

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011****FINANCIAL HIGHLIGHTS**

	2Q2011 US\$'000	2Q2010 US\$'000	Change	1H2011 US\$'000	1H2010 US\$'000	Change
Revenue	10,560,806	6,760,306	56.2%	20,096,520	13,524,438	48.6%
Net Profit	393,084	344,485	14.1%	779,785	745,875	4.5%
EPS - Basic (US cents per share)	6.1	5.4	13.0%	12.2	11.7	4.3%
EPS - Fully diluted (US cents per share)	6.1	5.4	13.0%	12.2	11.7	4.3%
				30.06.2011	31.12.2010	Change
Net Tangible Asset (US\$'000)				8,261,566	7,455,290	10.8%
Net Asset per share (US\$ per share)				1.99	1.85	7.6%
Net Tangible Asset per share (US\$ per share)				1.29	1.17	10.3%

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(a)(i) Consolidated Income Statement**

	Group			Group		
	Three months ended			Six months ended		
	30.06.2011 US\$'000	30.06.2010 US\$'000	Change	30.06.2011 US\$'000	30.06.2010 US\$'000	Change
<b>Revenue</b>	10,560,806	6,760,306	56.2%	20,096,520	13,524,438	48.6%
Cost of sales	(9,579,735)	(6,047,750)	58.4%	(18,116,106)	(11,989,526)	51.1%
<b>Gross profit</b>	<b>981,071</b>	<b>712,556</b>	<b>37.7%</b>	<b>1,980,414</b>	<b>1,534,912</b>	<b>29.0%</b>
<b>Other items of income</b>						
Interest income	58,747	41,159	42.7%	107,764	73,608	46.4%
Other operating income	224,784	55,025	308.5%	395,695	82,335	380.6%
<b>Other items of expenses</b>						
Selling and distribution expenses	(499,426)	(271,314)	84.1%	(964,930)	(535,775)	80.1%
Administrative expenses	(143,780)	(77,225)	86.2%	(281,342)	(167,303)	68.2%
Other operating expenses	(76,702)	(56,813)	35.0%	(145,196)	(77,183)	88.1%
Finance costs	(129,256)	(43,675)	195.9%	(229,506)	(85,912)	167.1%
Share of results of associates	47,826	39,736	20.4%	102,235	73,688	38.7%
<b>Profit before tax</b>	<b>463,264</b>	<b>399,449</b>	<b>16.0%</b>	<b>965,134</b>	<b>898,370</b>	<b>7.4%</b>
Income tax expense	(57,994)	(36,500)	58.9%	(140,287)	(113,055)	24.1%
<b>Profit after tax</b>	<b>405,270</b>	<b>362,949</b>	<b>11.7%</b>	<b>824,847</b>	<b>785,315</b>	<b>5.0%</b>
<b>Attributable to:</b>						
<b>Owners of the parent</b>	<b>393,084</b>	<b>344,485</b>	<b>14.1%</b>	<b>779,785</b>	<b>745,875</b>	<b>4.5%</b>
Non-controlling interests	12,186	18,464	-34.0%	45,062	39,440	14.3%
	405,270	362,949	11.7%	824,847	785,315	5.0%

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(a)(ii) Consolidated Statement of Comprehensive Income**

	Group			Group		
	Three months ended			Six months ended		
	30.06.2011 US\$'000	30.06.2010 US\$'000	Inc/(Dec) US\$'000	30.06.2011 US\$'000	30.06.2010 US\$'000	Inc/(Dec) US\$'000
<b>Profit after tax</b>	405,270	362,949	42,321	824,847	785,315	39,532
<b>Other comprehensive income</b>						
Foreign currency translation	86,186	11,231	74,955	166,997	49,756	117,241
Fair value adjustment on cash flow hedges	(4,495)	(24,758)	20,263	38,568	(51,965)	90,533
Fair value adjustment on available-for-sale financial assets	(3,706)	(8,080)	4,374	(8,663)	14,886	(23,549)
Total other comprehensive income, net of tax	77,985	(21,607)	99,592	196,902	12,677	184,225
<b>Total comprehensive income</b>	<b>483,255</b>	<b>341,342</b>	<b>141,913</b>	<b>1,021,749</b>	<b>797,992</b>	<b>223,757</b>

  

<b>Attributable to:</b>						
<b>Owners of the parent</b>	<b>466,486</b>	<b>320,986</b>	<b>145,500</b>	<b>963,648</b>	<b>755,876</b>	<b>207,772</b>
Non-controlling interests	16,769	20,356	(3,587)	58,101	42,116	15,985
	483,255	341,342	141,913	1,021,749	797,992	223,757

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(b)(i) Balance Sheets**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2011 US\$'000</b>	<b>31.12.2010 US\$'000</b>	<b>30.06.2011 US\$'000</b>	<b>31.12.2010 US\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6,679,146	6,111,927	373	144
Biological assets	1,577,192	1,512,209	-	-
Plasma investments	3,941	5,418	-	-
Intangible assets	4,461,056	4,400,544	529	661
Investment in subsidiaries	-	-	8,680,782	8,680,663
Investment in associates	1,499,898	1,269,656	200,849	200,849
Available-for-sale financial assets	157,854	143,825	36,000	36,000
Deferred tax assets	243,604	211,882	-	-
Derivative financial instruments	46,378	131,111	10,599	85,014
Other financial receivables	61,577	106,810	35,533	104,854
Other non-financial assets	32,730	50,030	-	-
	<b>14,763,376</b>	<b>13,943,412</b>	<b>8,964,665</b>	<b>9,108,185</b>
<b>Current assets</b>				
Inventories	7,374,738	6,737,369	-	-
Trade receivables	3,574,589	3,125,919	-	-
Other financial receivables	937,970	1,310,707	2,014,984	2,893,968
Other non-financial assets	1,994,147	1,394,778	2,262	1,286
Derivative financial instruments	366,605	350,091	-	-
Available-for-sale financial assets	2,962	3,010	-	-
Financial assets held for trading	298,940	316,301	-	-
Other bank deposits	8,399,802	5,895,314	-	-
Cash and bank balances	1,174,441	892,498	3,654	3,450
	<b>24,124,194</b>	<b>20,025,987</b>	<b>2,020,900</b>	<b>2,898,704</b>
<b>TOTAL ASSETS</b>	<b>38,887,570</b>	<b>33,969,399</b>	<b>10,985,565</b>	<b>12,006,889</b>

