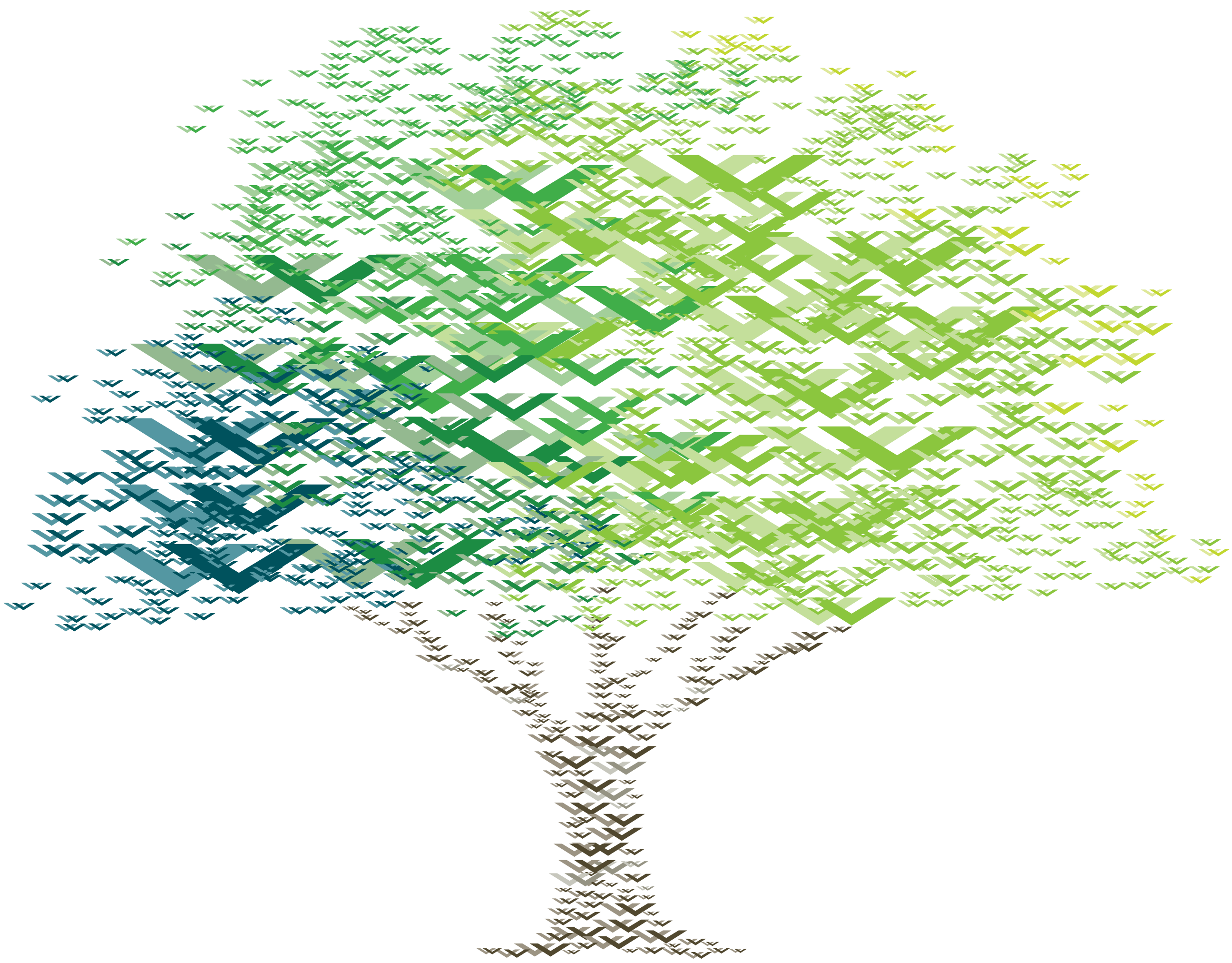


GROWING
IN CHALLENGING
TIMES

ANNUAL REPORT 2008

Contents

WILMAR INTERNATIONAL LIMITED, founded in 1991, is Asia's leading agribusiness group. Our business activities include oil palm cultivation, edible oils refining, oilseeds crushing, consumer pack edible oils processing and merchandising, specialty fats, oleochemicals and biodiesel manufacturing, and grains processing and merchandising.

Headquartered in Singapore, our operations are located in more than 20 countries across four continents, with a primary focus on Indonesia, Malaysia, China, India and Europe. Backed by a staff force of more than 70,000 people, over 170 processing plants and an extensive distribution network, our products are sold to more than 50 countries globally.


RUSSIA
NETHERLANDS
UKRAINE
GERMANY
SPAIN
UNITED STATES OF AMERICA
IVORY COAST
GHANA
UGANDA
KENYA
TANZANIA
MOZAMBIQUE
SOUTH AFRICA
LEGEND
New Operations
Existing Operations

We Invest · You Harvest

LEADERSHIP POSITION

Wilmar International Limited is Asia's leading agribusiness group. Founded in 1991, the Group is today amongst the largest listed companies by market capitalisation on the Singapore Exchange.

Wilmar is the largest processor and merchandiser of palm and lauric oils globally. We are one of the largest plantation companies in Indonesia and Malaysia, and the largest palm biodiesel manufacturer in the world. In China, we are a leading merchandiser of consumer pack edible oils as well as a leading oilseeds crusher, edible oils refiner, and specialty fats and oleochemicals manufacturer. In India, we are one of the largest edible oils refiners and a leading producer of consumer pack edible oils. Wilmar is also the leading importer of edible oils into East Africa as well as the leading edible oils refiner in Ukraine.

We have built a strong platform for growth and see many opportunities in our traditional core business and related new businesses.

INTEGRATED BUSINESS MODEL

Wilmar's business activities extend across the entire value chain from origination, to processing, merchandising and distribution. Our integrated business model enhances our competitiveness and resilience against changing market conditions.

