabilities	12,571,693	11,493,671	1,639,478	8,884,460	(6,069,963)	28,519,339
Unallocated liabilities						1,117,330
Total liabilities						29,636,669

*In accordance with SFRS(I) 3, the Group has restated prior period's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries

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:

	Revenues	
	6 months ended 30 June 2021 US\$'million	6 months ended 30 June 2020 US\$'million
South East Asia	6,712	4,917
People's Republic of China	14,398	11,944
India	917	473
Europe	1,033	855
Australia/New Zealand	1,168	988
Africa	2,247	1,216
Others	3,059	2,265
	29,534	22,658

12. DIVIDENDS

	6 months ended 30 June 2021 SGD per share	6 months ended 30 June 2020 SGD per share
Interim ordinary dividend	0.050	0.040

	6 months ended 30 June 2021 US\$'000	6 months ended 30 June 2020 US\$'000
Annual Dividend		
Ordinary		
- Interim #	233,251	185,907

Interim ordinary dividend for the 6 months ended 30 June 2021 is estimated based on number of shares outstanding (excluding treasury shares) as at 31 July 2021.

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 2021 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

Profit before tax improved strongly by 47.4% to US\$1.22 billion for 1H2021 (1H2020: US\$824.5 million) on the back of better performance in both the Feed & Industrial Products and Plantation & Sugar Milling segments. The Feed & Industrial Products segment benefitted from good refining margins and higher demand for downstream products in the tropical oil businesses, even though these were partially impacted by weaker oilseeds crushing margins and lower crushing volume. Performance for the Plantation & Sugar Milling segment was supported by firmer palm oil prices and the capitalisation of maintenance cost during the sugar milling off-season, which will be amortised over the sugar milling season. In addition, the Group recorded higher contributions from its associates and joint ventures. However, these improvements were partially offset by the increasing feedstock costs for the Food Products segment.

The Group's core profits for 1H2021 increased by a lesser extent of 15.2% to US\$732.2 million (1H2020: US\$635.5 million) due to higher profit attributable to non-controlling interests resulting from the 10% dilution of the Group's interest in Yihai Kerry Arawana Holdings Co., Ltd ("YKA") post listing of YKA in October 2020 and higher effective tax rates. Together with gains from non-operating items, net profit for the Group improved by 23.0% to US\$750.9 million in 1H2021 (1H2020: US\$610.5 million).

Revenue and Cost of Sales

Revenue for 1H2021 grew by 30.4% to US\$29.53 billion (1H2020: US\$22.66 billion) mainly due to higher commodity prices during the current period. This was also brought about by an overall increase in sales volume in 1H2021, especially from the medium pack and bulk products in the Food Products segment. Correspondingly, cost of sales for 1H2021 increased by 30.2% to US\$26.20 billion (1H2020: US\$20.13 billion).

Finance Income

Finance Costs

	1H2021	1H2020
	US\$ million	US\$ million
Finance income	160.7	236.4
Finance costs	(272.3)	(400.6)

The decreasing interest rate environment globally as well as lower deposits placed during the period resulted in a 32.0% decrease in finance income to US\$160.7 million during the period (1H2020: US\$236.4 million). While higher commodity prices led to higher average borrowings by the Group during the period, overall finance cost decreased by 32.0% to US\$272.3 million (1H2020: US\$400.6 million) on the back of lower effective interest rates.

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

Other Operating Items – Net

	1H2021	1H2020
	US\$ million	US\$ million
Other operating income	112.6	106.9
Other operating expenses	(92.6)	(105.3)
Other operating items – net	20.0	1.6

Net other operating gains was higher at US\$20.0 million in 1H2021 (1H2020: US\$1.6 million gain) from the writeback of provision for doubtful debts due to collections made and a decrease in non-cash impairment of sugar assets in India in the current period.

Selling and Distribution Expenses

Selling and distribution expenses increased by 42.8% to US\$1.65 billion in 1H2021 (1H2020: US\$1.15 billion) mainly due to higher export duties imposed in both Indonesia and Malaysia. In addition, higher advertising & promotional expenses and freight costs were also incurred during the current period. Advertising & promotional expenses were low in the previous corresponding period as there was high demand for the Group's consumer products due to the Covid-19 pandemic.

Administrative Expenses

Administrative expenses increased by 18.6% to US\$538.9 million in 1H2021 (1H2020: US\$454.3 million) on the back of higher personnel and depreciation cost. This is in line with the expansion of the Group.

Non-operating Items

The Group recorded non-operating gains of US\$21.0 million in 1H2021 (1H2020: US\$20.8 million loss) mainly from investment income and gains arising from investment securities.

Share of Results of Joint Ventures & Associates

Share of results of joint ventures and associates improved by 65.6% to US\$139.2 million in 1H2021 (1H2020: US\$84.1 million) mainly due to better results from the Group's investments in Africa, Europe and China.