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(b)(i) Balance Sheets** *(continued)*

	Group		Company	
	30.06.2011 US\$'000	31.12.2010 US\$'000	30.06.2011 US\$'000	31.12.2010 US\$'000
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	1,395,480	1,447,188	-	-
Other financial payables	969,177	789,729	161,897	588,807
Other non-financial liabilities	385,872	393,334	-	-
Derivative financial instruments	436,623	629,534	-	-
Loans and borrowings	17,298,457	14,903,631	-	508,500
Tax payables	74,990	105,876	616	-
	<b>20,560,599</b>	<b>18,269,292</b>	<b>162,513</b>	<b>1,097,307</b>
<b>NET CURRENT ASSETS</b>	<b>3,563,595</b>	<b>1,756,695</b>	<b>1,858,387</b>	<b>1,801,397</b>
<b>Non-current liabilities</b>				
Other financial payables	5,984	4,274	-	-
Other non-financial liabilities	85,519	66,228	-	-
Derivative financial instruments	60,070	75,234	-	-
Loans and borrowings	4,174,707	2,521,556	551,795	545,716
Deferred tax liabilities	514,670	474,953	-	-
	<b>4,840,950</b>	<b>3,142,245</b>	<b>551,795</b>	<b>545,716</b>
<b>TOTAL LIABILITIES</b>	<b>25,401,549</b>	<b>21,411,537</b>	<b>714,308</b>	<b>1,643,023</b>
<b>NET ASSETS</b>	<b>13,486,021</b>	<b>12,557,862</b>	<b>10,271,257</b>	<b>10,363,866</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	8,448,230	8,434,768	8,884,369	8,870,907
Retained earnings	5,376,366	4,729,552	1,191,692	1,307,593
Other reserves	(1,101,974)	(1,308,486)	195,196	185,366
	12,722,622	11,855,834	10,271,257	10,363,866
Non-controlling interests	763,399	702,028	-	-
<b>Total equity</b>	<b>13,486,021</b>	<b>12,557,862</b>	<b>10,271,257</b>	<b>10,363,866</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38,887,570</b>	<b>33,969,399</b>	<b>10,985,565</b>	<b>12,006,889</b>

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011****1(b)(ii) Group's borrowings and debt securities**

	<b>Group</b>		<b>Group</b>	
	<b>30.06.2011</b>		<b>31.12.2010</b>	
	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>	<b>Secured US\$'000</b>	<b>Unsecured US\$'000</b>
<b>(a) Amount repayable in one year or less, or on demand</b>	8,287,441	9,011,016	7,862,459	7,041,172
<b>(b) Amount repayable after one year</b>	754,940	3,419,767	529,131	1,992,425
	9,042,381	12,430,783	8,391,590	9,033,597

**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, fixed and other deposits with financial institutions, trade receivables, inventories and corporate guarantees from the Company and certain subsidiaries.

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(c) Consolidated Cash Flow Statement**

	Group		Group	
	Three months ended		Six months ended	
	30.06.2011 US\$'000	30.06.2010 US\$'000	30.06.2011 US\$'000	30.06.2010 US\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	463,264	399,449	965,134	898,370
<b>Adjustments for:</b>				
Depreciation of property, plant and equipment	102,567	72,853	209,209	145,221
Loss on liquidation/disposal of associates	13	607	13	607
Amortisation of intangible assets	104	30	207	61
Loss/(gain) on disposal of property, plant and equipment	1,465	(7,600)	1,663	(10,803)
Loss/(gain) on liquidation of subsidiaries	-	4	(10)	4
Gain on disposal of available-for-sale financial assets	-	(13,176)	-	(13,176)
Gain on disposal of financial assets held for trading	(10,406)	(390)	(10,803)	(3,374)
Grant of share options to employee	5,383	9,773	14,301	13,990
Net loss/(gain) on the fair value of derivative financial instruments	46,596	48,717	7,095	(27,995)
Net fair value loss on financial assets held for trading	13,990	15,074	14,739	19,267
Foreign exchange differences arising from translation	(2,027)	27,364	(61,834)	51,418
Interest expense	129,256	43,675	229,506	85,912
Interest income	(58,747)	(41,159)	(107,764)	(73,608)
Share of results of associates	(47,826)	(39,736)	(102,235)	(73,688)
Operating cash flows before working capital changes	643,632	515,485	1,159,221	1,012,206
Changes in working capital:				
Increase in inventories	(780,751)	(584,282)	(675,253)	(567,092)
(Increase)/decrease in receivables and other assets	(709,660)	127,303	(747,914)	(139,935)
Increase/(decrease) in payables	386,869	227,489	65,819	(89,038)
Cash flows (used in)/generated from operations	(459,910)	285,995	(198,127)	216,141
Interest paid	(126,151)	(41,053)	(223,427)	(81,138)
Interest received	58,747	41,159	107,764	73,608
Income taxes paid	(102,581)	(79,146)	(172,002)	(145,070)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(629,895)</b>	<b>206,955</b>	<b>(485,792)</b>	<b>63,541</b>

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(c) Consolidated Cash Flow Statement (continued)**

