

CIRCULAR DATED 10 APRIL 2007

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. Approval-in-principle granted by the SGX-ST to the Company for the admission of the KOG and PGEO Consideration Shares and the listing and quotation of such KOG and PGEO Consideration Shares on the SGX-ST are not to be taken as an indication of the merits of any of the Proposed KOG and PGEO Acquisitions, the Company, its subsidiaries, the Shares or the KOG and PGEO Consideration Shares.

If you have sold or transferred all your shares in Wilmar International Limited, you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Terms appearing on the cover of this Circular have the same meanings as defined in this Circular.



WILMAR INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199904785Z)

CIRCULAR TO SHAREHOLDERS

in relation to

- (A) THE PROPOSED ACQUISITION BY WILMAR INTERNATIONAL LIMITED (“WILMAR”) OF ALL THE ISSUED ORDINARY SHARES IN KUOK OILS & GRAINS PTE LTD (“KOG”) AND 65.8% OF THE ISSUED ORDINARY SHARES IN PGEO GROUP SDN BHD (“PGEO”); AND**
- (B) THE PROPOSED ALLOTMENT AND ISSUANCE OF 1,378,678,330 ORDINARY SHARES IN THE CAPITAL OF WILMAR INTERNATIONAL LIMITED (THE “KOG AND PGEO CONSIDERATION SHARES”) AS CONSIDERATION FOR THE PROPOSED KOG AND PGEO ACQUISITIONS.**

Financial Adviser to Wilmar International Limited



CIMB-GK Securities Pte. Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 198701621D)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	24 April 2007 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	26 April 2007 at 10.30 a.m. (or as soon as practicable after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m on the same day and at the same place)
Place of Extraordinary General Meeting	:	Banyan Room, Lobby Level Shangri-La Hotel, 22 Orange Grove Road Singapore 258350

CONTENTS

	Page
DEFINITIONS	3
LETTER TO SHAREHOLDERS	
1. INTRODUCTION	6
2. THE PROPOSED KOG AND PGEO ACQUISITIONS	8
3. IN-PRINCIPLE APPROVAL FROM THE SGX-ST	13
4. RATIONALE FOR THE PROPOSED KOG AND PGEO ACQUISITIONS	13
5. INFORMATION ON KOG	15
6. INFORMATION ON PGEO	19
7. WILMAR'S FUTURE PLANS FOR KOG AND PGEO	22
8. FINANCIAL EFFECTS	22
9. RESULTING SHAREHOLDINGS OF WILMAR FOLLOWING THE PROPOSED KOG AND PGEO ACQUISITIONS	26
10. WAIVER OF REQUIREMENT TO MAKE A GENERAL OFFER BY THE KUOK GROUP	28
11. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS OF THE COMPANY	29
12. DIRECTORS' RECOMMENDATION	29
13. EXTRAORDINARY GENERAL MEETING	29
14. ACTION TO BE TAKEN BY SHAREHOLDERS	29
15. DIRECTORS' RESPONSIBILITY STATEMENT	29
16. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT	29
17. MISCELLANEOUS	30
APPENDIX I	
CONSOLIDATED BALANCE SHEET OF THE KOG GROUP	31
APPENDIX II	
CONSOLIDATED BALANCE SHEET OF THE PGEO GROUP	32
NOTICE OF EXTRAORDINARY GENERAL MEETING	33
PROXY FORM	

DEFINITIONS

The following definitions shall apply throughout unless otherwise stated in this Circular:-

Companies, Organisations and Agencies

“Buxton”	:	Buxton Limited
“CIMB”	:	CIMB-GK and CIMB Investment Bank
“CIMB-GK”	:	CIMB-GK Securities Pte. Ltd.
“CIMB Investment Bank”	:	CIMB Investment Bank Berhad (formerly known as Commerce International Merchant Bankers Berhad)
“Company” or “Wilmar”	:	Wilmar International Limited
“FFM”	:	FFM Berhad
“FIC”	:	Foreign Investment Committee of the Economic Planning Unit in the Prime Minister’s Department, Malaysia
“KOG”	:	Kuok Oils & Grains Pte Ltd
“KOG Group”	:	KOG, its subsidiaries and associated companies
“MITI”	:	Ministry of International Trade and Industry in Malaysia
“PGEO”	:	PGEO Group Sdn Bhd
“PGEO Group”	:	PGEO, its subsidiaries and associated companies
“PPBOP”	:	PPB Oil Palms Berhad
“SC”	:	Securities Commission in Malaysia
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“WHPL”	:	Wilmar Holdings Pte Ltd
“Wilmar Group”	:	Wilmar and its subsidiaries

General

“Announcement”	:	The announcement made by Wilmar on 14 December 2006 in relation to the proposed merger with PPBOP, KOG and PGEO
“Circular”	:	This circular dated 10 April 2007 to Shareholders
“Companies Act”	:	Companies Act, Chapter 50 of Singapore
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15.0% or more of the total votes attached to all voting shares in a company (unless the SGX-ST

DEFINITIONS

		determines that a person who satisfies this sub-paragraph is not a controlling shareholder); or
	(b)	in fact exercises control (being the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies) over a company
<i>“Directors”</i>	:	The directors of Wilmar as at the date of this Circular
<i>“EGM”</i>	:	The Extraordinary General Meeting of the Company, notice of which is given on page 33 of this Circular
<i>“FY”</i>	:	Financial year ended, or as the case may be, ending 31 December
<i>“KOG and PGEO Consideration Shares”</i>	:	1,378,678,330 new Wilmar Shares to be issued by Wilmar to satisfy the consideration for the Proposed KOG and PGEO Acquisitions
<i>“Latest Practicable Date”</i>	:	2 April 2007, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST, as amended from time to time
<i>“Notice of EGM”</i>	:	The Notice of EGM as set out on page 33 of this Circular
<i>“NTA”</i>	:	Net tangible asset
<i>“Ordinary Resolutions”</i>	:	The ordinary resolutions as set out in the Notice of EGM
<i>“Proposed Issue of KOG and PGEO Consideration Shares”</i>	:	The proposed allotment and issue of the KOG and PGEO Consideration Shares as consideration for the Proposed KOG and PGEO Acquisitions
<i>“Proposed Issue of KOG Consideration Shares”</i>	:	1,091,555,558 new Wilmar Shares to be issued by Wilmar to satisfy the consideration for the Proposed KOG Acquisition
<i>“Proposed Issue of PGEO Consideration Shares”</i>	:	287,122,772 new Wilmar Shares to be issued by Wilmar to satisfy the consideration for the Proposed PGEO Acquisition
<i>“Proposed KOG and PGEO Acquisitions”</i>	:	The proposed acquisition by Wilmar of all the issued ordinary shares in KOG and 65.8% of the issued ordinary shares in PGEO (separately, the <i>“Proposed KOG Acquisition”</i> and the <i>“Proposed PGEO Acquisition”</i>)
<i>“Proposed PPBOP Acquisition”</i>	:	The proposed acquisition by Wilmar of all the voting shares in PPBOP not owned by Wilmar pursuant to the VGO

DEFINITIONS

“Shareholders”	:	Registered holders of the Shares or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares” or “Wilmar Shares”	:	Ordinary shares in the capital of Wilmar
“Substantial Shareholder”	:	A person who has an interest in one or more voting shares of a company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the company
“VGO”	:	Conditional voluntary general offer for all the issued ordinary shares in the capital of PPBOP not owned by Wilmar
<u>Countries, currencies, units, and others</u>		
“China”	:	The People’s Republic of China, excluding Taiwan, the Macau Special Administrative Region of China and Hong Kong for purposes of this Circular and geographical reference only
“MT”	:	Metric tonnes
“RM”	:	Malaysian Ringgit, the lawful currency of Malaysia
“S\$” and “cents”	:	Singapore Dollar and cents, respectively, the lawful currency of The Republic of Singapore
“US\$” or “United States Dollar”, and “US cents”	:	United States Dollar and cents, respectively, the lawful currency of the United States of America
“%”	:	Per centum or percentage

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act.

The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act. The terms “associate” and “associated company” shall have the meanings ascribed to them, respectively, in the section headed “Definitions and Interpretation” of the Listing Manual.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Words importing persons shall include corporations.

Any reference in this Circular to “Clause” or “Chapter” is a reference to the relevant clause in the Listing Manual as for the time being.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any amendment thereof, and used in this Circular shall have the meaning assigned to it under the Companies Act.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any information on KOG Group and PGEO Group set out in this Circular is extracted from or based on information provided by the respective companies and publicly available information in relation to KOG and PGEO.

LETTER TO SHAREHOLDERS

WILMAR INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199904785Z)

Directors:-

Kuok Khoon Hong
Martua Sitorus
Chua Phuay Hee
Teo Kim Yong
William Henry Camp
Yu Hung Yen, Stephen (alternate to William Henry Camp)
Yeo Teng Yang
Leong Horn Kee
Tay Kah Chye
Kwah Thiam Hock

Registered Office:-

56 Neil Road
Singapore 088830

10 April 2007

To : The Shareholders of Wilmar International Limited

Dear Sir / Madam

- (A) THE PROPOSED ACQUISITION BY WILMAR OF ALL THE ISSUED ORDINARY SHARES IN KOG AND 65.8% OF THE ISSUED ORDINARY SHARES IN PGEO; AND**
- (B) THE PROPOSED ALLOTMENT AND ISSUANCE OF 1,378,678,330 KOG AND PGEO CONSIDERATION SHARES AS CONSIDERATION FOR THE PROPOSED KOG AND PGEO ACQUISITIONS.**

1. INTRODUCTION

1.1 On 14 December 2006, the Board of Directors of Wilmar announced that it proposes to merge with PPBOP, KOG and PGEO by way of acquiring the shares in the issued share capital of PPBOP, KOG and PGEO, from the Kuok group of companies (the “**Kuok Group**” or “**KG Vendors**”) and other minority shareholders of PPBOP (collectively to be termed as the “**KG Merger**”), for an aggregate consideration of up to approximately S\$4.1 billion to be satisfied by the allotment and issue of up to 2,403,154,004 new Wilmar Shares based on S\$1.71 per Wilmar Share, being the last traded price of Wilmar Shares on 13 December 2006 (the market day preceding the date of the Announcement), as follows:-

- (a) up to 1,024,475,674 Wilmar Shares in respect of the Proposed PPBOP Acquisition;
- (b) 1,091,555,558 Wilmar Shares in respect of the Proposed KOG Acquisition; and
- (c) 287,122,772 Wilmar Shares in respect of the Proposed PGEO Acquisition.