Our large and integrated manufacturing operations benefit from economies of scale and operational synergies. We have an in-house fleet of vessels to facilitate our shipping needs, and ports and jetties located next to our manufacturing complexes to minimise logistics cost. Our global distribution and marketing network allows us to reach a wide base of customers and provides excellent marketing information. With integration, we are able to extract margins at every step of the value chain and be the lowest cost producer providing the highest quality products and services.

Integrated Agribusiness Model

Origination

▼

Processing

▼

Bulk Edible Oils	Consumer Pack Edible Oils	Oilseeds Meal	Specialty Fats	Oleo-chemicals	Other Products: Rice, Flour, Biodiesel

▼

Merchandising, Shipping & Distribution

▼

Customers

STRONG MANAGEMENT

Wilmar's rapid growth into a leading agribusiness group has been driven by our strong management, supported by our proven team of people.

Over the years, our management team has successfully identified opportunities and developed businesses. Under their stewardship, Wilmar has grown rapidly from a palm oil trading company to a leading player in agribusiness. Today, the Group has more than 170 processing plants across Indonesia, Malaysia, China and Europe, and a distribution reach spanning over 50 countries. Our management team has extensive industry experience and has steered the Group through previous economic cycles.

The Wilmar team has proven capabilities and cohesiveness. Our people are hardworking and willing to take on the challenge of going to distant lands to develop our business. We are able to assimilate people of diverse cultures into one unified team. Our singular pursuit of a common goal has helped us to achieve continued growth.

GROWTH BEYOND ASIA

Wilmar's business has significant growth potential. Despite the current challenging global environment, Wilmar continues to invest for longer term growth to meet increasing demand in our core markets and to tap opportunities in newer markets and related processed agricultural commodities.

Asia's demand for processed agricultural commodities is robust, driven by high economic growth, large population base and low per capita consumption. We are expanding our operations in China and India to tap this rising demand. In China, we are also expanding into other processed agricultural commodities to leverage on our existing infrastructure and capabilities. In Indonesia, we will continue to grow our plantation acreage.

Beyond Asia, Wilmar will continue to invest in emerging markets with strong agribusiness potential such as Africa, Russia, CIS and Eastern Europe. We are expanding the capacities of our joint ventures to capture a greater share of these growing markets, especially in Africa and Russia. In Western Europe, demand for trans-fat free palm oil is growing due to its price competitiveness and increasing health concerns. Wilmar is expanding in scale to meet this growing demand.

SUSTAINABLE DEVELOPMENT

Wilmar is committed to sustainable growth, balancing economic viability with environmental and social responsibility.

Wilmar is firmly committed to the production of sustainable palm oil. We have been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2005 and were one of the first members to receive RSPO certification for three of our palm oil mills. We continue to make significant investments in projects to mitigate greenhouse gas emissions. From biomass energy plants to methane-capture projects, we seek to be a leader in employing solutions at the forefront of technology to minimise our carbon footprint.

As Wilmar progresses, we strive to improve the economic and social well-being of our local communities. Through healthcare development and education programmes, we hope to help the people around us and future generations improve their living standards.

CHAIRMAN'S STATEMENT

Financial Year in Review

Wilmar performed well in 2008, despite volatile commodity prices and the global financial crisis. Net profit rose 163.8% to a record US$1.5 billion in FY2008 compared to US$580.4 million in FY2007. Revenue increased by 77.0% to US$29.1 billion. All business segments of the Group and joint ventures performed well. Our focus and continued investments in building a resilient integrated business in staple agricultural commodities, coupled with prudent risk management and a strong financial position, have enabled us to do well in difficult market conditions.

Earnings per share increased by 87.3% to 23.98 US cents in FY2008 compared to 12.80 US cents a year ago. The strong financial performance continued to improve the Group's balance sheet. Total assets grew 15.2% to US$17.9 billion while shareholders' funds increased by US$1.8 billion to US$9.6 billion, as at 31 December 2008. Net gearing reduced sharply to 0.25x at the end of FY2008 compared to 0.52x the year before.

Dividends

A final dividend of S$0.045 per share has been proposed for FY2008. Together with the interim dividend of S$0.028 per share paid on 12 December 2008, the total dividend for FY2008 will be S$0.073 per share.

Investing In Growth

In 2008, we continued to invest and broaden our manufacturing infrastructure to capture long term growth opportunities, particularly in Asia. Collectively, there are some 2.7 billion people or 40% of the world's population in China, India and Indonesia. With their continued economic development, these countries are poised to grow from their low consumption bases into large markets for processed agricultural commodities.

In China, we expanded our manufacturing capacities to meet increased demand. The higher production volume together with additional investments to our existing infrastructure for origination, manufacturing and distribution, helped to further enhance scale and cost efficiencies.

In India, our joint ventures continued to perform well. We expanded our crushing and refining operations in existing and new locations to meet increased demand for edible oils, specialty fats and other processed agricultural products.

Our increased processing capacities in palm oil milling, palm kernel crushing, refining and fertiliser manufacturing have enabled Wilmar to benefit from the rise in crude palm oil output in Indonesia. We continued to expand our oil palm planted acreage to approximately 223,000 hectares.

In addition, we have about 33,000 hectares under the smallholders scheme.

Beyond Asia, we expanded our capacities in The Netherlands and Germany to meet growing palm oil demand for food and non-food uses. We increased our investment in Africa, where our joint venture continued to develop its palm plantations, processing and merchandising businesses. The Group's joint venture in Russia and Ukraine continued to grow in its markets.

Sustainable Development

In December 2008, the Group was awarded the Roundtable on Sustainable Palm Oil (RSPO) certification for three palm oil mills, with a supply base of four plantations. This achievement is an important milestone in our sustainable development roadmap.

We are committed towards achieving full certification for all our plantations and mills, in accordance with the rigorous standards of the RSPO Principles and Criteria.

Outlook and Prospects

Amid uncertainties in the global economic environment, we will persist with ongoing efforts to drive cost efficiencies through greater integration and economies of scale. The relative resilience in the demand for staple food commodities together with the strengths of our balance sheet and integrated business model will enable us to weather the challenges ahead. Longer term prospects remain bullish given the rising demand for our key products in existing markets as well as opportunities in newer markets.