	Group		Group	
	Three months ended		Six months ended	
	30.06.2011 US\$'000	30.06.2010 US\$'000	30.06.2011 US\$'000	30.06.2010 US\$'000
<b>Cash flows from investing activities</b>				
Net cash outflow on acquisition of subsidiaries	(17,138)	-	(17,138)	-
Payments for acquisition of additional interest in subsidiaries	(19,510)	(3,065)	(19,510)	(10,511)
Decrease in plasma investments	385	1,744	1,477	1,620
(Increase)/decrease in financial assets held for trading	(1,227)	(6,827)	14,130	(17,005)
Increase in other non-financial assets	(10,464)	(57,866)	(10,464)	(57,866)
Payments for property, plant and equipment	(396,899)	(226,431)	(621,540)	(411,313)
Payments for biological assets	(29,798)	(17,305)	(41,227)	(33,603)
Payments for available-for-sale financial assets	(16,189)	(662)	(20,451)	(53,138)
Payments for investment in associates	(18,648)	(14,631)	(145,470)	(24,535)
Payments for intangibles	(500)	-	(500)	-
Dividends received from associates	6,983	6,842	12,086	12,842
Proceeds from disposal of property, plant and equipment	11,791	66,379	13,419	104,634
Proceeds from disposal of biological assets	875	182	1,153	182
Proceeds from disposal of available-for-sale financial assets	-	60,895	-	60,895
Proceeds from disposal of associates	-	19,564	-	19,564
Net cash outflow on liquidation of subsidiaries	-	(200)	-	(200)
<b>Net cash flows used in investing activities</b>	<b>(490,339)</b>	<b>(171,381)</b>	<b>(834,035)</b>	<b>(408,434)</b>
<b>Cash flows from financing activities</b>				
Decrease in net amount due from related parties	1,576	342	1,911	395
Decrease/(increase) in net amount due from associates	4,722	(35,239)	(69,612)	(21,376)
(Decrease)/increase in advances from non-controlling shareholders	(1,059)	19,470	8,475	16,037
Proceeds from bank loans	2,806,822	391,083	4,446,869	1,627,261
Increase in fixed deposits pledged with financial institutions for bank facilities	(1,165,171)	(37,639)	(2,504,659)	(883,810)
Repayments of finance lease liabilities	(8)	(6)	(16)	(15)
Decrease/(increase) in other deposits with maturity more than 3 months	22,883	(116,709)	171	121,213
Interest paid	(3,456)	(1,326)	(5,590)	(2,360)
(Increase)/decrease in other financial receivables	(49,142)	51,577	274,012	(104,544)
Dividends paid by the Company	(120,152)	(233,571)	(120,152)	(233,571)
Dividends paid to non-controlling shareholders by subsidiaries	(1,483)	(5,465)	(4,906)	(7,632)
Proceeds from issue of shares by the Company	1,578	2,242	8,991	5,963
Proceeds from issue of shares by subsidiaries to non-controlling shareholders	2,021	933	6,429	1,836
<b>Net cash flows generated from financing activities</b>	<b>1,499,131</b>	<b>35,692</b>	<b>2,041,923</b>	<b>519,397</b>
Net increase in cash and cash equivalents	378,897	71,266	722,096	174,504
Cash and cash equivalents at the beginning of the financial period	743,674	495,501	400,475	392,263
<b>Cash and cash equivalents at the end of the financial period</b>	<b>1,122,571</b>	<b>566,767</b>	<b>1,122,571</b>	<b>566,767</b>
Represented by:				
Total cash and bank balances	9,574,243	6,079,934	9,574,243	6,079,934
Less: Fixed deposits pledged with financial institutions for bank facilities	(8,212,547)	(4,761,868)	(8,212,547)	(4,761,868)
Less: Other deposits with maturity more than 3 months	(187,255)	(313,054)	(187,255)	(313,054)
Bank overdrafts	(51,870)	(438,245)	(51,870)	(438,245)
<b>Total cash and cash equivalents</b>	<b>1,122,571</b>	<b>566,767</b>	<b>1,122,571</b>	<b>566,767</b>



**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(d)(i) Statements of Changes in Equity**

	Attributable to owners of the parent				Non-controlling interests	Equity total
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total		
For the period From 01.04.2011 to 30.06.2011	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>						
Opening balance at 1 April 2011	8,445,765	5,108,721	(1,185,159)	12,369,327	744,345	13,113,672
Total comprehensive income	-	393,084	73,402	466,486	16,769	483,255
Grant of equity-settled share options	-	-	5,383	5,383	-	5,383
Issue of shares pursuant to exercise of share options	2,465	-	(887)	1,578	-	1,578
Share capital contributed by non-controlling shareholders	-	-	-	-	2,021	2,021
Acquisition of subsidiaries	-	-	-	-	40,002	40,002
Acquisition of additional interest in subsidiaries	-	-	-	-	(38,255)	(38,255)
Dividends on ordinary shares	-	(120,152)	-	(120,152)	-	(120,152)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(1,483)	(1,483)
Net transfer to other reserves	-	(5,287)	5,287	-	-	-
<b>Closing balance at 30 June 2011</b>	<b>8,448,230</b>	<b>5,376,366</b>	<b>(1,101,974)</b>	<b>12,722,622</b>	<b>763,399</b>	<b>13,486,021</b>

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(d)(i) Statements of Changes in Equity** *(continued)*

	Attributable to owners of the parent				Non-controlling interests	Equity total
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total		
For the period From 01.04.2010 to 30.06.2010	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>						
Opening balance at 1 April 2010	8,420,061	4,217,261	(1,264,724)	11,372,598	495,004	11,867,602
Total comprehensive income	-	344,485	(23,499)	320,986	20,356	341,342
Grant of equity-settled share options	-	-	9,773	9,773	-	9,773
Issue of shares pursuant to exercise of share options	3,284	-	(1,047)	2,237	-	2,237
Issue of shares pursuant to conversion of convertible bonds	108	-	(14)	94	-	94
Share capital contributed by non-controlling shareholders	-	-	-	-	933	933
Acquisition of additional interest in subsidiaries	-	-	-	-	226	226
Premium paid for acquisition of additional interest in subsidiaries	-	-	(3,291)	(3,291)	-	(3,291)
Disposal of subsidiaries	-	-	-	-	(196)	(196)
Dividends on ordinary shares	-	(233,571)	-	(233,571)	-	(233,571)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(5,465)	(5,465)
Net transfer to other reserves	-	(2,152)	2,152	-	-	-
<b>Closing balance at 30 June 2010</b>	<b>8,423,453</b>	<b>4,326,023</b>	<b>(1,280,650)</b>	<b>11,468,826</b>	<b>510,858</b>	<b>11,979,684</b>

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(d)(i) Statements of Changes in Equity** *(continued)*

	Attributable to owners of the parent			
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>For the period</b> <b>From 01.04.2011 to 30.06.2011</b>				
<b>Company</b>				
Opening balance at 1 April 2011	8,881,904	1,358,552	190,700	10,431,156
Total comprehensive income	-	(46,708)	-	(46,708)
Grant of equity-settled share options	-	-	5,383	5,383
Issue of shares pursuant to exercise of share options	2,465	-	(887)	1,578
Dividends on ordinary shares	-	(120,152)	-	(120,152)
<b>Closing balance at 30 June 2011</b>	<b>8,884,369</b>	<b>1,191,692</b>	<b>195,196</b>	<b>10,271,257</b>