1.2 Pursuant to the KG Merger:-

- (a) the Proposed PPBOP Acquisition will be made by way of the VGO, details of which were set out in a circular to Shareholders dated 1 March 2007. The Proposed PPBOP Acquisition was approved by Shareholders at the extraordinary general meeting of the Company held on 19 March 2007;
- (b) the Proposed KOG Acquisition was made by way of a letter of offer to Kuok (Singapore) Limited, Harpole Resources Limited and Greenacres Limited (the “**KOG Vendors**”, which are also member companies of the Kuok Group), containing the principal terms and

LETTER TO SHAREHOLDERS

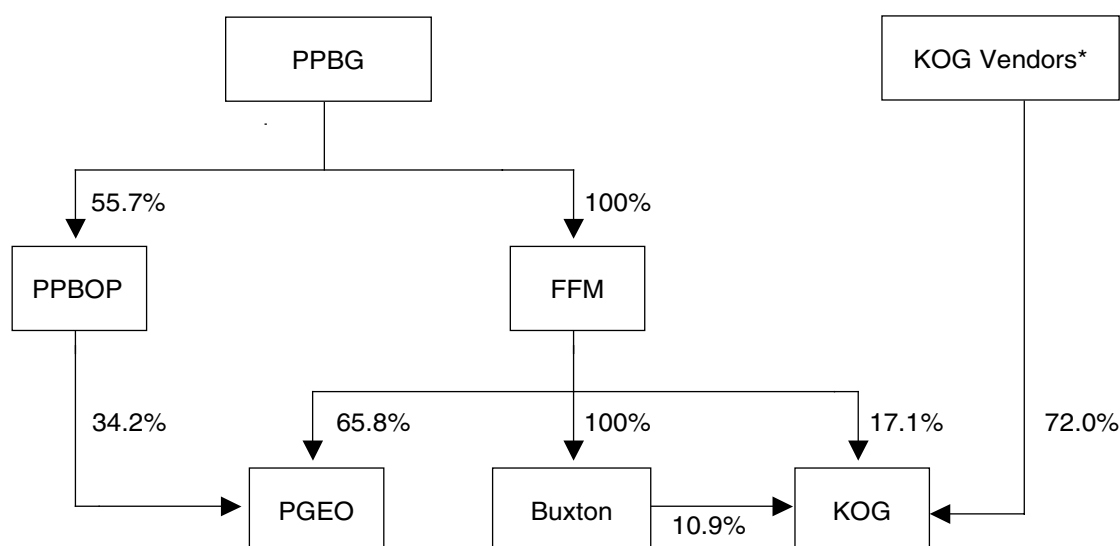
conditions of the acquisition contemplated therein and which is subject to the entry into of a definitive agreement by the parties thereto, to acquire their aggregate interests of 72.0% (the “**KOG Shares**”) in the issued share capital of KOG (“**72% KOG Acquisition**”); and

- (c) the Proposed PGEO Acquisition and 28% KOG Acquisition (as defined below) were made by way of separate letters of offer to FFM, a wholly owned subsidiary of PPB Group Berhad (“**PPBG**”) which in turn is a company listed on the Bursa Malaysia Securities Berhad (“**Bursa Securities**”), which is also a member of the Kuok Group, containing the principal terms and conditions of the acquisition contemplated therein and which is subject to the entry into of a definitive agreement by the parties thereto:-
- (i) to acquire its interest in approximately 65.8% (the “**65.8% PGEO Shares**”) of the issued share capital of PGEO, a company in which PPBOP also has an interest of approximately 34.2% (“**65.8% PGEO Acquisition**”); and
 - (ii) to acquire its interest in 28.0% (the “**28% KOG Shares**”) of the issued share capital of KOG (“**28% KOG Acquisition**”).

Currently, the remaining 34.2% of the issued share capital of PGEO is held by PPBOP. Upon completion of the Proposed PGEO Acquisition, Wilmar will have a direct interest of 65.8% in PGEO. Assuming Wilmar receives full acceptance under the VGO, Wilmar will effectively have 100% interest in PGEO.

The Proposed KOG and PGEO Acquisitions are not conditional upon each other. However, the 65.8% PGEO Acquisition is conditional upon the VGO having become unconditional in all respects.

- 1.3 The following diagram sets out the current relationship among PPBOP, PPBG, KOG and PGEO:-



Note:-

* Please refer to section 5.5 of this Circular for the respective shareholdings of each KOG Vendor in KOG.

Both FFM and Buxton are passive shareholders and do not participate in the management of KOG.

As the majority shareholder of PGEO, FFM is represented on the board of directors of PGEO. Accordingly, any major decisions in PGEO are also discussed and approved by the FFM's board of directors.

LETTER TO SHAREHOLDERS

- 1.4 In an independent and separate corporate development, on 14 December 2006, Wilmar has also announced that it proposes to acquire all of WHPL's interests in its subsidiaries and associated companies, save for its interests in Wilmar, and shares owned by Archer Daniels Midland Asia-Pacific Limited ("**ADML**") in companies where ADML holds shares with WHPL, together with minority interests in certain subsidiaries of Wilmar, for an aggregate consideration of approximately S\$2.5 billion to be satisfied by the allotment and issue of 1,449,722,224 new Wilmar Shares ("**IPT Acquisitions**") based on S\$1.71 per Wilmar Share, being the last traded price of Wilmar Shares on 13 December 2006 (the market day preceding the date of the Announcement). Please refer to section 9 of this Circular for more details on the shareholding structure of Wilmar.

The IPT Acquisitions were made by way of a conditional sale and purchase agreement with WHPL and separate letters of offer, which contain the principal terms and conditions of the acquisitions contemplated therein and are subject to the entry of definitive agreements by the parties thereto, with each of ADML and its affiliates. On 15 December 2006, Wilmar announced that ADML and its affiliates have accepted the offer by Wilmar. Details of the IPT Acquisitions will be set out in a separate circular to Shareholders to be despatched in due course.

- 1.5 The KG Merger and IPT Acquisitions are independent and separate corporate developments and are not conditional upon each other. CIMB has been appointed by Wilmar as financial advisors for the KG Merger and the IPT Acquisitions.

Copies of the above announcements made by the Company in respect of the KG Merger and the IPT Acquisitions are available on the website of SGX-ST (www.sgx.com).

- 1.6 The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the Proposed KOG and PGEO Acquisitions and to seek Shareholders' approval for the same at the EGM as well as to authorise the Directors to complete and execute the transaction.

2. THE PROPOSED KOG AND PGEO ACQUISITIONS

2.1 Letters of Offer

The Proposed KOG and PGEO Acquisitions were made by way of separate letters of offer as set out in section 1.2 above, on 14 December 2006.

Each of the letters of offer is capable of acceptance up to 14 June 2007 and is subject to the entry into of definitive agreements by the relevant parties.

2.2 Consideration

The purchase consideration for the Proposed KOG and PGEO Acquisitions is as follows:-

- (a) in respect of the 72% KOG Acquisition, the purchase consideration is approximately S\$1.3 billion and will be satisfied by the issue and allotment to the KOG Vendors of an aggregate of 785,920,002 Wilmar Shares;
- (b) in respect of the 28% KOG Acquisition, the purchase consideration is approximately S\$522.6 million and will be satisfied by the issue and allotment to FFM 305,635,556 Wilmar Shares; and
- (c) in respect of the 65.8% PGEO Acquisition, the purchase consideration is approximately S\$491.0 million and will be satisfied by the issue and allotment to FFM 287,122,772 Wilmar Shares.

The purchase consideration for the 65.8% PGEO Acquisition represents a price-earnings ("**PE**") multiple of approximately 15.3 times based on the net profit of PGEO for FY2006.

LETTER TO SHAREHOLDERS

The purchase consideration for the Proposed KOG Acquisition represents a PE multiple of approximately 11.6 times based on the net profit of KOG for FY2006.

Based on the last transacted price of S\$1.71 per Wilmar Share on 13 December 2006 and Wilmar's earnings for FY2006, the PE of Wilmar is approximately 26.1 times.

The purchase consideration was arrived at, on a willing buyer willing seller basis, after taking into account, *inter alia*, the respective prospective earnings, operations and financial positions of Wilmar, KOG and PGEO, as well as the rationale for the proposed KG Merger. The management of Wilmar is of the view that an independent valuation was not necessary as the management is familiar with the businesses of KOG and PGEO.

All the KOG and PGEO Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing Wilmar Shares.