Income Tax Expense

Effective tax rate for the Group was 32.5% in 1H2021 (1H2020: 23.8%) as a result of higher profits recognised in higher tax jurisdictions in 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		
	2Q2021 MT'000	2Q2020 MT'000	Inc/(Dec) %	1H2021 MT'000	1H2020 MT'000	Inc/(Dec) %
Food Products						
- Consumer Products	1,618	2,308	-29.9%	4,103	4,726	-13.2%
- Medium Pack and Bulk	4,719	3,787	24.6%	9,213	7,539	22.2%
Feed and Industrial Products						
- Tropical Oils	5,776	5,477	5.5%	10,969	10,714	2.4%
- Oilseeds and Grains	4,932	5,902	-16.4%	9,074	10,182	-10.9%
- Sugar	3,700	3,367	9.9%	6,133	5,449	12.6%
Plantation and Sugar Milling #						
- Sugar Milling	617	831	-25.8%	1,054	1,321	-20.2%

Excludes oil palm plantation volume

Six Months Ended 30 June

Revenue	1H2021 US\$'000	1H2020 US\$'000	Variance	
			US\$'000	%
Food Products				
- Consumer Products	5,717,979	5,303,680	414,299	7.8%
- Medium Pack and Bulk	7,927,412	5,074,214	2,853,198	56.2%
Feed and Industrial Products				
- Tropical Oils	10,509,828	7,524,476	2,985,352	39.7%
- Oilseeds and Grains	4,058,380	3,545,505	512,875	14.5%
- Sugar	2,595,885	1,847,697	748,188	40.5%
Plantation and Sugar Milling				
- Oil Palm Plantation	1,018,625	484,553	534,072	110.2%
- Sugar Milling	427,597	456,613	(29,016)	-6.4%
Others	136,799	356,272	(219,473)	-61.6%
Eliminations	(2,858,088)	(1,935,293)	(922,795)	-47.7%
Total revenue	29,534,417	22,657,717	6,876,700	30.4%

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

Six Months Ended 30 June

	1H2021 US\$'000	1H2020 US\$'000 Restated*	Variance US\$'000	%
Profit before tax				
Food Products	428,334	495,006	(66,672)	-13.5%
Feed and Industrial Products	478,831	370,738	108,093	29.2%
Plantation and Sugar Milling	163,952	(82,941)	246,893	n.m.
Others	8,736	(41,489)	50,225	n.m.
Share of results of joint ventures	40,007	38,499	1,508	3.9%
Share of results of associates	99,196	45,568	53,628	117.7%
Unallocated expenses #	(3,548)	(889)	(2,659)	-299.1%
Total profit before tax	1,215,508	824,492	391,016	47.4%

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

n.m. - not meaningful

**In accordance with SFRS(I) 3, the Group has restated prior period's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Wilmar GF Singapore Holdings Pte. Ltd. ("GF") and its subsidiaries*

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

Food Products (Consumer Products, Medium Pack and Bulk)

Overall sales volume in the Group's Food Products segment grew by 8.6% in 1H2021 to 13.3 million MT (1H2020: 12.3 million MT). The growth was driven by higher demand across its medium pack and bulk products during the current period, which saw volume expanding by 22.2% to 9.2 million MT (1H2020: 7.5 million MT). This was mainly brought about by China's recovery from the Covid-19 pandemic, leading to stronger demand for Food Products by the Hotel/Restaurant/Catering (HORECA) sector and food processing industries. The Group's flour and rice businesses also continued to show strong volume growth during the current period. However, demand for consumer products was lower as more people started dining out since the second half of 2020 compared to when households stocked up on consumer products during the Covid-19 outbreak which drove the high demand in 2Q2020.

Revenue for the segment increased by 31.5% in 1H2021 to US\$13.65 billion (1H2020: US\$10.38 billion). This was further driven by higher commodity prices during the current period.

Notwithstanding the abovementioned improvements, profit for the Food Products segment decreased by 13.5% to US\$428.3 million in 1H2021 (1H2020: US\$495.0 million) as higher commodity prices narrowed margins in the segment. While the Group had made upward adjustments to the selling prices of consumer pack products in 1H2021, there was still a time lag between the rapid increase in raw material cost and selling price adjustment, thereby negatively impacting margins.

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

Profit for the segment improved by 29.2% to US\$478.8 million in 1H2021 (1H2020: US\$370.7 million) with a strong set of performance from the tropical oils business. Tropical oils downstream businesses benefitted from good refining margins and higher demand for its products during the period. However, lower soybean crushing volume and higher raw material cost impacted crushing margins for the Group. In addition, the segment was affected by weaker sugar merchandising margins during the period.