	Attributable to owners of the parent			
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>For the period</b> <b>From 01.04.2010 to 30.06.2010</b>				
<b>Company</b>				
Opening balance at 1 April 2010	8,856,200	1,259,769	182,878	10,298,847
Total comprehensive income	-	382,073	(7,490)	374,583
Grant of equity-settled share options	-	-	9,773	9,773
Issue of shares pursuant to exercise of share options	3,284	-	(1,047)	2,237
Issue of shares pursuant to conversion of convertible bonds	108	-	(14)	94
Dividends on ordinary shares	-	(233,571)	-	(233,571)
<b>Closing balance at 30 June 2010</b>	<b>8,859,592</b>	<b>1,408,271</b>	<b>184,100</b>	<b>10,451,963</b>

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(d)(i) Statements of Changes in Equity** *(continued)*

	Attributable to owners of the parent				Non-controlling interests	Equity total
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total		
For the period From 01.01.2011 to 30.06.2011	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>						
Opening balance at 1 January 2011	8,434,768	4,729,552	(1,308,486)	11,855,834	702,028	12,557,862
Total comprehensive income	-	779,785	183,863	963,648	58,101	1,021,749
Grant of equity-settled share options	-	-	14,301	14,301	-	14,301
Issue of shares pursuant to exercise of share options	13,462	-	(4,471)	8,991	-	8,991
Share capital contributed by non-controlling shareholders	-	-	-	-	6,429	6,429
Acquisition of subsidiaries	-	-	-	-	40,002	40,002
Acquisition of additional interest in subsidiaries	-	-	-	-	(38,255)	(38,255)
Dividends on ordinary shares	-	(120,152)	-	(120,152)	-	(120,152)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(4,906)	(4,906)
Net transfer to other reserves	-	(12,819)	12,819	-	-	-
<b>Closing balance at 30 June 2011</b>	<b>8,448,230</b>	<b>5,376,366</b>	<b>(1,101,974)</b>	<b>12,722,622</b>	<b>763,399</b>	<b>13,486,021</b>

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(d)(i) Statements of Changes in Equity** *(continued)*

	Attributable to owners of the parent				Non-controlling interests	Equity total
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total		
For the period From 01.01.2010 to 30.06.2010	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Group</b>						
Opening balance at 1 January 2010	8,414,355	3,821,552	(1,304,778)	10,931,129	480,500	11,411,629
Total comprehensive income	-	745,875	10,001	755,876	42,116	797,992
Grant of equity-settled share options	-	-	13,990	13,990	-	13,990
Issue of shares pursuant to exercise of share options	8,882	-	(2,924)	5,958	-	5,958
Issue of shares pursuant to conversion of convertible bonds	216	-	(28)	188	-	188
Share capital contributed by non-controlling shareholders	-	-	-	-	1,836	1,836
Acquisition of additional interest in subsidiaries	-	-	-	-	(5,761)	(5,761)
Premium paid for acquisition of additional interest in subsidiaries	-	-	(4,744)	(4,744)	(5)	(4,749)
Disposal of subsidiaries	-	-	-	-	(196)	(196)
Dividends on ordinary shares	-	(233,571)	-	(233,571)	-	(233,571)
Dividends paid to non-controlling shareholders by subsidiaries	-	-	-	-	(7,632)	(7,632)
Net transfer to other reserves	-	(7,833)	7,833	-	-	-
<b>Closing balance at 30 June 2010</b>	<b>8,423,453</b>	<b>4,326,023</b>	<b>(1,280,650)</b>	<b>11,468,826</b>	<b>510,858</b>	<b>11,979,684</b>

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**1(d)(i) Statements of Changes in Equity** *(continued)*

	Attributable to owners of the parent			
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>For the period</b> <b>From 01.01.2011 to 30.06.2011</b>				
<b>Company</b>				
Opening balance at 1 January 2011	8,870,907	1,307,593	185,366	10,363,866
Total comprehensive income	-	4,251	-	4,251
Grant of equity-settled share options	-	-	14,301	14,301
Issue of shares pursuant to exercise of share options	13,462	-	(4,471)	8,991
Dividends on ordinary shares	-	(120,152)	-	(120,152)
<b>Closing balance at 30 June 2011</b>	<b>8,884,369</b>	<b>1,191,692</b>	<b>195,196</b>	<b>10,271,257</b>

	Attributable to owners of the parent			
	Share capital	Retained earnings	Other reserves	Equity attributable to owners of the parent, total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>For the period</b> <b>From 01.01.2010 to 30.06.2010</b>				
<b>Company</b>				
Opening balance at 1 January 2010	8,850,494	1,146,072	171,008	10,167,574
Total comprehensive income	-	495,770	2,054	497,824
Grant of equity-settled share options	-	-	13,990	13,990
Issue of shares pursuant to exercise of share options	8,882	-	(2,924)	5,958
Issue of shares pursuant to conversion of convertible bonds	216	-	(28)	188
Dividends on ordinary shares	-	(233,571)	-	(233,571)
<b>Closing balance at 30 June 2010</b>	<b>8,859,592</b>	<b>1,408,271</b>	<b>184,100</b>	<b>10,451,963</b>

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011****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	
	30.06.2011	30.06.2010
<b>Issued and fully paid ordinary shares</b>		
Balance at the beginning of the financial period	6,399,543,092	6,392,278,905
Issue of shares pursuant to conversion of convertible bonds	-	26,860
Issue of shares pursuant to exercise of share options	801,000	904,500
<b>Balance at the end of financial period</b>	<b>6,400,344,092</b>	<b>6,393,210,265</b>
The number of shares that may be issued on conversion of outstanding convertible bonds at the end of the period	154,045,513	154,367,840
The number of shares that may be issued on exercise of share options outstanding at the end of the period	33,200,000	40,346,500

**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 did not hold any treasury shares as at 30 June 2011 and 31 December 2010.

The Company's total number of issued shares excluding treasury shares as at 30 June 2011 and 31 December 2010 were 6,400,344,092 and 6,396,925,092 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.**

Not applicable.

**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 2011****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 2010 except for the adoption of new or revised FRS and INT FRS that are mandatory for financial years beginning on or after 1 January 2011. The adoption of these FRS and INT FRS has no significant impact on the Group's consolidated financial statements.