2.3 Conditions Precedent

The Proposed KOG and PGEO Acquisitions are subject to, *inter alia*, the following:-

- (a) Wilmar being satisfied with its due diligence investigations into KOG and PGEO, their respective subsidiaries and associated companies (collectively with KOG and PGEO, the "**KG Companies**") and each, including a "**KG Company**");
- (b) the purchase by Wilmar of all the shares of KOG and PGEO ("**Sale Shares**") and Wilmar's issue of the KOG and PGEO Consideration Shares in full payment thereof upon the terms of the relevant term sheets, being approved by the SGX-ST, where required and where approval from the SGX-ST is obtained, subject to such conditions (if any) being reasonably acceptable to the parties thereto;
- (c) all resolutions as may be necessary or incidental in relation to Wilmar's acquisition of the Sale Shares and the issue of the KOG and PGEO Consideration Shares having been passed at a general meeting of shareholders of Wilmar or any adjournment thereof;
- (d) approval being given and not having been withdrawn by the SGX-ST for the admission to the official list of SGX-ST and the dealing and quotation of the KOG and PGEO Consideration Shares on SGX-ST upon allotment and issue and if there are any conditions attached to such approval, such conditions being reasonably acceptable to Wilmar and the KG Vendors;
- (e) the acceptance by Wilmar of the exceptions to the KG Vendors' warranties as disclosed in a letter issued by the KG Vendors for such purpose, if any;
- (f) there having been no event the occurrence of which may render any of the KG Vendors' warranties untrue, inaccurate or misleading in all material respects;
- (g) there being no circumstance amounting to or event of *force majeure* occurring that may have a material adverse effect on the businesses, operations or condition (financial or otherwise) of the Company and/or the relevant KG Company;
- (h) all necessary consents or approvals being granted by third parties, bankers, financial institutions or governmental or regulatory authorities or competent authorities having jurisdiction over its purchase of all the Sale Shares and/or its allotment and issue of the KOG and PGEO Consideration Shares being obtained by the Company, and all necessary or appropriate filings having been made and all appropriate waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated, in each case for or in connection with the sale and purchase of the Sale Shares and to carry on the business of the KG Assets; and

LETTER TO SHAREHOLDERS

- (i) where any consent or approval required above is subject to any conditions, such conditions being reasonably acceptable to Wilmar.

The KG Vendors' warranties referred to in (e) above will comprise warranties for acquisitions of this nature, which will include the financial information and operating matters of the KOG Group and the PGEO Group. The warranties will be incorporated into the definitive agreements to be entered into between Wilmar and the KG Vendors.

Wilmar's acquisitions of the 65.8% PGEO Shares and the 28% KOG Shares are also conditional upon:-

- (i) approval being given by the shareholders of PPBG, being the holding company of FFM, to sell its interests in PGEO and KOG by selling the Sale Shares to Wilmar; and
- (ii) approvals being given by (a) the SC¹; (b) Bank Negara Malaysia² under Exchange Control of Malaysia Notices (ECM) 9 - Investments Abroad; (c) the MITI³ and (d) the SC (on behalf of the FIC)⁴ for PPBG's disposal of the Sale Shares to Wilmar.

Further, the acquisition of the 65.8% PGEO Shares is conditional upon the VGO having become unconditional in all respects and that the voting shares in PPBOP not owned by Wilmar accepted under the VGO having been transferred to Wilmar, thereby resulting in Wilmar holding more than 50% of PPBOP. The offer document for the VGO has been despatched to the shareholders of PPBOP on 26 March 2007. The VGO is expected to be completed by the second quarter of 2007.

In respect of the above-mentioned approvals as required from the relevant Malaysian authorities, the following approvals have been obtained as at the Latest Practicable Date:-

- (a) from the SC on:-
- (i) 1 March 2007 for Wilmar to offer its securities in Malaysia in consideration for the Proposed KOG and PGEO Acquisitions; and
- (ii) 29 March 2007 for PPBG to dispose of its interests in PGEO, KOG and PPBOP;
- (b) from Bank Negara Malaysia on 23 March 2007 for FFM to subscribe for Wilmar Shares subject to FFM complying with the following conditions:-
- (i) to repatriate to Malaysia all dividends, profits and proceeds from the disposal of investments received once the said dividends and profits are paid or when FFM's investments in Wilmar are disposed of and to inform the Foreign Exchange Administration Department of Bank Negara Malaysia accordingly; and
- (ii) to complete the "Quarterly Report on External Assets and Liabilities of Resident Companies in Malaysia" commencing from the first quarter of 2007 should FFM have overall investments abroad of RM50 million or more; and

-
1. The approval from the SC is required for:
- (a) Wilmar to offer its securities in Malaysia in consideration for the Proposed KOG and PGEO Acquisitions; and
- (b) PPBG to dispose of its interests in PGEO and KOG as this will result in a substantial change in business direction of PPBG when aggregated with the disposal of its interest in PPBOP under the Proposed PPBOP Acquisition.
2. The approval from Bank Negara Malaysia is required to allow FFM to hold Wilmar Shares as consideration for the Proposed KOG and PGEO Acquisitions.
3. The approval from the MITI is required for FFM in relation to (i) the Proposed PGEO Acquisition for the proposed changes to the effective shareholding structure of the Licensed Companies (as defined in section 2.6.2 of this Circular) and (ii) not to impose any condition with respect to the equity structure of PGEO and/or the Licensed Companies upon completion of the Proposed PGEO Acquisition.
4. The approval from the SC (on behalf of the FIC) is required for Wilmar in relation to (i) the Proposed PGEO Acquisition and (ii) not to impose any condition with respect to the equity structure of PGEO.

LETTER TO SHAREHOLDERS

- (c) from the MITI on 23 March 2007 for FFM to dispose of its 65.8% equity interest in PGEO, subject to:-
- (i) the approval of the SC and adherence to the guidelines on the acquisition of interests, mergers and take-overs by local and foreign interest; and
 - (ii) Bank Negara Malaysia's approval.

In addition, the MITI has agreed to change the equity conditions stated in the relevant MITI Licenses issued to the Licensed Companies (as defined in section 2.6.2 below) to require that "at least 20% of the Licensed Companies' shares are to be acquired and held by Malaysian citizens". Please refer to section 2.6.2 of this Circular for more details.

The decision from the SC (on behalf of the FIC) is still pending as at the Latest Practicable Date.

2.4 Shareholders' Approval

Assuming acceptances of the letters of offer by the KOG Vendors and FFM, the relative figures for the Proposed KOG and PGEO Acquisitions computed on the bases set out in Rule 1006(a) to (d) ("**Rule 1006**") of the Listing Manual are as follows:-

	The proposed acquisitions of		
	KOG and PGEO	KOG	PGEO
(a) Net asset value of the KOG Group and the PGEO Group as compared with Wilmar's consolidated net asset value as at 31 December 2005.	Not applicable	Not applicable	Not applicable
(b) Net profits attributable to the KOG Group and the PGEO Group as compared with Wilmar's consolidated net profits for FY2005.	60.75%	31.57%	29.18%
(c) Aggregate value of the Consideration Shares given as compared with Wilmar's market capitalisation as at 13 December 2006, being the market day preceding the date of the Announcement.	54.43%	43.10%	11.34%
(d) The number of KOG and PGEO Consideration Shares compared with the number of Wilmar Shares previously in issue ⁽¹⁾ .	54.43%	43.10%	11.34%

Note:-

(1) Assuming 1,378,678,330 KOG and PGEO Consideration Shares issued.

As the relative figures under Rules 1006 (b), (c) and (d) have exceeded 20% but have not exceeded 100%, the Proposed KOG and PGEO Acquisitions constitute a major transaction pursuant to Chapter 10 of the SGX-ST Listing Manual and accordingly require the approval of Shareholders at the EGM. In addition, the issue of the KOG and PGEO Consideration Shares also requires the approval of Shareholders at the EGM pursuant to Rule 805(1) of the Listing Manual.

LETTER TO SHAREHOLDERS

2.5 Undertaking

As at the Latest Practicable Date, WHPL holds 2,075,000,000 Wilmar Shares, representing approximately 81.9% of Wilmar's issued share capital. By a letter dated 26 March 2007, WHPL has undertaken to Wilmar that (i) it will not, until the EGM, sell, transfer or dispose of any of the Wilmar Shares except for the exercise of any options which may be granted by WHPL to such persons as it may determine pursuant to the one-time share options⁵, further details of which are set out in Wilmar's circular to Shareholders dated 10 June 2006; and (ii) it will vote in favour of the Proposed KOG and PGEO Acquisitions at the EGM in respect of all its Wilmar Shares (including any additional Wilmar Shares which it may acquire prior to the EGM).

2.6 Risk Factors

The KOG Group is primarily engaged in the business of processing and merchandising of oils and grains products while PGEO is a major edible oil refiner in Malaysia, businesses which are similar to a significant part of Wilmar's existing business. Accordingly, the Directors are of the view that the business risk profile of the Wilmar Group would not change materially following the completion of the Proposed KOG and PGEO Acquisitions. Save as disclosed below, the Directors are not aware of any additional significant risks.

2.6.1 *The Wilmar Group's operations will expand into new markets and non-palm oil related businesses*

The business operations of the Wilmar Group following the completion of the Proposed KOG and PGEO Acquisitions will be expanded to include new markets in countries such as Vietnam, China, New Zealand, the Netherlands and Germany. Accordingly, Wilmar Group's business, earnings and prospects will be exposed to any material and adverse developments with respect to inflation, interest rates, currency fluctuations, government policies, social and other political, economic, legal and environmental conditions in or affecting these countries, including, for example, the competition laws. The Wilmar Group has no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on its results of operations and financial position.

Besides palm oil and palm oil related businesses, the Wilmar Group will also, following the completion of the Proposed KOG and PGEO Acquisitions, be engaged in non-palm oil related businesses such as soya bean and oilseeds crushing. These businesses carry their own inherent risks, hence there is no assurance that the non-palm oil related businesses would contribute positively to the financial performance of the Wilmar Group.

2.6.2 *The MITI's approval*

Following the successful completion of the Proposed PGEO Acquisition, Wilmar will have a direct 65.8% equity stake in PGEO. Certain companies within the PGEO group of companies ("**Licensed Companies**") have been granted various manufacturing licences by the MITI (the "**MITI Licences**"). Some of the MITI Licences held by the Licensed Companies contain the condition that requires a minimum of 70% of the Licensed Companies' shares to be purchased and held by Malaysian citizens, of which a certain percentage must be reserved. The Directors were advised that, although there is no express mention of minimum Bumiputera equity participation in the MITI Licences of the Licensed Companies, the MITI views the reserved portion as minimum Bumiputera equity.

The Proposed PGEO Acquisition and the Proposed PPBOP Acquisition, if completed, will result in changes to the effective shareholding structure of the Licensed Companies, and such changes would require the MITI's approval pursuant to the conditions imposed by the MITI under the relevant MITI Licences issued to the Licensed Companies.