In Appreciation and Welcome

On behalf of the Board, I would like to thank Mr Kwok Kian Hai, who retired from the Board on 30 September 2008, for his many years of service and contribution to the Group. I would also like to extend a warm welcome to Mr Kuok Khoon Ho, who was appointed to our Board on 10 November 2008.

The strong financial results achieved during the year and continued success of the Group would not be possible without the steadfast support of our employees, customers, business partners and bankers. To each and everyone, I wish to express my heartfelt thanks.

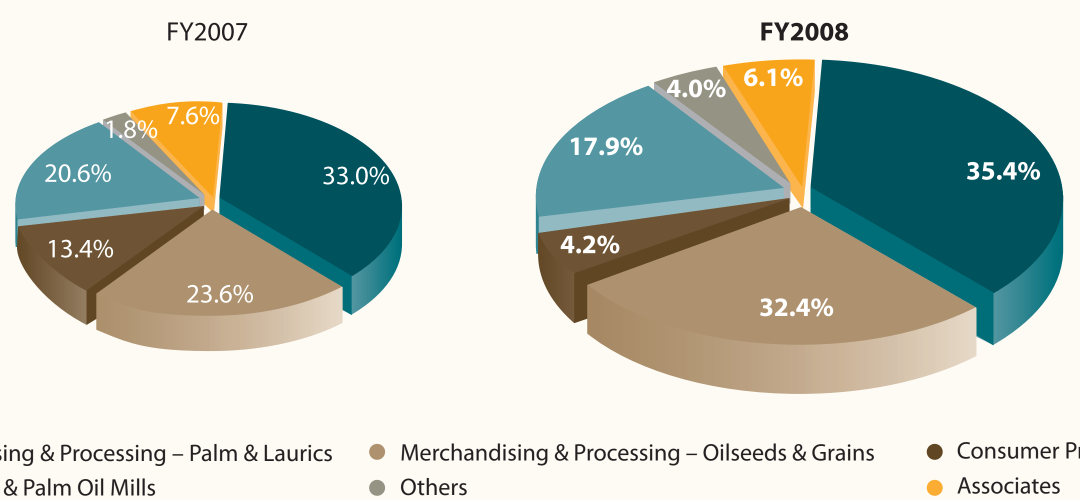
To our shareholders, I would like to thank you for your unfailing support and continued confidence.

Kuok Khoon Hong
Chairman & Chief Executive Officer
18 March 2009

FINANCIAL HIGHLIGHTS

	FY2008	FY2007	FY2006	FY2005
INCOME STATEMENT *(US$ million)*				
Revenue	**29,145**	16,466	7,016	4,652
EBITDA	**2,251**	1,122	450	153
Profit before tax	**1,789**	830	289	74
Net profit	**1,531**	580	216	58
Earnings per share – fully diluted *(US cents)*	**23.98**	12.80	9.31	2.67
Dividend per share *(Singapore cents)*	**7.3**	2.6	1.3	1.0
CASH FLOW *(US$ million)*				
Cash flow from operating activities	**3,231**	(1,025)	174	(52)
Capital expenditure	**1,107**	610	368	101
BALANCE SHEET *(US$ million)*				
Shareholders' funds	**9,606**	7,845	857	266
Total assets	**17,869**	15,507	3,853	1,569
Total liabilities	**7,894**	7,326	2,871	1,289
Net loans and borrowings	**2,390**	4,060	1,327	670
Net gearing (x)	**0.25**	0.52	1.55	2.52
Net asset value per share *(US cents)*	**150.44**	122.86	33.86	12.24
Net tangible assets per share *(US cents)*	**88.71**	61.26	32.35	10.65

Profit before tax by business segment



Notes :

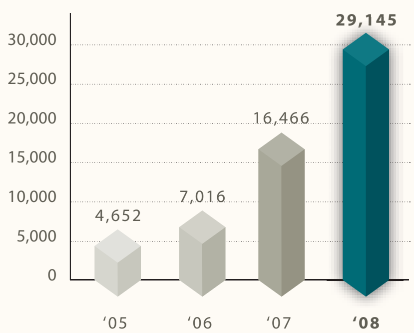
FY2007 and FY2008 – Results include IPT Assets [1] and KG Acquisition [2]

FY2006 – Results restated to include IPT Assets [1]

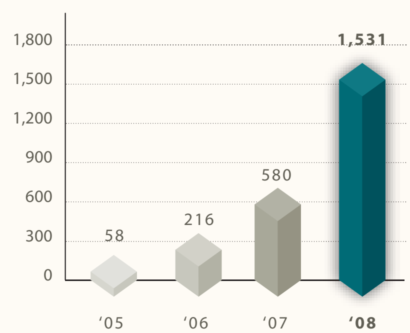
FY2005 – Pre-merger results only

Segmental breakdown calculation excludes unallocated expense and gains from biological assets revaluation.

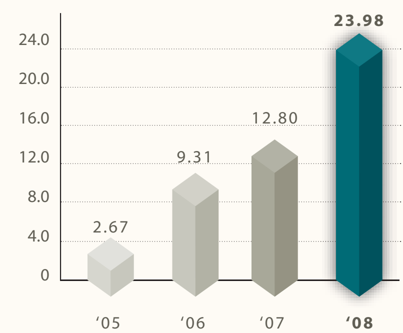
REVENUE
(US$ MILLION)



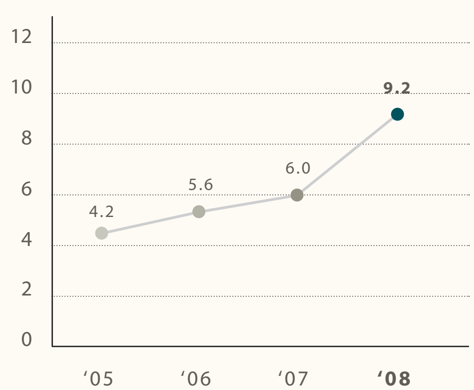
NET PROFIT
(US$ MILLION)