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

Please refer to item 4 above.

**6. Earnings Per Ordinary Share (EPS)**

	Group			
	Three months ended		Six months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
(a) Based on weighted average number of shares (US cents per share)	6.1	5.4	12.2	11.7
(b) Based on fully diluted basis (US cents per share) #	6.1	5.4	12.2	11.7
Weighted average number of shares applicable to basic earnings per share ('000)	6,398,355	6,392,014	6,398,127	6,391,853
Weighted average number of shares based on fully diluted basis ('000) #	6,401,766	6,399,062	6,402,317	6,399,368

# The fair value adjustments on embedded derivatives and accretion of interest on convertible bonds were not included in above computation of diluted earnings per share as the conversion of convertible bonds was anti-dilutive.

**7. Net Asset Value Per Ordinary Share (NAV)**

	Group		Company	
	Period ended		Period ended	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share)	198.8	185.3	160.5	162.0



**Unaudited Financial Statements for the Second Quarter ended 30 June 2011****8. Review of Group Performance*****Overview***

The Group posted a 14.1% increase in net profit to US\$393.1 million for 2Q2011 and a 4.5% increase to US\$779.8 million for 1H2011. Included in net profit were fair value loss on embedded derivatives of its convertible bonds and a profit within the Sugar segment relating to pre-acquisition hedging reserves. Excluding these items, the Group would have recorded a 4.6% growth in net profit to US\$403.9 million for 2Q2011 (2Q2010 : US\$386.2 million) and a 4.0% growth to US\$811.7 million for 1H2011 (1H2010 : US\$780.4 million).

The improved performance was achieved primarily through higher realised CPO prices and production yield by Plantations and Palm Oil Mills, as well as margin expansion for Palm and Laurics. However, Consumer Products posted lower margins from a price increase restriction while Sugar posted losses as the Milling business remained in the maintenance period and the crush season had not fully commenced.

***Revenue and Cost of Sales***

Revenue increased by 56.2% to US\$10.6 billion for the quarter and 48.6% to US\$20.1 billion for the six-month period, due primarily to higher prices of agricultural commodities as well as contribution from the Sugar segment. The combined bulk sales volume of Palm and Laurics and Oilseeds and Grains was lower for the quarter and the first half due to uncertainties in the global economy, some demand rationing at higher price levels and a difficult operating environment in China. Consumer Products reported volume growth during the quarter and six-month period, attributable to stronger volumes at China, Indonesia and Vietnam.

Reflecting higher prices of agricultural commodities, cost of sales grew by 58.4% to US\$9.6 billion for 2Q2011 and 51.1% to US\$18.1 billion for 1H2011.

***Interest Income***

Interest income was up 42.7% to US\$58.7 million for 2Q2011 and 46.4% to US\$107.8 million for 1H2011 on the back of increased average total cash and bank balances and higher deposit rates over the same period last year.

***Other Operating Income***

Other operating income increased to US\$224.8 million in 2Q2011 (2Q2010 : US\$55.0 million) and US\$395.7 million in 1H2011 (1H2010 : US\$82.3 million) largely from foreign exchange gain arising from the depreciation of US\$ against regional currencies, partially offset by the absence of gains from the disposal of vessels.

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**

***Selling and Distribution Expenses***

Selling and distribution expenses increased by 84.1% to US\$499.4 million in 2Q2011 and 80.1% to US\$964.9 million in 1H2011. Bulk of the increase was attributable to higher export duty. Advertising and promotional expenses have also increased while freight and transportation costs were lower.

In Indonesia, export duties rose along with the sharp increase in prices of palm products. For example, export duty for crude palm oil ("CPO") averaged 19.2% per month in 2Q2011, compared to an average of only 4.5% per month in 2Q2010. In 1H2011, the average was 21.3%, compared to only 3.8% in 1H2010.

Advertising and promotional expenses were higher from increased promotional activities for Consumer Products. However, freight and transportation costs dropped in line with higher usage of inhouse shipping services coupled with a decrease in sales volume for 1H2011. The decline was partially offset by an increase in average liquid bulk freight rates over the same quarter last year.

***Administrative Expenses***

Administrative expenses were up 86.2% to US\$143.8 million for 2Q2011 and 68.2% to US\$281.3 million for 1H2011 as a result of higher personnel related costs and bank charges. Personnel and related costs increased on higher headcount (30 June 2011 : 87,684, 30 June 2010 : 80,454) for the Group's expanded operations as well as from acquisitions completed in late FY2010. In addition, bank charges have also risen from increased credit facilities to meet the Group's working capital requirements.

***Other Operating Expenses***

Other operating expenses include items such as fair value loss on embedded derivatives of convertible bonds, share option expenses, and loss on other investments, among others. The increase in other operating expenses to US\$145.2 million for 1H2011 was largely due to US\$74.4 million fair value loss on embedded derivatives of convertible bonds (1H2010 : US\$34.5 million).

***Finance Costs***

The increase in finance costs to US\$129.3 million for 2Q2011 (2Q2010 : US\$43.7 million) and US\$229.5 million for 1H2011 (1H2010 : US\$85.9 million) resulted from an increase in average borrowings and higher effective borrowing rate. Average borrowings increased by 81.8% over 2Q2010 and 87.0% over 1H2010.

***Share of Results of Associates***

Share of results of associates grew by 20.4% to US\$47.8 million for the quarter mainly from the Group's associates in Africa and India, partially offset by lower contribution from associates in China. For the six-month period, these same investments together with new associates, contributed to a 38.7% increase to US\$102.2 million.

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**

***Profit Before Tax***

Profit before tax increased by 16.0% to US\$463.3 million for the quarter and 7.4% to US\$965.1 million for the six-month period. Included in profit before tax were the following non-operating items :

- fair value loss on embedded derivatives of convertible bonds of US\$32.3 for 2Q2011 (2Q2010 : US\$41.7 million) and US\$74.4 million for 1H2011 (1H2010 : US\$34.5 million), and
- accounting profit of US\$12.4 million for 2Q2011 and US\$42.5 million for 1H2011 within Sugar segment relating to the reversal of derivatives mark-to-market losses in pre-acquisition hedging reserves.