5. The one-time share options will be granted at a nominal consideration of S\$1.00 and will be exercisable not less than one year from the date of grant. Upon being exercisable, they will lapse six months thereafter. The exercise price of the options will be at S\$0.40 per share. As at the Latest Practicable Date, no such option has been granted.

LETTER TO SHAREHOLDERS

In this regard, the MITI has granted its approval on 23 March 2007 for FFM to dispose of its 65.8% equity interest in PGEO, subject to (a) the approval of the SC and adherence to the guidelines on the acquisition of interests, mergers and take-overs by local and foreign interest; and (b) Bank Negara Malaysia's approval. In addition, the MITI has agreed to change the equity conditions stated in the relevant MITI Licences issued to the Licensed Companies to require that "at least 20% of the Licensed Companies' shares are to be acquired and held by Malaysian citizens".

There is no assurance that the MITI Licences of the Licensed Companies will not be revoked in the future should there be any non-compliance with the conditions stated in the MITI Licences. In the event that any or all of the MITI Licences is or are revoked, PGEO will not be able to carry out part or all of its manufacturing operations in Malaysia.

2.6.3 Integration risks

Upon the completion of the Proposed KOG and PGEO Acquisitions and the Proposed PPBOP Acquisition, in order for Wilmar to realise synergies, Wilmar intends to pool resources and integrate its operations with those of KOG, PGEO and PPBOP. Such integration will take place following an operational review and is likely to involve streamlining and rationalisation of operations. Synergies may only be realized gradually due to the integration process. The continued growth and the success of the enlarged Wilmar Group will depend on the speed and ease of integration.

3. IN-PRINCIPLE APPROVAL FROM THE SGX-ST

On 22 March 2007, the SGX-ST granted approval in-principle for the listing and quotation of the KOG and PGEO Consideration Shares on the Main Board of SGX-ST subject to, *inter alia*, the following conditions:-

- (a) compliance with the SGX-ST's listing requirements and guidelines; and
- (b) Shareholders' approval being obtained at the EGM for the Proposed KOG and PGEO Acquisitions.

It should be noted that approval in-principle granted by the SGX-ST to the Company for the listing and quotation of the KOG and PGEO Consideration Shares on the Official List of the SGX-ST is not to be taken as an indication of the merits of any of the Proposed KOG and PGEO Acquisitions, the Company, its subsidiaries, the existing issued Shares or the KOG and PGEO Consideration Shares.

4. RATIONALE FOR THE PROPOSED KOG AND PGEO ACQUISITIONS

The Proposed KOG and PGEO Acquisitions are part of the KG Merger. Upon the completion of the KG Merger and the IPT Acquisitions, the Directors believe that the Wilmar Group would be able to derive significant synergistic benefits as the enlarged entity would be the leading agribusiness group in Asia. This exercise, when completed, will enable the Wilmar Group to achieve its corporate objectives in three key areas:-

- (a) The leading merchandiser and processor of palm oil in the world

The KG Merger and IPT Acquisitions will give the Wilmar Group a significant presence in Malaysia and access to markets in which KOG is dominant. Given the major expansion in oil palm acreage especially in Indonesia, global palm oil production is expected to continue expanding rapidly. This would make palm oil a major global commodity in the future. The combined processing and merchandising activities of the enlarged entity will enable the Wilmar Group to become the leading merchandiser and processor of palm oil in the world.

LETTER TO SHAREHOLDERS

(b) A significant oil palm plantation owner

The Wilmar Group intends to expand its oil palm acreage aggressively given the favourable outlook for palm oil prices due to growing strong demand for food and energy globally. With the merger with PPBOP, the Wilmar Group will more than double its plantation landbank from 210,000 to 573,405 hectares (based on information available as at 14 December 2006).

As at 31 December 2006, the Wilmar Group owns 66,367 hectares and administers 32,132 hectares of oil palm plantation. The age profile of the oil palms as at 31 December 2006 are as follows:-

Age in years	Planted Area (in hectares)	Plasma Programme (in hectares)	Total (in hectares)
Up to 3 years	9,575	549	10,123
4 to 6 years	6,388	528	6,916
7 to 14 years	34,081	23,314	57,395
15 to 18 years	14,556	7,741	22,297
Above 18 years	1,768	–	1,768
Total	66,367	32,132	98,499

Going forward, the Directors believe that, with the additional expertise of Wilmar and PPBOP in the cultivation of oil palm plantations, the Wilmar Group will be able to expand its oil palm acreage even more aggressively, enabling it to become one of the largest plantation owners.

(c) A dominant processor and merchandiser of agricultural products in China

In China, KOG is one of the largest merchandisers of consumer pack edible oils and also one of the largest manufacturers of specialty fats. It also has manufacturing facilities in oleo-chemical, flour and feed milling, oilseeds crushing and refining. WHPL and its group of companies, excluding the Wilmar Group, are the largest oilseed crusher and edible oil refiner in China and a significant seller of consumer pack edible oils and has manufacturing facilities in oleo-chemical, flour and rice milling and specialty fats. It is also engaged in grain merchandising.

The KG Merger and IPT Acquisitions will create a fully integrated group from the processing of oilseeds to the merchandising of the finished agricultural products. Its manufacturing facilities will also cover a wide range of agricultural commodities. The combined group will be the leading merchandiser of consumer pack edible oils, the largest oilseed crusher, edible oils refiner and specialty fats and oleo-chemical manufacturer.

The Company sees great potential in the China market for agricultural products, given the huge population, fast economic growth, and low current per capita consumption of agricultural products. China will become a huge market for quality agricultural products in the future and will become a significant player in the global agricultural commodities market. The Directors believe that the solid base created from the merged entity and the strategic partnership with Archer Daniels Midland Company (“ADM”), a global leader in agricultural commodities, will position Wilmar to be a dominant processor and merchandiser of agricultural products in China.

LETTER TO SHAREHOLDERS

5. INFORMATION ON KOG

5.1 The KOG Group

The KOG Group is primarily engaged in the business of processing and merchandising of oils and grains products. These products are supplied to customers in more than 20 countries, including China, India, the European Union and Middle Eastern countries. The KOG Group sells its products in bulk to refiners, processors, wholesalers and retailers, as well as to end-consumers under its own brands.

The KOG Group's oils and grains processing facilities are located in China, Indonesia, Vietnam, Bangladesh, the Netherlands and Germany. Over the years, the KOG Group has invested in more than 20 enterprises in China and formed a comprehensive nationwide network of processing plants in China with Shenzhen, Shanghai and Tianjin as the major processing hubs.

The presence of the KOG Group in China is as follows:-



The KOG Group's key products in China can be categorised as follows:-

- Consumer Pack Oil

The KOG Group is a leading edible oil consumer pack manufacturer and distributor where its "Arawana" brand is the market leader in China with a sales volume in excess of 1.0 million tonnes in 2005. The "Arawana" brand has been appointed the official cooking oil for the Beijing Olympics 2008. Besides the "Arawana" brand, the KOG Group also markets and sells other well-known regional consumer pack oil brands including "Golden Carp", "Gold Ingots" and "Orchid". Over the years, it has built a comprehensive sales and distribution network reaching out to traditional retail outlets, supermarkets, convenience stores and hypermarkets nationwide.

LETTER TO SHAREHOLDERS

- Specialty Fats

The KOG Group is one of the largest producer and supplier of specialty fats in China with a distribution network that covers 150 cities in China. Its sales volume in 2005 accounted for a substantial share of China's specialty fats market. Its customers include major international food processors and restaurant chains.

- Oleo-chemicals

The KOG Group is also one of the largest oleo-chemical manufacturers in China with a processing plant based in Shanghai.

5.2 Production Capacity

KOG's oils and grains processing facilities are mainly located in China, Indonesia, Vietnam, Bangladesh, the Netherlands and Germany. As at 31 December 2006, the production capacities of KOG were as follows:-

Activities	Locations	No. of Plants	Capacity (MT per year)
Soya bean and oilseeds crushing	China, Indonesia and Vietnam	6	1,940,400
Refinery	China, Vietnam, Bangladesh and the Netherlands	15	3,174,600
Consumer oil packaging	China, Vietnam and Bangladesh	13	3,356,400
Oleo-chemicals	China	1	115,500
Specialty fats	China and Germany	4	462,330

5.3 Selective Financial Data

	← Audited →		Unaudited FY2006 (US\$'000)
	FY2004 (US\$'000)	FY2005 (US\$'000)	
Income Statement			
Revenue	6,294,722	5,946,520	6,125,626
Cost of sales	(6,089,683)	(5,723,161)	(5,726,777)
Operating expenses	(173,230)	(178,214)	(231,328) ⁽¹⁾
Other income/(expenses)	2,124	8,834	(11,872)
Profit from operations	33,933	53,979	155,649
Interest income	2,948	3,136	5,594
Finance costs	(20,567)	(34,495)	(42,412)
Share of results of associated companies	787	593	873
Profit before tax	17,101	23,213	119,704
Profit after tax	7,215	17,122	108,239
Minority interests	2,006	(2,050)	(6,935)
Net Profit	9,221	15,072	101,304

LETTER TO SHAREHOLDERS

Balance Sheet	Audited As at 31 December 2005 (US\$'000)	Unaudited As at 31 December 2006 (US\$'000)
Non-current Assets	399,045	416,281
Current Assets	995,277	1,133,582
Current Liabilities	885,202	1,043,757
Non-current Liabilities	214,480	87,923
Net Asset Value ⁽²⁾	294,640	418,183

Notes:-

- (1) Other expenses for FY2006 include provision for goodwill impairment of US\$18.4 million.
- (2) Net asset value represents total assets less total liabilities.

Details of the consolidated balance sheet of the KOG Group as at 31 December 2005 and 31 December 2006 are set out in Appendix I of this Circular.

For financial year ended 31 December 2004, revenue increased by approximately 37% from US\$4,593.5 million in FY2003 to US\$6,294.7 million in FY2004. This is mainly due to higher sales volume arising from the increased market share in consumer pack business in China. However, margins were adversely impacted by the lower selling prices and higher carrying costs of inventory in the second half of the year. Overall profits were also affected by start up losses in Europe and Vietnam. As a result, the KOG Group's profit before tax decreased by approximately 79% from US\$83.3 million in FY2003 to US\$17.1 million in FY2004.