Overall volume for the segment decreased marginally by 0.6% to 26.2 million MT in 1H2021 (1H2020: 26.3 million MT) mainly due to lower oilseeds and grains sales volume from lower crushing activities, though this was partially offset by higher sales volume in both sugar and tropical oils businesses. Revenue for the segment increased by 32.9% to US\$17.16 billion in 1H2021 (1H2020: US\$12.92 billion) on the back of higher commodity prices during the period.

Plantation and Sugar Milling

The segment reported profit before tax of US\$164.0 million for 1H2021 (1H2020: US\$82.9 million loss) driven by firmer palm prices for the oil palm plantation business and capitalisation of maintenance costs in sugar milling. Palm plantations' good performance was further supported by higher fresh fruit bunches production in 1H2021, which increased by 8.5% to 2,071,579 MT (1H2020: 1,908,757 MT). With effect from 2021, maintenance costs during the off-season for sugar milling business are amortised over the sugar milling season, which commenced in late June 2021. Performance in sugar milling was further supported by higher sugar prices during the period.

Revenue for the oil palm plantation business more than doubled during the period from US\$484.6 million in 1H2020 to US\$1.02 billion in 1H2021 on the back of higher commodity prices. Despite the higher sugar prices during the period, revenue for the sugar milling business decreased by 6.4% to US\$427.6 million (1H2020: US\$456.6 million) due to lower sugar sales in 1H2021.

Others

The segment recorded a profit before tax of US\$8.7 million in 1H2021 (1H2020: US\$41.5 million loss) mainly from mark-to-market gains and investment income from the Group's investment portfolio. The mark-to-market gains were mainly recognised in 1Q2021, when the equity market environment was more resilient.

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

Review of Balance Sheet and Cash Flows

Inventories increased by 21.3% to US\$11.44 billion as at 30 June 2021 largely due to higher commodity prices during the period and resulted in higher average inventory turnover days of 75 days in 1H2021 (1H2020: 65 days). Inventory turnover days was much lower in the previous corresponding period due to the Covid-19 pandemic and lockdown situation in China in early 2020 which caused more households to stock up on food products, resulting in inventories being sold at a much faster pace in 1H2020.

Trade receivables increased by US\$126.6 million to US\$5.40 billion in 1H2021, in line with the increase in sales revenue by the Group. Average turnover days remained comparable at 34 days (1H2020: 34 days).

Trade payables decreased by US\$49.7 million to US\$1.66 billion in 1H2021 mainly due to timing of purchases. Average turnover days decreased to 14 days in 1H2021 (1H2020: 15 days).

The Group generated strong operating cash flows before working capital changes of US\$1.81 billion for 1H2021. Nevertheless, higher commodity prices led to a cash outflow of US\$2.63 billion resulting in higher net loans and borrowings (net of other bank deposits, cash and bank balances and financial products with financial institutions – current) by US\$3.28 billion to US\$16.89 billion as of 30 June 2021. This led net gearing ratio to increase to 0.89x in 1H2021 (FY2020: 0.72x). Adjusted net debts (excluding liquid working capital) increased by US\$492.2 million to US\$5.53 billion as at 30 June 2021 (FY2020: US\$5.04 billion) mainly due to higher dividend payout of US\$784.4 million. Correspondingly, adjusted net gearing ratio increased to 0.29x in 1H2021 (FY2020: 0.27x). As at 30 June 2021, the Group has US\$20.06 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.

The Covid-19 pandemic extended into the current year and continues to bring about disruptions and market volatility in the countries where the Group operates. Results for 1H2021 have been satisfactory despite the challenging operating conditions created by both Covid-19 and increasing commodity prices.

Our Feed & Industrial Products segment should continue to perform well on the back of positive downstream margins and sustained strong demand from the tropical oils businesses. Further, the Plantation and Sugar Milling segment is also expected to benefit from higher palm oil and sugar prices. Currently, crush margins in China have improved slightly from the depressed levels in the second quarter and we expect it to improve further in the third quarter. The strength of our diversified operations is that it enables the Group to continue to perform well as weakness in one business is often offset by good performance in other segments. Barring unforeseen circumstances, the Group's performance for the rest of the year is expected to be satisfactory.

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

27 August 2021

5d. Books closure date

Notice is hereby given that the Share Transfer Register and Register of Members of the Company will be closed on 20 August 2021 for the purposes of determining shareholders' entitlements to the interim dividend of S\$0.05 per ordinary share for the financial year ending 31 December 2021 (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 19 August 2021, 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 19 August 2021 will be entitled to the Interim Dividend.

The Interim Dividend will be paid on 27 August 2021.

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 2021 US\$'000	6 months ended 30 June 2021 US\$'000
Archer Daniels Midland Group	NIL	652,497
Associates of Kuok Khoon Ean & Kuok Khoon Hua [#]	NIL	31,835
Kuok Khoon Hong's Associates	2,473	5,511
PPB Group Bhd	120,961	NIL
Kuok Brothers Sdn Bhd	559	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 2021

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 2021 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 2021