Excluding the above items, the Group would have generated a 9.5% increase in profit before tax to US\$483.1 million for 2Q2011 (2Q2010 : US\$441.2 million) and a 6.9% increase to US\$997.0 million for 1H2011 (1H2010 : US\$932.9 million). The improved performance was primarily due to higher realised CPO prices and production yield by Plantations and Palm Oil Mills, as well as margin expansion for Palm and Laurics. The Group also enjoyed stronger contributions from fertiliser and associates. However, Consumer Products posted lower margins from a price increase restriction while Sugar posted losses as the Milling business remained in the maintenance period and the crush season had not fully commenced.

***Income Tax Expense***

Income tax expense rose along with an increase in profit before tax and a higher effective tax rate of 14.0% for 2Q2011 (2Q2010 : 10.1%) and 16.3% for 1H2011 (1H2010 : 13.7%). Effective tax rate rose in line with higher profits posted by entities in high tax jurisdictions.

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**Group Financial Performance by Business Segment**
**Sales Volume of Key Segments**

	Sales Volume					
	2Q2011 MT'000	2Q2010 MT'000	Inc %	1H2011 MT'000	1H2010 MT'000	Inc/(Dec) %
<b>Merchandising &amp; Processing</b>						
- Palm and laurics	4,824	4,965	-2.8%	9,116	10,004	-8.9%
- Oilseeds and grains	4,620	4,578	0.9%	8,130	8,610	-5.6%
	9,444	9,543	-1.0%	17,246	18,614	-7.3%
<b>Consumer Products</b>	837	703	19.1%	1,959	1,552	26.2%
<b>Sugar</b>						
- Milling	264	-	n.m.	344	-	n.m.
- Refining	557	-	n.m.	916	-	n.m.

**Three Months Period Ended 30 June**

	2Q2011		2Q2010		Variance	
	US\$'000	%	US\$'000	%	US\$'000	%
<b>Revenue</b>						
- Merchandising & Processing	8,807,589	83.4%	6,342,440	93.8%	2,465,149	38.9%
<i>Palm and laurics</i>	5,798,400	54.9%	3,787,756	56.0%	2,010,644	53.1%
<i>Oilseeds and grains</i>	3,009,189	28.5%	2,554,684	37.8%	454,505	17.8%
- Consumer Products	1,277,757	12.1%	854,792	12.6%	422,965	49.5%
- Plantations and Palm Oil Mills	524,472	5.0%	315,174	4.7%	209,298	66.4%
- Sugar	652,726	6.2%	-	0.0%	652,726	n.m.
<i>Milling</i>	183,738	1.7%	-	0.0%	183,738	n.m.
<i>Refining</i>	468,988	4.5%	-	0.0%	468,988	n.m.
- Others	648,978	6.1%	565,336	8.4%	83,642	14.8%
- Elimination	(1,350,716)	-12.8%	(1,317,436)	-19.5%	(33,280)	2.5%
<b>Total revenue</b>	<b>10,560,806</b>	<b>100.0%</b>	<b>6,760,306</b>	<b>100.0%</b>	<b>3,800,500</b>	<b>56.2%</b>

**Six Months Period Ended 30 June**

	1H2011		1H2010		Variance	
	US\$'000	%	US\$'000	%	US\$'000	%
<b>Revenue</b>						
- Merchandising & Processing	16,227,050	80.7%	12,188,664	90.1%	4,038,386	33.1%
<i>Palm and laurics</i>	10,891,288	54.2%	7,458,106	55.1%	3,433,182	46.0%
<i>Oilseeds and grains</i>	5,335,762	26.5%	4,730,558	35.0%	605,204	12.8%
- Consumer Products	3,007,024	15.0%	1,928,308	14.3%	1,078,716	55.9%
- Plantations and Palm Oil Mills	921,286	4.6%	587,530	4.3%	333,756	56.8%
- Sugar	1,020,853	5.1%	-	0.0%	1,020,853	n.m.
<i>Milling</i>	225,931	1.1%	-	0.0%	225,931	n.m.
<i>Refining</i>	794,922	4.0%	-	0.0%	794,922	n.m.
- Others	1,213,864	6.0%	980,177	7.2%	233,687	23.8%
- Elimination	(2,293,557)	-11.4%	(2,160,241)	-15.9%	(133,316)	6.2%
<b>Total revenue</b>	<b>20,096,520</b>	<b>100.0%</b>	<b>13,524,438</b>	<b>100.0%</b>	<b>6,572,082</b>	<b>48.6%</b>

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**
**Three Months Period Ended 30 June**

	<b>2Q2011</b>		<b>2Q2010</b>		<b>Variance</b>	
	<b>US\$'000</b>	<b>%</b>	<b>US\$'000</b>	<b>%</b>	<b>US\$'000</b>	<b>%</b>
<b>Profit before tax</b>						
- Merchandising & Processing	282,472	60.9%	273,072	68.4%	9,400	3.4%
<i>Palm and laurics</i>	153,054	33.0%	127,225	31.9%	25,829	20.3%
<i>Oilseeds and grains</i>	129,418	27.9%	145,847	36.5%	(16,429)	-11.3%
- Consumer Products	1,024	0.2%	31,515	7.9%	(30,491)	-96.8%
- Plantations and Palm Oil Mills	144,951	31.3%	76,645	19.2%	68,306	89.1%
- Sugar	(7,141)	-1.5%	-	0.0%	(7,141)	n.m.
<i>Milling</i>	(49,570)	-10.7%	-	0.0%	(49,570)	n.m.
<i>Refining</i>	42,429	9.2%	-	0.0%	42,429	n.m.
- Others	34,879	7.6%	32,589	8.2%	2,290	7.0%
- Share of results of associates	47,826	10.3%	39,736	9.9%	8,090	20.4%
- Unallocated expenses #	(40,747)	-8.8%	(54,108)	-13.6%	13,361	-24.7%
<b>Total profit before tax</b>	<b>463,264</b>	<b>100.0%</b>	<b>399,449</b>	<b>100.0%</b>	<b>63,815</b>	<b>16.0%</b>