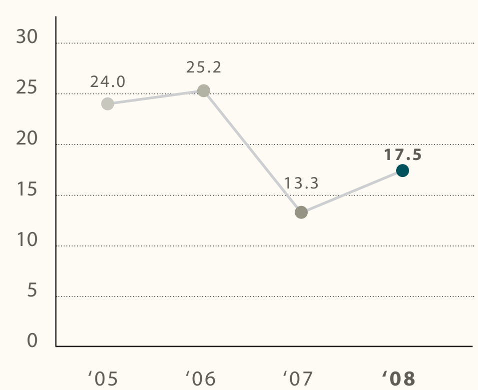
EARNINGS PER SHARE
(US CENTS)



RETURN ON AVERAGE ASSETS (%)



RETURN ON AVERAGE EQUITY (%)



Notes :

Return on Average Equity dropped in FY2007 due to the enlarged equity base arising mainly from the issue of 3.8 billion shares for the merger and acquisition of the IPT Assets[1] and KG Acquisition[2] in FY2007.

[1] IPT Assets refer to the edible oils, oilseeds, grains and related businesses of Wilmar Holdings Pte Ltd, a controlling shareholder, including interests held by Archer Daniels Midland Asia Pacific and its subsidiaries.

[2] KG Acquisition refers to the Kuok Group's palm plantation, edible oils, grains and related businesses comprising Kuok Oils & Grains Pte Ltd, PGEO Group Sdn Bhd and PPB Oil Palms Berhad.

BOARD OF DIRECTORS

KUOK KHOON HONG

Chairman and Chief Executive Officer

Mr Kuok Khoon Hong, 59, is the Chairman and Chief Executive Officer of the Group. He is in charge of overall management of the Group with a particular focus on new business development. He has extensive experience in the industry and has been involved in the grains, edible oils and oilseeds businesses since 1973. Mr Kuok has completed many projects involving the establishment of oil palm plantations in Asia and the processing of grains, edible oils and oilseeds. He has held several key executive positions in various companies, including General Manager of Federal Flour Mills Bhd from 1986 to 1991, and Managing Director of Kuok Oils & Grains Pte Ltd from 1989 to 1991. Mr Kuok graduated from the then University of Singapore with a Bachelor of Business Administration degree. Mr Kuok was appointed on 24 March 2006 and was re-elected on 28 April 2006.

MARTUA SITORUS

Executive Director and Chief Operating Officer

Mr Martua Sitorus, 49, is the Chief Operating Officer of the Group. He is in charge of the plantation, manufacturing, palm and bio-diesel trading operations of the Group. Mr Sitorus has been instrumental in the development of the Group's business operations in Indonesia. He holds a degree in economics from HKBP Nomensen University in Medan, Indonesia. Mr Sitorus was appointed on 14 July 2006 and was last re-elected on 29 April 2008.

CHUA PHUAY HEE

Executive Director

Mr Chua Phuay Hee, 55, is in charge of Finance and Corporate Services, which include Finance, Corporate Secretarial, Legal, Information Technology, Risk Management and Investor Relations. He joined the Group in 2002. His past positions include Chief Financial Officer and Chief Risk Officer of Keppel TatLee Bank Ltd, Singapore. Prior to that, he spent 9 years with the Monetary Authority of Singapore in various capacities

From left to right:
Standing
Chua Phuay Hee, Leong Horn Kee, Lee Hock Kuan, Teo Kim Yong, Kuok Khoon Ho, Kwah Thiam Hock
Seated
Yeo Teng Yang, John Daniel Rice, Kuok Khoon Hong, Martua Sitorus, Tay Kah Chye

relating to insurance regulation, human resource management and securities industry regulation. He is a director of Industrial Bank Co., Ltd., a company listed on the Shanghai Stock Exchange. Mr Chua received his Masters of Science (Actuarial Science) degree from Northeastern University, Boston, USA, and a Bachelor of Science (First Class Honours) degree in Mathematics from the then Nanyang University, Singapore. Mr Chua was appointed on 24 March 2006 and was last re-elected on 29 April 2008.

TEO KIM YONG

Executive Director

Mr Teo Kim Yong, 55, is in charge of commercial activities and the Group's merchandising of palm and lauric oils. Mr Teo joined the Group in 1992 and has extensive experience in the merchandising of edible products. His past positions include Marketing Manager of Sime Darby Edible Products and International Marketing Manager of Hwa Hong Oil Industries. He also served as a director of Gardner Smith, Singapore, Marketing Director of Keck Seng Pte Ltd and Managing Director of Kimlimco Pte Ltd. Mr Teo graduated from the then University of Singapore with a Bachelor of Business Administration degree. Mr Teo was appointed on 14 July 2006 and was last re-elected on 29 April 2008.

LEE HOCK KUAN

Executive Director

Mr Lee Hock Kuan, 55, is Vice Chairman and Head of Southern Region, China Division and Group Head of Consumer Pack & Specialty Fats. He has been a Director of Kuok Oils & Grains Pte Ltd since 1997. Mr Lee was responsible for starting the Kuok Group's first vegetable oil refinery in China in 1988. He has extensive experience in the overall management and strategic operations in the edible oils, oilseeds and grains businesses, especially in China where he has been posted for almost 20 years. Mr Lee holds a Masters Degree in International Business Management from Australian National University. Mr Lee was appointed on 2 July 2007 and was re-elected on 29 April 2008.

BOARD OF DIRECTORS

KUOK KHOON EAN

Non-Executive Director

Mr Kuok Khoon Ean, 53, is a Director of Kuok (Singapore) Limited, Kuok Brothers Sdn Berhad, Kerry Group Limited and Kerry Holdings Limited. He is the Executive Chairman of Shangri-La Asia Limited, director of SCMP Group Limited and independent non-executive director of The Bank of East Asia, Limited, all of which are listed companies in Hong Kong. He has served on various statutory bodies in Singapore, namely the Sentosa Development Corporation from 1993 to 2000, the Singapore Trade Development Board from 1995 to 1998 and the Singapore Tourism Board from 2000 to 2001. He has also served on the Board of Trustees of the Singapore Management University (SMU) from 2000 to 2005, and was re-appointed a member of the Board from 2006 to 2011. Mr Kuok holds a Bachelor of Economics degree from Nottingham University, UK. Mr Kuok was appointed on 2 July 2007 and was re-elected on 29 April 2008.