For financial year ended 31 December 2005, revenue decreased by approximately 6% from US\$6,294.7 million in FY2004 to US\$5,946.5 million in FY2005. This is mainly due to flat growth in the sales volume of consumer pack products and lower volume in bulk sales. Margins improved in the third quarter of the year arising from higher selling prices for both consumer pack products and bulk sales in light of a more buoyant market. As a result, the KOG Group recorded an increase in profit before tax of approximately 26% from US\$17.1 million in FY2004 to US\$23.2 million in FY2005.

For the financial year ended 31 December 2006, the KOG Group recorded an increase in revenue of approximately 3% from US\$5,946.5 million in FY2005 to US\$6,125.6 million (unaudited) in FY2006. The improvement in results was attributable to the price increases and growth in market share in the consumer pack markets as well as improved margins in bulk sales. Hence, the KOG Group recorded an increase in profit before tax by approximately 400% from US\$23.2 million in FY2005 to US\$119.7 million (unaudited) in FY2006.

LETTER TO SHAREHOLDERS

5.4 Management Team of KOG

The particulars of the management team of KOG are as follows:-

Name	Age	Qualification and position in KOG
Kwok Kian Hai	62	<ul style="list-style-type: none"> - Bachelor of Science (Chemistry) from University of Singapore. - Formerly Managing Director of Sime Darby Group. - Joined Kuok Group in 1982 as General Manager of Pasir Gudang Edible Oils Sdn Bhd (now known as PGEO Edible Oils Sdn Bhd). - Currently Managing Director of KOG since 1991 and appointed Chairman in 2007.
Lee Hock Kuan	54	<ul style="list-style-type: none"> - Master of International Business Management Degree from Australian National University. - Joined Kuok Group in 1983. - Appointed Director of KOG in 1997 and is also currently the Vice-Chairman of Kerry Oils & Grains (China) Ltd.
Tan Yew Ngee	51	<ul style="list-style-type: none"> - Fellow Member of the Association of Certified and Chartered Accountants Registered Accountant of the Malaysian Institute of Accountants. - Joined Kuok Group (Pasir Gudang Edible Oils Sdn Bhd (now known as PGEO Edible Oils Sdn Bhd)) in 1979. - Presently Executive Director of KOG.
Kek Chin Ann	45	<ul style="list-style-type: none"> - Bachelor of Accountancy from the National University of Singapore. - Joined Kuok Group in 1995. - Presently Executive Director of KOG.

Pursuant to the letters of appointment issued to the directors of the management team set out above, none of their employment with the KOG Group may be determined with more than 3 months' notice.

5.5 Shareholders of KOG

The shareholders of KOG and their respective shareholdings in KOG as at the Latest Practicable Date are as follows:-

Name	← Direct →		← Indirect →	
	Number of Ordinary Shares held	%	Number of Shares held	%
Harpole Resources Limited	8,125,000	50.00	—	—
Kuok (Singapore) Limited	3,250,000	20.00	—	—
FFM ⁽¹⁾	2,785,714	17.14	1,764,286	10.86
Buxton ⁽¹⁾	1,764,286	10.86	—	—
Greenacres Limited	325,000	2.00	—	—
Total	16,250,000	100.00		

Note:-

(1) Buxton is a wholly owned subsidiary of FFM. Accordingly, FFM is deemed to be interested in the shares held by Buxton in KOG.

LETTER TO SHAREHOLDERS

5.6 Share Capital

As at the Latest Practicable Date, the issued and paid-up share capital of KOG is as follows:-

Class of shares	Number of issued shares	Amount of paid-up capital (S\$)
Ordinary shares	16,250,000	100,000,000

There are no outstanding instruments convertible into or rights to subscribe for or options in respect of KOG's shares as at the Latest Practicable Date.

6. INFORMATION ON PGEO

6.1 The PGEO Group

PGEO is a major edible oils refiner in Malaysia. It is 65.8% owned by FFM, which is in turn 100% owned by PPBG, a company listed on the Main Board of Bursa Securities. The remaining 34.2% of the issued share capital of PGEO is held by PPBOP, which is also a listed company on Bursa Securities.

The PGEO Group is principally involved in the manufacturing and sale of edible oils. Its manufacturing activities are vertically integrated, beginning with the conversion of crude oils into refined oil products to the sale of these oil products in bulk, drums and consumer packs for the local and international markets. It has one of the largest refining capacities in Malaysia with 6 refineries in Peninsula and East Malaysia, with a combined production capacity of approximately 4.7 million MT per annum.

To maximise on cost effectiveness and to capitalize on the abundance of palm biomass in Malaysia, the PGEO Group is also involved in the renewable energy industry. Up to date, it owns and operates 3 biomass steam generation plants in Peninsula and East Malaysia to supply biomass steam, electricity and chilled water to support the daily operations of its factories located in Lumut, Sandakan and Lahad Datu.

In addition, the PGEO Group is also actively involved in palm oil and palm kernel oil fractionation, soft oil neutralization, soya bean and palm kernel crushing, steel drum manufacturing, consumer packs, production of calcium salt for animal feed and palm methyl ester, as well as other downstream activities such as the production of shortening, hydrogenated products, interesterification fats, cocoa butter replacer and other specialty fats.

The products of PGEO are sold to many countries including China, the Netherlands, India, Korea, Japan, Bangladesh and Vietnam. The majority of the products are sold to China, which constituted approximately 35% of PGEO's total sales for FY2006.

6.2 Production Capacity

The PGEO plants are located in Malaysia. As at 31 December 2006, the production capacities of PGEO were as follows:-

Activities	No. of Plants	Capacity (MT per year)
Refinery of palm and laurics	15	4,719,000
Palm kernel and copra crushing	11	891,000
Specialty fats	1	150,480
Biodiesel (under construction) ⁽¹⁾	1	100,000

Note:-

(1) The plant has been completed and has commenced operation in January 2007. The total cost was approximately RM30 million which was funded by internal resources.

LETTER TO SHAREHOLDERS

6.3 Selective Financial Data

	← Audited →		Unaudited FY2006 (RM'000)
	FY2004 (RM'000)	FY2005 (RM'000)	
Income Statement			
Revenue	8,558,144	8,191,906	8,914,455
Operating expenses	(8,442,742)	(8,070,374)	(8,758,705)
Other income/(expenses)	6,535	7,490	3,642
Profit from operations	121,936	129,022	159,392
Interest income	902	701	779
Finance costs	(7,716)	(6,436)	(13,119)
Share of results of associated companies	1,771	127	1,337
Profit before tax	116,893	123,414	148,389
Profit after tax	91,319	93,574	113,173
Minority interests	111	137	(422)
Net Profit	91,430	93,711	112,751

	Audited As at 31 December 2005 (RM'000)	Unaudited As at 31 December 2006 (RM'000)
	Balance Sheet	
Non-current Assets	293,155	325,340
Current Assets	774,683	1,193,271
Current Liabilities	(480,456)	(869,931)
Non-current Liabilities	(34,344)	(24,608)
Net Asset Value ⁽¹⁾	553,038	624,072

Note:-

(1) Net asset value represents total assets less total liabilities.

Details of the consolidated balance sheet of the PGEO Group as at 31 December 2005 and 31 December 2006 are set out in Appendix II of this Circular.

For financial year ended 31 December 2004, revenue increased by 21% from RM7,074 million in FY2003 to RM8,558.1 million in FY2004. This was mainly due to higher production throughput during the year as a result of higher crude palm oil production. The PGEO Group recorded an increase in profit before tax of 19.05% from RM98.2 million in FY2003 to RM116.89 million in FY2004. This was mainly due to the favourable market conditions for palm oil products and steady performances from the downstream activities, particularly from specialty fats.

For financial year ended 31 December 2005, the PGEO Group recorded a 4.28% decrease in revenue from RM8,558.1 million in FY2004 to RM8,191.9 million in FY2005. The decrease was mainly due to lower palm product prices during the year. The PGEO Group recorded a profit before tax of RM123.4 million in FY2005, an increase of 5.58% from RM116.89 million in FY2004 due to higher sales volume and better contribution from downstream activities, particularly in the manufacturing of specialty fats, hydrogenated and soyabean products.

For the financial year ended 31 December 2006, the PGEO Group recorded a 8.82% increase in revenue from RM8,191.9 million in FY2005 to RM8,914.4 million (unaudited) in FY2006. This was mainly attributed to higher refined palm oil prices. PGEO recorded an increase in profit before tax of 20.24% from RM123.4 million in FY2005 to RM148.4 million (unaudited) in FY2006 due to favourable market conditions for palm oil products and consistent performance from downstream activities, particularly in specialty fats, hydrogenated products and soyabean products.

LETTER TO SHAREHOLDERS

6.4 Management Team of PGEO

The particulars of the management team of PGEO are as follows:-

Name	Age	Qualification and position in PGEO
Yee Chek Toong	50	<ul style="list-style-type: none"> - Bachelor of Science (Honours) degree majoring in Chemistry from the University of Malaya. - Joined PGEO Edible Oils Sdn Bhd in 1980 and is presently the Chairman/Managing Director of PGEO.
Cheang Kwan Chow	55	<ul style="list-style-type: none"> - Diploma in Marketing (United Kingdom). - Post Graduate Diploma in Export Marketing (Bucks). - Diploma in Export (London). - Master of Arts in Communication Management. - Joined FFM in 1980 and is presently the Deputy Managing Director of PGEO.
Lim Yee Mein	50	<ul style="list-style-type: none"> - Bachelor of Commerce degree from the National Taiwan University. - Joined PGEO Edible Oils Sdn Bhd in 1981 and is presently the General Manager – Admin & Finance of PGEO.
Loh Chee Kheong	45	<ul style="list-style-type: none"> - Bachelor of Engineering (Electrical) degree from the University Technology Malaysia. - Joined PGEO Edible Oils Sdn Bhd in 1986 and is presently the General Manager of PGEO Edible Oils Sdn Bhd.
Koh Suu Heng	53	<ul style="list-style-type: none"> - Bachelor of Science degree in Chemical Engineering from the University of London. - Joined PGEO Edible Oils Sdn Bhd in 1986 and is presently the General Manager – East Malaysia Operations of PGEO.