**Six Months Period Ended 30 June**

	<b>1H2011</b>		<b>1H2010</b>		<b>Variance</b>	
	<b>US\$'000</b>	<b>%</b>	<b>US\$'000</b>	<b>%</b>	<b>US\$'000</b>	<b>%</b>
<b>Profit before tax</b>						
- Merchandising & Processing	628,069	65.1%	605,971	67.5%	22,098	3.6%
<i>Palm and laurics</i>	306,573	31.8%	278,167	31.0%	28,406	10.2%
<i>Oilseeds and grains</i>	321,496	33.3%	327,804	36.5%	(6,308)	-1.9%
- Consumer Products	37,779	3.9%	77,968	8.7%	(40,189)	-51.5%
- Plantations and Palm Oil Mills	226,785	23.5%	141,708	15.8%	85,077	60.0%
- Sugar	(14,382)	-1.5%	-	0.0%	(14,382)	n.m.
<i>Milling</i>	(72,220)	-7.5%	-	0.0%	(72,220)	n.m.
<i>Refining</i>	57,838	6.0%	-	0.0%	57,838	n.m.
- Others	79,443	8.2%	52,325	5.8%	27,118	51.8%
- Share of results of associates	102,235	10.6%	73,688	8.2%	28,547	38.7%
- Unallocated expenses #	(94,795)	-9.8%	(53,290)	-6.0%	(41,505)	77.9%
<b>Total profit before tax</b>	<b>965,134</b>	<b>100.0%</b>	<b>898,370</b>	<b>100.0%</b>	<b>66,764</b>	<b>7.4%</b>

# Unallocated expenses refer to expenses in relation to grant of share options to employees, loss from changes in the fair value of derivatives embedded in convertible bonds and accretion interest of the bonds.

n.m. – not meaningful

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**

***Merchandising and Processing – Palm and Laurics***

Revenue was up 53.1% to US\$5.8 billion for the quarter and 46.0% to US\$10.9 billion for the six-month period due primarily to the surge in prices of palm products, which gained momentum in the last quarter of 2010 and early 2011. Sales volume was 2.8% lower at 4.8 million MT for 2Q2011 and 8.9% lower at 9.1 million MT for 1H2011. Demand rationing at higher price levels during 1H2011, coupled with uncertainties in the global economic environment in 2Q2011 curbed volume.

Amidst a more difficult operating environment in 2Q2011, the Group achieved improved margins through its strong presence across the palm value chain, covering high value-added products like oleochemicals, specialty fats and biodiesel. As a result, profit before tax for the quarter was up 20.3% to US\$153.1 million. Together with better margins in 1Q2011 from higher CPO supply, profit before tax for the six-month period grew by 10.2% to US\$306.6 million.

***Merchandising and Processing – Oilseeds and Grains***

Revenue increased by 17.8% to US\$3.0 billion for 2Q2011 and 12.8% to US\$5.3 billion for 1H2011 from higher selling prices over the same period last year. Sales volume was only 0.9% higher at 4.6 million MT for the quarter and 5.6% lower at 8.1 million for the first half due to a difficult operating environment.

The Group's margins dropped during the quarter as a result of poor crush margins from the high import of beans by the industry. Nevertheless, the Group's performance for the quarter and six-month period was satisfactory, achieved through the timely purchases of raw materials. Profit before tax was 11.3% lower at US\$129.4 million for 2Q2011 and 1.9% lower at US\$321.5 million for 1H2011.

***Consumer Products***

The Group achieved a 49.5% growth in revenue to US\$1.3 billion for 2Q2011 and a 55.9% growth to US\$3.0 billion for 1H2011 through higher average selling prices and volume growth. The Group's last price increase in China took place in mid-October 2010 while prices in Vietnam and Indonesia increased during 1H2011 on the back of higher prices of edible oils feedstock. Sales volume increased by 19.1% to 837,000 MT for the quarter and 26.2% to 2.0 million MT for the six-month period, driven by improved sales of consumer pack oils in China, Indonesia and Vietnam, as well as stronger sales of new consumer products in China.

Margins continued to decline during the quarter and the six-month period, attributed to higher prices of edible oils feedstock together with the price increase restriction in China. As a result, profit before tax declined by 96.8% to US\$1.0 million for 2Q2011 and 51.5% to US\$37.8 million for 1H2011.

***Plantations and Palm Oil Mills***

Revenue was up 66.4% to US\$524.5 million for 2Q2011 and 56.8% to US\$921.3 million for 1H2011 on the back of higher CPO prices and sales volume.

Profit before tax grew by 89.1% to US\$145.0 million for the quarter and 60.0% to US\$226.8 million for the first half due to higher prices realised, as well as increased CPO production from the Group's own fruits on the back of a significant improvement in productivity. This was however, partially offset by higher unit production cost from the appreciation in local currencies.

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**

The Group's own fresh fruit bunches ("FFB") production was 32.6% higher at 1,026,047 MT for 2Q2011 and 24.8% higher at 1,870,116 MT for 1H2011, reflecting an increase in mature hectareage and an improvement in production yield. Yield was up 14.8% to 5.2 MT per hectare for the quarter and 8.1% to 9.4 MT per hectare for the first half in tandem with improved crop trend as well as favourable weather conditions. Yield in the same period last year was affected by wet weather in most parts of Sumatra.

**Sugar**

Sugar is a new segment following our acquisition of Sucrogen and Jawamanis in FY2010, comprising Milling and Refining businesses. The segment reported revenue of US\$652.7 million for the quarter and US\$1.0 billion for the first half. Loss before tax amounted to US\$7.1 million for 2Q2011 and US\$14.4m for 1H2011.

The milling business generated revenue of US\$183.7 million and sales volume of 264,000 MT during the quarter. The crushing season for the Group's mills started progressively from around mid-May 2011. As the season started with the crushing of lower quality standover cane from last season, extraction rate was lower and together with general, administrative, repair and maintenance expenses incurred during the period, the business generated a loss before tax of US\$49.6 million for 2Q2011. The second quarter is typically not profitable yet as it is the tail end of the maintenance period plus little to no revenue is earned until the crush season fully commences in the second half. For the six-month period, the Group recorded revenue of US\$225.9 million, sales volume of 344,000 MT and a loss before tax of US\$72.2 million.

Excluding an accounting profit of US\$12.4 million for 2Q2011 and US\$42.5 million for 1H2011 relating to the reversal of derivatives mark-to-market losses in pre-acquisition hedging reserves, the loss before tax would have amounted to US\$62.0m million for 2Q2011 and US\$114.7 million for 1H2011.