KUOK KHOON HO

Non-Executive Director

Mr Kuok Khoon Ho, 58, is the Chairman of Kuok Brothers Sdn Berhad. He has previously held senior management positions with several local and international organizations including being the Managing Director of Television Broadcasts Ltd, Vice-Chairman of Kerry Holdings Limited and Deputy Chairman of Shangri-La Asia Limited. Mr Kuok has extensive international experience in hotel management, property development and corporate management. He holds a Bachelor of Commerce degree from McGill University in Canada. Mr Kuok was appointed on 10 November 2008 and is eligible for re-election at the forthcoming Annual General Meeting of the Company.

JOHN DANIEL RICE

Non-Executive Director

Mr John Daniel Rice, 55, is the Executive Vice President for Commercial and Production of Archer Daniel Midland Company (ADM), a company listed on the New York Stock Exchange. He also serves on ADM's Strategic Planning Committee. Mr Rice joined ADM in 1976 and has more than 30 years of agribusiness experience. Within ADM, he has held various senior management positions within the processing division, including President, North American Oilseeds and Food Oils; Senior Vice President, Global Corn Processing, BioProducts and Food; and Executive Vice President, Global Marketing and Risk Management. He was named Executive Vice President, Commercial and Production in August 2007. He holds a Bachelor of Arts degree from the University of Saint Thomas, USA. Mr Rice is currently a member of the Alfred C. Toepfer International Board. Mr Rice was appointed on 1 January 2008 and was re-elected on 29 April 2008.

YEO TENG YANG

Lead Independent Director

Mr Yeo Teng Yang, 67, is the lead independent director. He currently sits on the boards of various companies as a non-executive director, including United International Securities Ltd, Singapore. Mr Yeo has extensive experience in banking and finance. From 1995 to 2000, he was the Senior Executive Vice-President with United Overseas Bank Ltd, Singapore, and held several responsibilities in the bank's international banking business, treasury, stockbroking, fund management, risk management and corporate services. He also served as a Board Member of Korea First Bank, South Korea, from 2000-2005. Mr Yeo holds a Bachelor of Social Sciences degree from the then University of Singapore and a Masters degree in Economics and Finance from Yale University, USA. Mr Yeo was appointed on 14 July 2006 and was re-elected on 26 April 2007.

LEONG HORN KEE

Independent Director

Mr Leong Horn Kee, 56, has been an independent director since 2000 and was last re-elected on 26 April 2007. He is the Chairman/CEO of Capitalcorp Partners Pte Ltd and the Chairman of PeopleWorldwide Consulting Pte Ltd. He has extensive experience in both the public and private sectors. He has served in the Singapore Government's Administrative Service in the Ministry of Finance and Ministry of Trade and Industry, and has worked in various industries such as investments, venture capital, merchant banking, hotels, food and beverage, and property development. He was a Member of Parliament for 22 years from 1984 to 2006. He is currently Singapore's Non-resident Ambassador to Mexico and a member of the Securities Industry Council. Mr Leong holds a Production Engineering and Management degree (First Class Honours) from Loughborough University, UK; and an Economics (Honours) degree from the University of London, UK; and an MBA from INSEAD, France. In 2008, he completed a degree in Chinese Language and Literature from Beijing Normal University, China.

TAY KAH CHYE

Independent Director

Mr Tay Kah Chye, 62, is currently the Chairman and CEO of Monsoon Investments Holding Private Limited, a regional investment company, headquartered in Singapore. He is also the Honorary Adviser of ASEAN Bankers Association, a regional banking industry group. Prior to his retirement on 31 December 2007, Mr Tay was the President and Chief Executive Officer of ASEAN Finance Corporation Limited, a regional merchant bank based in Singapore and owned by various leading banks and financial institutions in ASEAN since 1991. Mr Tay has vast experience in banking and finance. Mr Tay was with Citibank N.A. Singapore Branch, where he started his banking career in 1973. His last held position in Citibank was Vice President and Head of its Corporate Marketing Group. During his 18 years with Citibank, he held various positions in banking operations, credit management and marketing. Mr Tay is a member on the board of directors of, among others, Chemical Industries (Far East) Ltd and the Cambodia Mekong Bank Public Limited Company. Mr Tay holds a Bachelor of Social Sciences in Economics degree from the then University of Singapore. Mr Tay was appointed on 14 July 2006 and was re-elected on 26 April 2007.

KWAH THIAM HOCK

Independent Director

Mr Kwah Thiam Hock, 62, sits on the board of various companies including IFS Capital Limited, Select Group Limited, Excelpoint Technology Ltd and SwissCo International Limited. He started his career in 1964 with the Port of Singapore Authority. From 1969 to 1970, he was an Assistant Accountant with the Singapore Textile Industries Limited. Subsequently, he served as the Secretary and Assistant Accountant in Singapore Spinners Private Limited from 1970 to 1973 and later in 1974, he moved on to become the Regional Accountant and Deputy Manager of its related company, IMC (Singapore). Mr Kwah left to join ECICS Holdings Ltd in 1976 and rose to become its President and Chief Executive Officer. He stepped down from ECICS Holdings Ltd in 2003 to assume the position of Principal Officer and Chief Executive Officer of ECICS Limited, a wholly-owned subsidiary of listed IFS Capital Limited. Mr Kwah retired from ECICS Limited in December 2006 but he remains as the Principal Officer/ Adviser to ECICS Limited. He is a Fellow, Certified Public Accountant of Australia, ICPAS and ACCA. He graduated from the then University of Singapore in 1973 with a Bachelor of Accountancy degree. Mr Kwah was appointed on 14 July 2006 and was re-elected on 26 April 2007.