Pursuant to the letters of appointment issued to the directors and managers of the management team set out above, none of their employment with the PGEO Group may be determined with more than 3 months' notice.

6.5 Shareholders of PGEO

The shareholders of PGEO and their respective shareholdings in PGEO as at the Latest Practicable Date are as follows:-

Name	Place of incorporation	← Direct →		← Indirect →	
		No. of PGEO Shares held	%	No. of PGEO Shares held	%
FFM	Malaysia	65,760,001	65.76	–	–
PPBOP	Malaysia	34,240,001	34.24	–	–
Total		100,000,002	100.00		

LETTER TO SHAREHOLDERS

6.6 Share Capital

As at the Latest Practicable Date, the authorised and issued and paid-up share capital of PGEO are as follows:-

	Par value per share (RM)	← Share Capital → No. of ordinary shares	RM
Authorised capital	1	110,000,000	110,000,000
Issued and paid-up capital	1	100,000,002	100,000,002

There are no outstanding instruments convertible into or rights to subscribe for or options in respect of PGEO's shares as at the Latest Practicable Date.

7. WILMAR'S FUTURE PLANS FOR KOG AND PGEO

Wilmar currently has no plans for any major changes to the operation and management of KOG and PGEO. Following the completion of the Proposed KOG and PGEO Acquisitions, Wilmar however intends to undertake an operational review to identify opportunities for synergistic benefits. In doing so, Wilmar may reorganize the group structures of KOG and PGEO or streamline the operations of the KOG Group and the PGEO Group, which may encompass changes to their corporate structures, redeployment or disposal of assets or integration of businesses. The timing, impact and extent of any potential plans would depend on the outcome of the review and the nature and scale of synergies it may reveal.

8. FINANCIAL EFFECTS

Shareholders are advised to read this section carefully and to note that the financial effects in this section are proforma in nature and for illustrative purposes only.

The proforma financial effects of the Proposed KOG and PGEO Acquisitions on the share capital, earnings, NTA and gearing of the Wilmar Group in respect of FY2005 have been prepared based on the unaudited proforma consolidated financial statements of the Wilmar Group and the audited financial statements of KOG and PGEO for FY2005, and in respect of FY2006, the unaudited proforma consolidated financial statements of the Wilmar Group and the unaudited financial statements of KOG and PGEO for FY2006.

For the purpose of illustrating the financial effects of the Proposed KOG and PGEO Acquisitions, the financial effects are based on, *inter alia*, the following assumptions:-

- (a) (i) the Wilmar Group's earnings and earnings per share for FY2005 and FY2006, are computed assuming that the Proposed KOG and PGEO Acquisitions were completed on 1 January 2005 and 1 January 2006 respectively; and (ii) in relation to the Wilmar Group's NTA and gearing as at 31 December 2005, computed assuming that the Proposed KOG and PGEO Acquisitions were completed on 31 December 2005; and (iii) in relation to the Wilmar Group's NTA and gearing as at 31 December 2006, computed assuming that the Proposed KOG and PGEO Acquisitions were completed on 31 December 2006;
- (b) the financial statements of the Wilmar Group and KOG are reported in US\$ while PGEO's financial statements are reported in RM. They have been translated where necessary, in respect of profit and loss items using the average exchange rate of RM3.785 and RM3.652 per US\$ for the 12 months ended 31 December 2005 and 31 December 2006 respectively. In respect of balance sheet items, they have been translated using the closing exchange rate of RM3.774 and RM3.530 per US\$ as at 31 December 2005 and 31 December 2006 respectively;

LETTER TO SHAREHOLDERS

- (c) as the purchase price allocation to goodwill, intangible assets and other assets has not been finalised, the carrying values of the net assets acquired in KOG and PGEO in connection with the Proposed KOG and PGEO Acquisitions have been assumed to approximate fair values. In addition, no impairment assessment of the resultant goodwill has been performed. On completion of the Proposed KOG and PGEO Acquisitions, the deemed consideration for the Proposed KOG and PGEO Acquisitions for accounting purposes will be based on the fair market value of each Wilmar Share at the date of completion of the Proposed KOG and PGEO Acquisitions. As the final goodwill has to be determined at the completion of the Proposed KOG and PGEO Acquisitions, the actual goodwill could be materially different from the assumption used above. Any goodwill arising thereon from the Proposed KOG and PGEO Acquisitions will be accounted for in accordance with the accounting policies of the Wilmar Group and assessed for impairment as appropriate; and
- (d) an aggregate of 1,378,678,330 KOG and PGEO Consideration Shares were issued on 1 January 2005.

Given that the proforma financial effects presented below are proforma in nature and only for illustrative purposes, they do not represent the actual financial position and/or results of the Wilmar Group immediately after the completion of the Proposed KOG and PGEO Acquisitions. No adjustments have been made to align differences resulting from the adoption of accounting policies by the Wilmar Group, the KOG Group and the PGEO Group.

8.1 Share Capital

	Before the Proposed KOG and PGEO Acquisitions	Immediately after the Proposed KOG and PGEO Acquisitions
<i>As at 31 December 2005</i>		
Number of Wilmar Shares	2,176,555,000	3,555,233,330
<i>As at 31 December 2006</i>		
Number of Wilmar Shares	2,532,805,000	3,911,483,330

8.2 NTA

	Before the Proposed KOG and PGEO Acquisitions	Immediately after the Proposed KOG and PGEO Acquisitions
<i>As at 31 December 2005</i>		
Consolidated NTA (US\$'000) ⁽¹⁾	231,828	533,225
Number of Wilmar Shares ('000)	2,176,555	3,555,233
NTA per Wilmar Share (US cents)	10.65	15.00
<i>As at 31 December 2006</i>		
Consolidated NTA (US\$'000) ⁽¹⁾	550,255	998,300 ⁽²⁾
Number of Wilmar Shares ('000)	2,532,805	3,911,483
NTA per Wilmar Share (US cents)	21.73	25.52 ⁽²⁾

Notes:-

- (1) The NTA used in the table above does not take into account minority interests.
- (2) KOG redeemed 3,700,000 preference shares at the issue price of S\$14.40 per preference share on 28 March 2007. After adjusting for the redemption, the consolidated NTA of the Wilmar Group and NTA per Wilmar Share as at 31 December 2006 immediately after the Proposed KOG and PGEO Acquisitions will be US\$924,438,000 and US 23.63 cents respectively.

LETTER TO SHAREHOLDERS

8.3 Earnings

	Before the Proposed KOG and PGEO Acquisitions	Immediately after the Proposed KOG and PGEO Acquisitions
<i>For FY2005</i>		
Earnings (US\$'000) ⁽¹⁾	58,048	89,411
Number of Wilmar Shares ('000)	2,176,555	3,555,233
Earnings per Wilmar Share (US cents)	2.67	2.51
<i>For FY2006</i>		
Earnings (US\$'000) ⁽¹⁾	104,612	226,121
Number of Wilmar Shares ('000)	2,532,805	3,911,483
Earnings per Wilmar Share (US cents)	4.13	5.78

Note:-

(1) The earnings attributable to Shareholders used in the table above do not take into account minority interests.

LETTER TO SHAREHOLDERS

8.4 Gearing ratios

	Before the Proposed KOG and PGEO Acquisitions	Immediately after the Proposed KOG and PGEO Acquisitions
<i>As at FY2005</i>		
Total borrowings (US\$'000) ⁽¹⁾	689,718	1,527,155
Cash and cash equivalents (US\$'000)	19,512	97,610
Shareholders' fund (US\$'000) ⁽¹⁾	266,415	1,833,678
Gross Gearing (times) ⁽¹⁾	2.59	0.83
Net Gearing (times) ⁽¹⁾	2.52	0.78
<i>As at FY2006</i>		
Total borrowings (US\$'000) ⁽¹⁾	759,591	1,504,564
Cash and cash equivalents (US\$'000)	43,980	136,853 ⁽²⁾
Shareholders' fund (US\$'000) ⁽¹⁾	584,842	2,242,251
Gross Gearing (times) ⁽¹⁾	1.30	0.67
Net Gearing (times) ⁽¹⁾	1.22	0.61 ⁽²⁾

Notes:-

- (1) The expression "total borrowings" means the aggregate of liabilities arising out of borrowings from banks and financial institutions. The expression "Shareholders' funds" refers to the aggregate of the issued and paid-up share capital, capital and other reserves of the Wilmar Group and excludes minority interests. "Gross gearing" is computed based on the ratio of total borrowings to Shareholders' funds and "net gearing" is computed based on the ratio of total borrowings less cash and cash equivalents to Shareholders' funds.
- (2) KOG redeemed 3,700,000 preference shares at the issue price of S\$14.40 per preference share on 28 March 2007. Upon the redemption, KOG's cash is reduced by S\$56,663,333 (equivalent to approximately US\$36,931,000 based on the exchange rate of S\$1.5343 per US\$). After adjusting for the redemption, the cash and cash equivalents and net gearing of the Wilmar Group as at FY2006 immediately after the Proposed KOG and PGEO Acquisitions will be US\$99,922,000 and 0.63 times respectively.