The refining business reported revenue of US\$469.0 million and sales volume of 557,000 MT for the quarter. For the first half, it recorded revenue of US\$794.9 million and sales volume of 916,000 MT. Revenue is generated from domestic sales in Australia, New Zealand and Indonesia as well as some export sales. Favourable refining margins as well as timely purchases and sales contributed to a profit before tax of US\$42.4 million for 2Q2011 and US\$57.8 million for 1H2011.

**Others**

Revenue grew by 14.8% to US\$649.0 million for the quarter and 23.8% to US\$1.2 billion for the first half from increased fertiliser volume and selling prices, partially offset by lower shipping revenue. Fertiliser volume increased from capacity expansion, competitive pricing by the Group and improved demand from plantations. Shipping revenue declined, primarily from lower dry bulk freight rates.

Profit before tax was up 7.0% to US\$34.9 million for 2Q2011 and 51.8% to US\$79.4 million for 1H2011 largely from higher fertiliser margins and other income, partially offset by the absence of gains from the disposal of vessels.



**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**

***Review of Balance Sheet and Cash Flows***

Property, plant and equipment amounted to US\$6.7 billion as at 30 June 2011. During the period, the Group incurred capital expenditure of US\$587.8 million for plant expansion in China and Indonesia as well as the construction of new vessels.

Investment in associates increased by 18.1% to US\$1.5 billion from share of associates' profits and the acquisition of a 20% stake in FFM Berhad.

Inventories were up 9.5% to US\$7.4 billion, reflecting higher prices of agricultural commodities generally as well as increased stockholding. Palm inventories increased in line with our inventory management strategy while inventories of certain grains and oilseeds increased with the commencement of domestic purchase of oilseeds and grains in China. As a result of increased stockholding and lower sales volume in the first half, inventory turnover days increased to 70 days (FY2010 : 60 days, 1H2010 : 63 days).

Trade debtors increased by 14.4% to US\$3.6 billion, reflecting an increase in revenue. Turnover days remained fairly stable at 29 days (FY2010 : 28 days, 1H2010 : 30 days).

Other financial receivables (current) dropped by 28.4% to US\$938.0 million mainly from a decline in other short term deposits placed with financial institutions.

Other non-financial assets (current) increased by 43.0% to US\$2.0 billion along with an increase in advances to suppliers for the purchase of domestic oilseeds and grains. There was also an increase in advances for property, plant and equipment in Indonesia and China.

While trade payables was down 3.6% to US\$1.4 billion, turnover days has remained stable at 12 days (FY2010 : 12 days, 1H2010 : 13 days).

During the period, the Group raised net proceeds of approximately US\$1.9 billion from loans and borrowings and withdrew US\$326.1 million of other deposits with financial institutions. These funds were used mainly to meet operating cash outflows of US\$485.8 million, capital expenditure of US\$662.8 million, investment in subsidiaries and associates of US\$182.1 million and dividends payment of US\$120.2 million, with a balance of US\$722.1 million increase in cash and cash equivalents. As a result, total cash and bank balances (including other bank deposits) increased by 41.1% to US\$9.6 billion.

Net loans and borrowings (net of other bank deposits and cash and bank balances) increased to US\$11.9 billion, contributing to an increase in net gearing to 0.94x (31 December 2010 : 0.90x).

*Note : Turnover days for the current period and all comparatives are now calculated by averaging the monthly turnover days. Monthly turnover days are computed using revenue and cost of sales for the month. In the past, turnover days were calculated based on year-to-date revenue and cost of sales. The change is made to better reflect the true turnover period in view of the seasonality of the Group's business.*



**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast was previously disclosed by the Group.

**10. Prospects**

The Group remains positive of its prospects, despite a challenging operating environment in China and uncertainties in the global economy. The Group will benefit from the strong growth of Asian economies, the strength of its business model and its investments in new and existing businesses.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes.

Name of dividend: Interim tax exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share: S\$0.03

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Yes.

Name of dividend: Interim tax exempt (one-tier) dividend

Dividend type: Cash

Dividend amount per share: S\$0.032

**(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)**

Dividend of S\$0.03 per ordinary share is tax exempt and declared in Singapore.

**(d) Date Payable**

14 September 2011.

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**

(e) Books Closure Date

Notice is hereby given that the Share Transfer Register and Register of Members of the Company will be closed from 29 August 2011 at 5.00 pm to 31 August 2011 (both dates inclusive), for the purpose of determining shareholders' entitlement to the Company's interim tax exempt (one-tier) dividend of S\$0.03 per ordinary share for the financial year ending 31 December 2011 ("Interim Dividend") to be paid on 14 September 2011.

Duly completed registrable transfers of ordinary shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services of 8 Cross Street, #11-00 PWC Building, Singapore 048424, up to 5.00 pm on 29 August 2011, 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 29 August 2011 will be entitled to the Interim Dividend.

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

Not applicable.

**Unaudited Financial Statements for the Second Quarter ended 30 June 2011****13. Interested Person Transactions****Interested Persons Transactions Disclosure**

<b>Name of Interested Person</b>	<b>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)</b>	<b>Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)</b>
	<b>2Q 2011 US\$'000</b>	<b>2Q 2011 US\$'000</b>
Archer Daniels Midland Group	NIL	1,154,210
Associates of Kuok Khoon Hong & Martua Sitorus	NIL	5,967
Wilmar Holdings Pte Ltd Group	NIL	NIL
Kuok Khoon Ean's Associates#	133,130	4,327
Martua Sitorus' Associates	NIL	22,378
Kuok Khoon Hong's Associates	NIL	343
PPB Group Bhd	18,038	NIL
Kuok Brothers Sdn Bhd	NIL	124

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

BY ORDER OF THE BOARD

.....  
 KUOK KHOON HONG  
 Chief Executive Officer

12 August 2011

**WILMAR INTERNATIONAL LIMITED** (REG. NO. 199904785Z)



**Unaudited Financial Statements for the Second Quarter ended 30 June 2011**

**CONFIRMATION BY THE BOARD**

We, Kuok Khoon Hong and Chua Phuay Hee, being the two 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 2011 financial results to be false or misleading in any material respect.

On behalf of the Board,

.....  
KUOK KHOON HONG  
Chief Executive Officer

.....  
CHUA PHUAY HEE  
Director

12 August 2011