KEY MANAGEMENT TEAM

Mr Kuok Khoon Hong
Chairman and Chief Executive Officer

Mr Martua Sitorus
Executive Director and Chief Operating Officer

Mr Chua Phuay Hee
Executive Director (Finance and Corporate Services)

Mr Teo Kim Yong
Executive Director (Commercial)

Mr Lee Hock Kuan
Executive Director (Vice Chairman and Head of Southern Region, China Division and Group Head of Consumer Pack & Specialty Fats)

Mr Goh Ing Sing
Head of Plantations Division

Mr Matthew John Morgenroth
Group Technical Head

Mr Hendri Saksti
Head of Operations, Indonesia

Mr Yee Chek Toong
Head of Operations, Malaysia

Mr Rahul Kale
Head of Biofuels & Oleochemicals

Mr Mu Yan Kui
Vice Chairman and Head of Northern Region & Grains Trading, China Division

Mr Niu Yu Xin
General Manager and Head of Central Region & Oils Trading, China Division

Mr Francis Heng Hang Song
Chief Financial Officer

Ms Sng Miow Ching
Group Financial Controller

Mr Low Soon Teck
Group Treasurer

Mr Patrick Tan Soo Chay
Head of Internal Audit

Mr Jeremy Goon
Group Head of Corporate Social Responsibility

Captain Kenny Beh Hang Chwee
Managing Director of Raffles Shipping Corporation Pte Ltd

CORPORATE INFORMATION

Board of Directors
Kuok Khoon Hong (Chairman)
Martua Sitorus
Chua Phuay Hee
Teo Kim Yong
Lee Hock Kuan
Kuok Khoon Ean
Kuok Khoon Ho
Appointed on 10 November 2008
John Daniel Rice
Yeo Teng Yang
Leong Horn Kee
Tay Kah Chye
Kwah Thiam Hock

Executive Committee
Kuok Khoon Hong (Chairman)
Martua Sitorus
Chua Phuay Hee
Teo Kim Yong

Audit Committee
Tay Kah Chye (Chairman)
Kwah Thiam Hock
Yeo Teng Yang

Nominating Committee
Kwah Thiam Hock (Chairman)
Kuok Khoon Hong
Tay Kah Chye

Remuneration Committee
Kwah Thiam Hock (Chairman)
Kuok Khoon Ean
Yeo Teng Yang
Leong Horn Kee

Risk Management Committee
Yeo Teng Yang (Chairman)
Kuok Khoon Hong
Leong Horn Kee

Company Secretary
Colin Tan Tiang Soon

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56 Neil Road, Singapore 088830
Telephone (65) 6216 0244
Facsimile (65) 6836 1709

Share Registrar
Tricor Barbinder Share Registration Services
8 Cross Street
#11-00 PWC Building
Singapore 048424
Telephone (65) 6236 3333
Facsimile (65) 6236 3405

Auditors
Ernst & Young LLP
One Raffles Quay
#18-01 North Tower
Singapore 048583
(Partner-in-Charge: Mr Max Loh Khum Whai)
Appointed on 14 July 2006

Key Bankers
Agricultural Bank of China
Bank of America, N.A.
Bank of China
Bank of Communications
China Construction Bank
CIMB Bank Berhad
DBS Bank Ltd
Hong Leong Bank Berhad
Industrial and Commercial Bank of China
ING Bank N.V.
Oversea-Chinese Banking Corporation Limited
PT Bank Central Asia, Tbk
PT Bank Mandiri (Persero), Tbk
Rabobank International
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ, Ltd
The Royal Bank of Scotland plc

Merchandising & Processing - Palm & Laurics

Wilmar is the largest global processor and merchandiser of palm and lauric oils, with a distribution network spanning more than 50 countries. Our products include RBD (refined, bleached and deodorised) palm oil, RBD palm olein, RBD palm stearin, RBD palm kernel oil, RBD palm kernel olein, RBD palm kernel stearin, crude palm oil (CPO), specialty fats, oleochemicals and biodiesel.

The Group owns processing plants in major palm producing countries like Indonesia and Malaysia as well as in consuming countries such as China, The Netherlands, Germany and Vietnam. Through joint ventures, Wilmar also owns processing plants in consuming countries like India, Russia, Ukraine, Uganda and Ivory Coast.

Industry trend in 2008

The year in review saw continued growth in palm oil production - Indonesia and Malaysia grew by about 12% to almost 38 million metric tonnes (MT) while global production was up by more than 11% to just under 44 million MT. Despite a volatile and challenging market

environment in the second half of 2008 (2H2008), palm oil consumption registered a healthy growth of around 12% to over 42 million MT in 2008, spurred by demands in the food and energy sectors. Key growth markets were China, India, the Middle East, Europe and the USA.

In the first half of 2008 (1H2008), demand was also supported by poor weather conditions which affected the supply of substitute crops. On the back of increased consumption and record high prices of crude oil and soft oils, the price of CPO hit a record high in March 2008. The initial reaction of buyers was to build up inventory on concerns of further price increases. As prices stayed high during the period, demand rationing set in towards the later part of 1H2008.

Prices dropped in 2H2008 due to the sharp fall in prices of crude oil and the global financial crisis. The operating environment turned challenging as buyers defaulted and the global financial turmoil resulted in tight credit availability.

Robust merchandising activities

During the year, the Group merchandised 19.4 million MT of palm and laurics, a 38.9% growth over 2007. The robust performance was attributed to the full year contribution of the merger with Kuok Group and market share gains. We expanded our downstream distribution and rationalised our marketing strategy with joint venture partners to better capture demand in the destination markets.

The challenging environment in 2H2008 did not cause much disruption to our operations. The Group continued to enjoy the support of our loyal customers and bankers.

Significant improvement in margins

The Group's pretax margins improved significantly to US$33.19 per MT in 2008 from US$18.47 per MT a year ago, resulting from an overall expansion in industry margins, timely purchases of raw materials and sales of products, prudent customer credit assessment and rigorous risk management. Higher production and greater efficiency in logistics planning also contributed to the improved margins.