LETTER TO SHAREHOLDERS

9. RESULTING SHAREHOLDINGS OF WILMAR FOLLOWING THE PROPOSED KOG AND P GEO ACQUISITIONS

Based on the shareholdings of Wilmar as at the Latest Practicable Date, Wilmar's shareholdings before and immediately after the Proposed KOG and P GEO Acquisitions as well as immediately after the KG Merger and IPT Acquisitions are tabulated below:-

	Before the			Immediately after the			Immediately after the		
	Proposed KOG and P GEO Acquisitions	Proposed KOG and P GEO Acquisitions	KG Merger and IPT Acquisitions	Proposed KOG and P GEO Acquisitions	KG Merger and IPT Acquisitions	KG Merger and IPT Acquisitions	Proposed KOG and P GEO Acquisitions	KG Merger and IPT Acquisitions	KG Merger and IPT Acquisitions
	Direct Interest	Deemed Interest	Deemed Interest	Direct Interest	Deemed Interest	Deemed Interest	Direct Interest	Deemed Interest	Deemed Interest
	Number	Number	Number	Number	Number	Number	Number	Number	Number
	of Shares	of Shares	of Shares	of Shares	of Shares	of Shares	of Shares	of Shares	of Shares
	(million)	(million)	(million)	(million)	(million)	(million)	(million)	(million)	(million)
	%	%	%	%	%	%	%	%	%
Directors									
Kuok Khoon Hong ⁽¹⁾	—	2,075.0	81.9	—	2,075.0	53.1	—	3,097.5	48.5
Martua Sitorus ⁽¹⁾	—	2,075.0	81.9	—	2,075.0	53.1	—	3,097.5	48.5
Chua Phuyay Hee	—	—	—	—	—	—	—	—	—
Teo Kim Yong	—	—	—	—	—	—	—	—	—
William Henry Camp	—	—	—	—	—	—	—	—	—
Yu Hung Yen, Stephen (alternate to William Henry Camp)	—	—	—	—	—	—	—	—	—
Yeo Teng Yang	—	—	—	—	—	—	—	—	—
Leong Horn Kee	—	—	—	—	—	—	—	—	—
Tay Kah Chye	—	—	—	—	—	—	—	—	—
Kwah Thiam Hock	—	—	—	—	—	—	—	—	—
Substantial shareholders (other than Directors)									
WHPL ⁽¹⁾	2,075.0	81.9	—	2,075.0	53.1	—	3,097.5	48.5	—
Wilmar International Holdings Limited ⁽¹⁾	—	2,075.0	81.9	—	2,075.0	53.1	—	3,097.5	48.5
ADML ⁽¹⁾	—	2,075.0	81.9	—	2,075.0	53.1	427.2	3,097.5	48.5
ADM ⁽¹⁾	—	2,075.0	81.9	—	2,075.0	53.1	—	3,524.7	55.2
Golden Parklane Limited ⁽¹⁾	—	2,075.0	81.9	—	2,075.0	53.1	—	3,097.5	48.5
PPBG ⁽²⁾	—	—	—	—	592.7	15.2	—	592.7	15.2
FFM ⁽²⁾	—	—	—	474.2	12.1	3.0	474.2	118.5	3.0
Kuok (Singapore) Limited ⁽²⁾	—	—	—	218.3	5.6	—	218.3	3.4	—
Harpole Resources Limited ⁽²⁾	—	—	—	545.8	14.0	—	545.8	8.6	—
Other shareholders ⁽³⁾	29.3	1.2	—	169.6	4.3	—	169.6	2.7	—
Public shareholders	428.5	16.9	—	428.5	11.0	—	883.5 ⁽⁴⁾	13.8	—
Total	2,532.8	100.0		3,911.4	100.0*		6,385.7	100.0	

* Numbers do not add up due to rounding

LETTER TO SHAREHOLDERS

Notes:-

- (1) WHPL, a subsidiary of Wilmar International Holdings Limited ("WIHL"), owns 2,075,000,000 Shares in the share capital of Wilmar. Pursuant to Section 7(6) of the Companies Act, WIHL is deemed to be interested in such Shares. Accordingly, Mr Kuok Khoon Hong, Mr Martua Sitorus, ADML, ADM and Golden Parklane Limited are also deemed interested in such shares via their interests in WIHL. ADML is a subsidiary of ADM. Assuming all the Wilmar Shares under the IPT Acquisitions (to the extent entered into with ADML and its affiliates) are allotted and issued to ADML, ADM is deemed to be interested in the Wilmar Shares held by ADML in Wilmar.
- (2) Assuming 100% acceptance of the VGO and immediately after the KG Merger and IPT Acquisitions, the Kuok Group (comprising PPBG, the KOG Vendors and FFM) will own directly and indirectly approximately 31.0% of the issued share capital of Wilmar. FFM is wholly owned by PPBG while Buxton is wholly owned by FFM. Accordingly, PPBG is deemed to be interested in the Wilmar Shares held by FFM and Buxton. Pursuant to the letters of offer for the Proposed KOG and PGEO Acquisitions, the KOG and PGEO Consideration Shares may be issued to the respective vendors or to such nominee(s) as they may direct.
- (3) Dalex Investments Limited ("**Dalex**") a Kuok Group company, held 29,250,000 Wilmar Shares before the Proposed KOG and PGEO Acquisitions. Immediately after the Proposed KOG and PGEO Acquisitions and immediately after the KG Merger and the IPT Acquisitions, Dalex, Greenacres Limited and Buxton will collectively hold 169,592,877 Wilmar Shares.
- (4) Includes the public shareholders of PPBOP pursuant to the VGO and assuming 100% acceptance by the PPBOP shareholders. The public float of Wilmar is dependent on the acceptance level of the VGO. In the event that the eventual public float of Wilmar falls below 10% after the KG Merger and the IPT Acquisitions, Wilmar intends to maintain its listing status and will undertake a compliance placement to satisfy the requisite free float requirements of the SGX-ST.

LETTER TO SHAREHOLDERS

10. WAIVER OF REQUIREMENT TO MAKE A GENERAL OFFER BY THE KUOK GROUP

10.1 Immediately after the KG Merger and the IPT Acquisitions:-

- (a) assuming 55.6% acceptance of the VGO (ie only PPBG accepts the VGO), WHPL and ADML, ADM China Holdings Ltd and Global Cocoa Holdings (collectively the “**ADM Group**”) will own an aggregate of approximately 59.4% of the issued share capital of Wilmar. The Kuok Group will own, directly and indirectly, approximately 33.3% of the issued share capital of Wilmar; and
- (b) assuming 100% acceptance of the VGO, WHPL and the ADM Group will own an aggregate of approximately 55.2% of the issued share capital of Wilmar. The Kuok Group will own, directly and indirectly, approximately 31.0% of the issued share capital of the Wilmar.

Under these circumstances, pursuant to Rule 14 of the Singapore Code on Takeovers and Mergers (the “**Code**”), the Kuok Group and its concert parties will trigger an obligation to make a mandatory takeover offer to acquire all the voting shares of Wilmar not owned by them, unless such obligation to make a general offer is waived by the Securities Industry Council (“**SIC**”).

10.2 On 5 January 2007, the Kuok Group sought a dispensation from the SIC for it and its concert parties from having to make a takeover offer for the Company. The SIC had on 15 March 2007 granted the Kuok Group and its concert parties the dispensation subject to the following conditions:-

- (a) that each of the ADM Group and WHPL:-
 - (i) submits to the SIC a written confirmation (the “**Relevant Confirmations**”) to the effect that it would not accept the offer which the Kuok Group would be obliged to make upon the issue of the Consideration Shares; and
 - (ii) states in the Relevant Confirmations the number of Wilmar Shares and the corresponding percentage of voting rights that it beneficially holds in Wilmar as of the date of the Relevant Confirmations;
- (b) the Kuok Group and persons acting in concert with it are not to procure WHPL and the ADM Group to acquire voting rights in Wilmar on their behalf for the purpose of giving the Relevant Confirmations;
- (c) the Kuok Group and persons acting in concert with it are not to offer any consideration, promise or inducement to WHPL and the ADM Group in return for the Relevant Confirmations;
- (d) Wilmar Shareholders are given the full facts in any document addressed to them in connection with the VGO and the KG Merger, in particular, their giving up their right to a general offer to be made by the Kuok Group at not less than the highest price paid by the Kuok Group or any person acting in concert with it for voting rights in the Company during the offer period and within 6 months prior to the commencement of the offer; and
- (e) the Relevant Confirmations are submitted to the SIC just before each issue of Consideration Shares to the Kuok Group that will cause the percentage of voting rights of Wilmar held by the Kuok Group to (i) increase to 30% or more; or (ii) increase by more than 1% in any 6-month period if the Kuok Group holds not less than 30% but not more than 50% of the voting rights of Wilmar at such time.

As at the Latest Practicable Date, conditions (a) and (e) have yet to be satisfied, and conditions (b), (c) and (d) are on-going obligations.

LETTER TO SHAREHOLDERS

Shareholders should accordingly note that if the Kuok Group acquires more than 30% of Wilmar, and the above conditions are satisfied, Shareholders would be giving up their right to a general offer to be made by the Kuok Group at not less than the highest price paid by the Kuok Group or any person acting in concert with it for voting shares in Wilmar during the offer period and within 6 months prior to the commencement of the offer period.

11. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS OF THE COMPANY

Mr Kuok Khoon Hong, Wilmar's Chairman and Chief Executive Officer, has a direct interest in 250 shares and a deemed interest in 3,218,350 shares in PPBG, the parent company of FFM, representing approximately 0.27% of the issued share capital of PPBG.

Save as disclosed above, none of the Directors or Controlling Shareholders of Wilmar has any interest, direct or indirect, in the Proposed KOG and PGEO Acquisitions.

12. DIRECTORS' RECOMMENDATION

Having considered the rationale for the Proposed KOG and PGEO Acquisitions, the KG Merger and the IPT Acquisitions, the Directors are of the opinion that the Proposed KOG and PGEO Acquisitions are in the interests of Wilmar. Accordingly, they recommend that Shareholders **vote in favour** of the ordinary resolutions set out in the Notice of EGM contained in this Circular.

13. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 33 of this Circular, will be held at Banyan Room, Lobby Level, Shangri-La Hotel, 22 Orange Grove Road, Singapore 258350 on 26 April 2007 at 10.30 a.m. (or as soon as practicable after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf, should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon and as soon as possible and, in any event, so as to arrive at the office of Tricor Barbinder Share Registration Services at 8 Cross Street #11-00 PWC Building Singapore 048424 not less than 48 hours before the time set for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he subsequently wishes to do so, in place of his proxy.

15. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by all the Directors (including those who have delegated detailed supervision of this Circular) and the Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the Latest Practicable Date and there are no material facts, the omission of which would make any statement in this Circular misleading.

Where information contained in this Circular has been extracted from published documents or publicly available sources (including, without limitation, information on the KOG Group and the PGEO Group), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources.

16. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

CIMB-GK, the financial adviser to the Company, confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, and based on information provided by or on behalf of the Company, the facts stated in this Circular (other than the information on the

LETTER TO SHAREHOLDERS

KOG Group and PGEO Group) are true and accurate in all material respects with regard to the Proposed KOG and PGEO Acquisitions, and that CIMB-GK is not aware of any material facts, the omission of which would make any statement in the Circular (other than the information on the KOG Group and PGEO Group) misleading in any material respect as at the Latest Practicable Date. Where information has been extracted from published documents or publicly available sources, the sole responsibility of CIMB-GK has been to ensure that such information has been accurately and correctly extracted from such sources.

17. MISCELLANEOUS

17.1 Consent

CIMB, as the financial advisers to the Company in respect of the Proposed KOG and PGEO Acquisitions, have given and have not withdrawn their written consent to the issue of this Circular with the inclusion of their names and all references thereto in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

17.2 Litigation

Neither the Company, nor its subsidiaries is engaged in any litigation as plaintiff or defendant in respect of any claims or amounts which are material in the context of the financial position or the business of the Company or its subsidiaries and the Directors have no knowledge of any proceedings which are pending or threatened against the Company or its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings which might materially affect the financial position or the business of the Company or its subsidiaries.

KOG and PGEO have each confirmed that as at the Latest Practicable Date, neither the KOG Group nor the PGEO Group respectively:-

- is engaged in any litigation as plaintiff or defendant in respect of any claims or amounts which are material based on the agreed threshold of US\$10,000,000; and
- there are no claims that may exceed US\$10,000,000 on a cumulative basis.

17.3 Documents Available for Inspection

Copies of the following documents are available for inspection at the registered office of the Company at 56 Neil Road, Singapore 088830, during normal business hours up to completion of the Proposed KOG and PGEO Acquisitions:-

- (a) the letters of offer and supplemental letters of offer to the KOG Vendors and FFM in relation to the Proposed KOG Acquisition;
- (b) the letter of offer to FFM in relation to the Proposed PGEO Acquisition;
- (c) the unaudited consolidated proforma financial statements of the Wilmar Group for the financial years ended 31 December 2003, 2004 and 2005;
- (d) the unaudited consolidated financial statements of the Wilmar Group for the financial year ended 31 December 2006;
- (e) letter of consent of CIMB referred to in section 17.1 above; and
- (f) the Memorandum and Articles of Association of the Company.

Yours faithfully,
For and on behalf of the Board

Kuok Khoon Hong
Chairman and Chief Executive Officer
Wilmar International Limited

APPENDIX I

CONSOLIDATED BALANCE SHEET OF THE KOG GROUP

	Unaudited As at 31 December 2006 US\$'000	Audited As at 31 December 2005 US\$'000
Assets		
Non-Current Assets		
Goodwill	34,027	47,606
Property, plant and equipment	377,197	346,835
Long-term investments	336	333
Subsidiaries	–	–
Associated companies	4,721	4,271
	416,281	399,045
Current Assets		
Inventories	663,746	546,091
Trade and other receivables	377,641	380,409
Cash and cash equivalents	92,195	68,777
	1,133,582	995,277
Total Assets	1,549,863	1,394,322
Equity and Liabilities		
Capital and Reserves		
Share capital	–	78,062
Share premium	274,886	163,490
	366,159	252,783
Reserves	366,159	252,783
Minority Interests	52,024	41,857
Total Equity	418,183	294,640
Non-Current Liabilities		
Loans from minority shareholders	12,718	13,413
Bank borrowings	75,205	201,067
	87,923	214,480
Current Liabilities		
Trade and other payables	443,273	310,723
Bank borrowings	594,046	571,801
Current tax payable	6,317	2,567
Dividend payable	121	111
	1,043,757	885,202
Total Equity and Liabilities	1,549,863	1,394,322

APPENDIX II

CONSOLIDATED BALANCE SHEET OF THE PGEO GROUP

	Unaudited As at 31 December 2006 RM	Audited As at 31 December 2005 RM
Non-Current Assets		
Property, plant and equipment	279,537,256	247,275,132
Investment in associated companies	45,706,617	45,843,114
Other investment	37,000	37,000
Deferred tax asset	59,563	-
	325,340,436	293,155,246
Current Assets		
Inventories	517,903,343	515,699,501
Trade receivables	610,781,842	178,871,225
Sundry receivables, deposits and repayments	40,029,422	24,219,098
Amounts owing by immediate holding company	7,330,378	8,410,209
Amounts owing by associated company	8,758	764,034
Amounts owing by related companies	894,408	1,000,319
Current tax asset	8,084,129	10,546,189
Fixed deposits	5,846,700	33,966,700
Cash and bank balances	2,392,223	1,205,399
	1,193,271,203	774,682,674
Total Assets	1,518,611,639	1,067,837,920
Financed by:-		
Equity		
Share capital	100,000,002	100,000,002
Share premium	32,610,126	32,610,126
Exchange fluctuation reserve	(1,050,271)	(1,512,045)
Unappropriated profit	490,868,442	420,717,547
	622,428,299	551,815,630
Equity attributable to equity holders of the Company	622,428,299	551,815,630
Minority interests	1,644,350	1,221,780
	624,072,649	553,037,410
Non-Current Liabilities		
Bank term loan	2,304,078	3,837,096
Deferred tax liabilities	22,303,793	30,507,252
	24,607,871	34,344,348
Current Liabilities		
Trade payables	253,624,908	160,498,346
Sundry payables and accruals	65,167,152	46,126,548
Amounts owing to holding companies	144,347,884	8,291
Amounts owing to associated companies	91,762,037	5,678,837
Amounts owing to related companies	36,996,963	23,456,399
Current tax liabilities	13,034,356	4,869,468
Bank borrowings	264,899,611	237,352,896
Bank overdrafts	98,208	2,465,377
	869,931,119	480,456,162
Total Liabilities	894,538,990	514,800,510
Total Equity and Liabilities	1,518,611,639	1,067,837,920

NOTICE OF EXTRAORDINARY GENERAL MEETING

WILMAR INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199904785Z)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Wilmar International Limited will be held at Banyan Room, Lobby Level, Shangri-La Hotel, 22 Orange Grove Road, Singapore 258350 on 26 April 2007 at 10.30 a.m. (or as soon as practicable after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m on the same day and at the same place) for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications, as Ordinary Resolutions:-

ORDINARY RESOLUTION (1) – THE PROPOSED KOG ACQUISITION AND PROPOSED ISSUE OF KOG CONSIDERATION SHARES

THAT the Proposed KOG Acquisition and the Proposed Issue of KOG Consideration Shares be and are hereby approved.

ORDINARY RESOLUTION (2) – THE PROPOSED PGEO ACQUISITION AND PROPOSED ISSUE OF PGEO CONSIDERATION SHARES

THAT the Proposed PGEO Acquisition and the Proposed Issue of PGEO Consideration Shares be and are hereby approved.

FURTHER THAT the Directors of the Company and each of them be and are hereby authorised and empowered to complete and do all such acts and things, including executing any documents and amending or modifying the terms of any document as they or he may consider necessary, desirable or expedient in connection with or for the purposes of giving full effect to these Resolutions as they or he think(s) fit in the interests of the Company.

All capitalised terms used in this Notice which are not defined herein shall have the same meanings ascribed to them in the Circular dated 10 April 2007 to Shareholders.

BY ORDER OF THE BOARD
Wilmar International Limited

Kuok Khoon Hong
Chairman and Chief Executive Officer
Singapore
10 April 2007

Notes:-

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one proxy or two proxies (or in the case of a corporation, appoint its authorised representative or proxy) to attend and vote on his behalf. A proxy need not be a member of the Company.
- (2) The instrument or form appointing a proxy, duly executed, must be deposited at the office of Tricor Barbinder Share Registration Services at 8 Cross Street #11-00 PWC Building Singapore 048424, not less than 48 hours before the time appointed for holding the Extraordinary General Meeting in order for the proxy to be entitled to attend and vote at the Extraordinary General Meeting.

This page has been intentionally left blank.

PROXY FORM

WILMAR INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199904785Z)

Important

1. For shareholders who have used their CPF monies to buy WILMAR INTERNATIONAL LIMITED shares, the Circular is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____

of _____

being a *member/members of Wilmar International Limited (the "**Company**"), hereby appoint

Name _____

Address _____

NRIC/Passport No. _____

Proportion of shareholdings to be represented by proxy (%) _____

** and/or (delete as appropriate)*

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf, and if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held at Banyan Room, Lobby Level, Shangri-La Hotel, 22 Orange Grove Road, Singapore 258350 on 26 April 2007 at 10.30 a.m. (or as soon as practicable the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m on the same day and at the same place) and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Extraordinary General Meeting as indicated with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

	For	Against
Ordinary Resolution (1)		
To approve of the Proposed KOG Acquisition and the Proposed Issue of the KOG Consideration Shares.		
Ordinary Resolution (2)		
To approve of the Proposed PGEO Acquisition and the Proposed Issue of the PGEO Consideration Shares.		

All capitalised terms used in this Proxy Form which are not defined herein shall have the same meanings ascribed to them in the Circular dated 10 April 2007 to Shareholders.

Dated this _____ day of _____ 2007

Total Number of Shares Held

Signature(s) of Member(s)/Common Seal

**Delete accordingly*

IMPORTANT Please read notes overleaf



PROXY FORM

Proxy Notes:-

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. This instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. This instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the office of Tricor Barbinder Share Registration Services at 8 Cross Street #11-00 PWC Building Singapore 048424 not later than 48 hours before the time set for the Extraordinary General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Extraordinary General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Extraordinary General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Extraordinary General Meeting.