Outlook and strategy

The Group's integrated business model, sizeable distribution network and strong balance sheet, coupled with the relative resilience in demand for staple food commodities will place us in a strong position to weather economic uncertainties in 2009.

We are positive about palm oil's longer term prospects due to the rising global demand for its food and non-food uses, backed by its versatility, price competitiveness and supply growth. In Indonesia and Malaysia, production is expected to grow by another 2 million MT in 2009, and to reach over 60 million MT within 10 years due mainly to the rapid acreage expansion in Indonesia. The Group's long term strategy is to grow our refining capacity in line with supply growth, to enhance our presence in key destination markets and to expand our capacities in the downstream processing of specialty fats, oleochemicals and biodiesel.

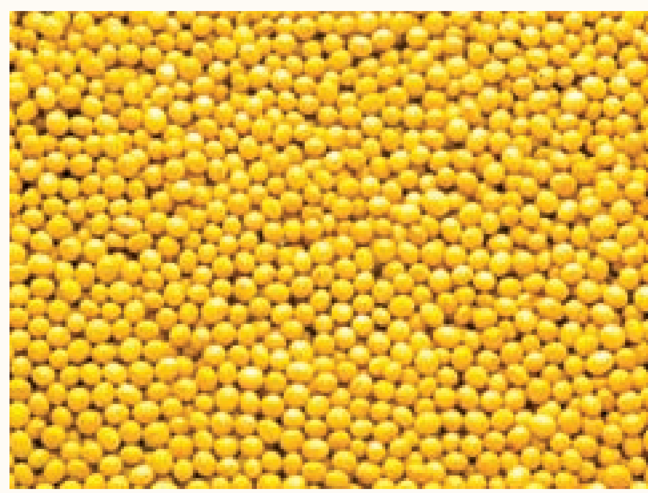
Merchandising & Processing - Oilseeds & Grains

Wilmar is a leading oilseeds crusher in China, where we process oilseeds like soybean, rapeseed, groundnut, cottonseed, sunflower seed and sesame seed into protein meal and edible oils. Protein meal is used primarily by feed millers to produce animal feed for hog, poultry and aquaculture industries. The edible oils produced are sold to our consumer products division as well as to third parties.

We also engage in the milling of wheat into wheat flour and wheat bran, as well as the milling of paddy into rice, rice bran and rice bran oil.

Industry trend in 2008

In 2008, total soybeans crushed in China was almost 40 million MT, representing a growth of about 10% while total major oilseeds crushed grew in the region of 5% to approximately 69 million MT. The growth in crush volume was achieved through a general increase in consumption in line with China's strong GDP performance. China's soybean meal consumption grew by 12% to just about 31 million MT in 2008 while total major protein meals consumption was up nearly 8% to over 47 million MT. The consumption of soybean oil increased almost 12% to about 10 million MT the same year.



In 1H2008, global prices of meal and oil surged in response to rising crude oil prices, strong demand for biodiesel and ethanol, as well as the farmers' strike in Argentina. The large inflow of funds into agricultural commodities futures and a weak US$ contributed further to the price increase.

2H2008 saw prices dropping, triggered by falling crude oil prices. The drop intensified following the massive financial meltdown, fears of a global recession, redemption in agricultural commodities funds and a strengthened US$. During this period, demand for meal in China remained fairly resilient due to its strong economic growth.

Strong volume growth

The Group merchandised a total of 13.3 million MT of oilseeds and grains products in 2008, a 22.7% growth over 2007. Despite the challenges in 2H2008, our operations were relatively unaffected given our financial strength and established risk management strategies.

Surge in margins

Pretax margins improved sharply to US$44.43 per MT in 2008 from US$17.06 per MT last year on the back of a general improvement in industry margins, and timely purchases of raw materials and sales of products.

Outlook and strategy

Despite the global recession, we believe that China's economy will continue to grow in 2009 and demand for staple food commodities will remain relatively resilient. In the longer term, with increasing affluence, consumers will demand better quality products. To meet this demand, the Group will continue to invest in research and development to produce better quality products. We will also persist with efforts to improve our cost structure in order to be the lowest cost producer of the highest quality products.

Despite the low margins from flour and rice milling, we will continue to invest in these businesses as they are complementary to the Group's existing operations.

Consumer Products

Together with our joint ventures, Wilmar produces consumer pack edible oils and markets them under our own brands in China, India, Indonesia, Vietnam and Bangladesh. We have a significant market share in each of these countries, making us the world's largest producer of consumer pack edible oils.

Consumer Products Industry Trend in 2008 – China

During the year, China's demand for consumer pack oils maintained its growth momentum given the country's strong economic performance and consumers' continued switch from loose to packed oil, especially in the second and third tier cities.

To manage inflation, the Chinese Government implemented temporary price intervention measures in January 2008, requiring approval for upward price adjustments of selected consumer food products including cooking oil. The measures were subsequently lifted in December 2008 when inflation was no longer a concern following the sharp drop in prices of commodities.

Volume increase contributed by merger

Combined sales from the Group's subsidiaries in China, Indonesia, Vietnam and Bangladesh reached over 3 million MT in 2008, an increase of 71.8% over 2007. We benefited from the full year contribution of the merger with Kuok Group compared to six months in 2007. Sales was also boosted by our marketing expertise, effective branding strategies, efficient cost structure arising from our integrated operations and purchasing strength.

Margins affected by price intervention

The Group's pretax margins deteriorated from US$59.09 per MT in 2007 to US$24.64 per MT in 2008. In China, margins were adversely affected by the Government's price intervention measures. Although approval was obtained for a 10% price increase in April 2008, we did not institute an increase as prices of edible oils feedstock had started softening by then.

The continued drop in feedstock prices resulted in improved margins in 2H2008 over 1H2008, despite downward adjustments to selling prices in August and October 2008.

Outlook and strategy

We are optimistic about the longer term prospects for consumer products due to economic growth, low per capita consumption and the switch from loose oil to packed oil in our key markets. We expect continued growth supported by our efficient manufacturing operations, strong brand portfolio, dynamic product development and marketing strategies, coupled with our expanding distribution network.

Plantations & Palm Oil Mills

Wilmar is a major oil palm plantation owner with plantations in both Indonesia – Sumatra and Kalimantan, and Malaysia – Sabah and Sarawak. Besides fresh fruit bunches (FFB) from our own plantations, the Group also processes FFB from third-party suppliers, including small landholders under the Plasma Programme developed by the Group. The Plasma Programme is a government initiative in Indonesia whereby plantation companies such as Wilmar, help to develop plantation plots for the small landholders.

The CPO and palm kernel produced by our palm oil mills are supplied primarily to our refineries and palm kernel crushing plants.

The Group also owns a 30% stake in a plantation in Uganda and has ventured into West Africa through a joint venture with Olam International Limited and SIFCA Group of Africa.

Planted area and age profile

As at 31 December 2008, our planted area was 223,258 hectares, comprising 160,805 hectares in Indonesia and 62,453 hectares in Malaysia. In Indonesia, we managed 33,867 hectares under the Plasma Programme.

Plantation Age Profile as at 31 December 2008

	Average age of palm					
(in hectares)	**Up to 3 yrs**	**4-6 yrs**	**7-14yrs**	**15-18 yrs**	**>18yrs**	**Total**
Own landbank	80,290	30,532	64,368	34,362	13,706	223,258
Indonesia	*75,911*	*21,356*	*38,183*	*15,980*	*9,375*	*160,805*
Malaysia	*4,379*	*9,176*	*26,185*	*18,382*	*4,331*	*62,453*

Additionally, the Group's planted area was more than 4,000 hectares in Uganda and approximately 36,000 hectares in West Africa as at 31 December 2008. We also managed about 120,000 hectares under a smallholders scheme in West Africa.

Higher FFB production

The Group's FFB production jumped 30.6% to about 3.0 million MT in 2008 from 2.3 million MT in 2007, due largely to the full year contribution of the merger with Kuok Group. The jump was also attributable to the increase in mature hectarage to 141,407 hectares from 129,729 hectares a year ago.

However, FFB production yield dropped to 20.93 MT per hectare from 22.82 MT per hectare in the previous year. This was due to the after-effects of the long drought in Palembang in 2H2006 as well as prolonged wet weather in Sabah which lasted about three months in early 2008. The newly matured hectarage with its lower yield, has also resulted in some dilutive effect on total yield.

During the year, the Group processed 7.2 million MT of FFB, of which 41.2% was supplied by our own plantations. Our oil extraction and palm kernel extraction rates remained relatively stable at 21.0% and 4.9% respectively. Total CPO production was 1.5 million MT or 19.0% of the CPO processed by the Group's refineries.

Sustainability and certification

Wilmar strongly supports sustainable palm oil production and is fully committed to the Principles & Criteria of the Roundtable on Sustainable Palm Oil (RSPO).

RSPO certification work is in progress and we target to have our operations fully certified. Our subsidiary, PPB Oil Palms Bhd, was one of the first in the industry to be awarded the Certification for Sustainable Palm Oil by the RSPO, for meeting the RSPO Principles & Criteria in three of our mills. These mills collectively produce approximately 123,000 MT of sustainable CPO annually from their supply base of four plantations, spread over more than 19,400 hectares in Sabah, East Malaysia.

For more information on sustainability, please refer to the Corporate Social Responsibility section.

Outlook and strategy

Although CPO prices have fallen substantially from record highs achieved in early 2008, Wilmar remains positive about the prospects of palm oil in the longer term due to the rising global demand for its food and non-food uses and competitive pricing. We will continue to increase our planted hectarage through acquisitions and new plantings.

We are also optimistic about Africa because of its availability of land and labour, suitable climatic conditions and oil deficit status. We will continue to seek opportunities to expand our hectarage there.

Others

Wilmar is also engaged in the manufacture and distribution of fertilisers, and the shipping of bulk oil, both of which complement the Group's core business.

Fertiliser

The fertiliser business leverages on the Group's network of raw materials suppliers. Customers are primarily our FFB, CPO and palm kernel suppliers, as well as our own plantations. As a result, we are able to benefit from a captive market with minimal credit risk.

The Group produces NPK compound fertilisers, which comprises three primary nutrients – nitrogen (N), phosphorus (P) and potassium (K). We are also engaged in the trading of straight fertilisers such as potash, rock phosphate, urea, ammonium sulphate and kieserite.

Prices of fertilisers continued to rise sharply in 1H2008 in response to soaring agricultural commodities prices. In 2H2008, falling agricultural commodities prices initially did not affect the steady increase in fertiliser prices until October 2008, when weakened demand led to its eventual decline. With the exception of potash, fertiliser prices fell to levels seen two to three years ago.

Sales volume of both NPK and straight fertilisers was 6.1% lower at 1.0 million MT in 2008. While the Group benefited from the favourable operating environment in 1H2008, the deteriorating market in 2H2008 took its toll on our volume and margins.

In the near term, fertiliser trading prospects are expected to remain soft in line with the low prices of agricultural commodities. Longer term prospects remain favourable from the continued expansion of oil palm plantations in Indonesia.

Shipping

As part of our integrated business model, we own a fleet of liquid bulk vessels which caters primarily to in-house needs. Our fleet improves flexibility and operational efficiency in the merchandising of palm and laurics, and meets approximately 30% of the Group's liquid bulk shipping needs.

Towards the end of 2008, the Group acquired a 60% stake in Raffles Shipping Corporation Pte Ltd (RSC). RSC, one of the largest ship chartering agents in Singapore, has been managing Wilmar's vessels prior to the acquisition. With this acquisition, the experienced team at RSC will be able to manage our shipping operations more efficiently and benefit from the Group's strength to grow its third-party business.

Research & Development

Wilmar engages in research and development (R&D) to improve quality and product range, to create new applications, to enhance process efficiency and to raise productivity.

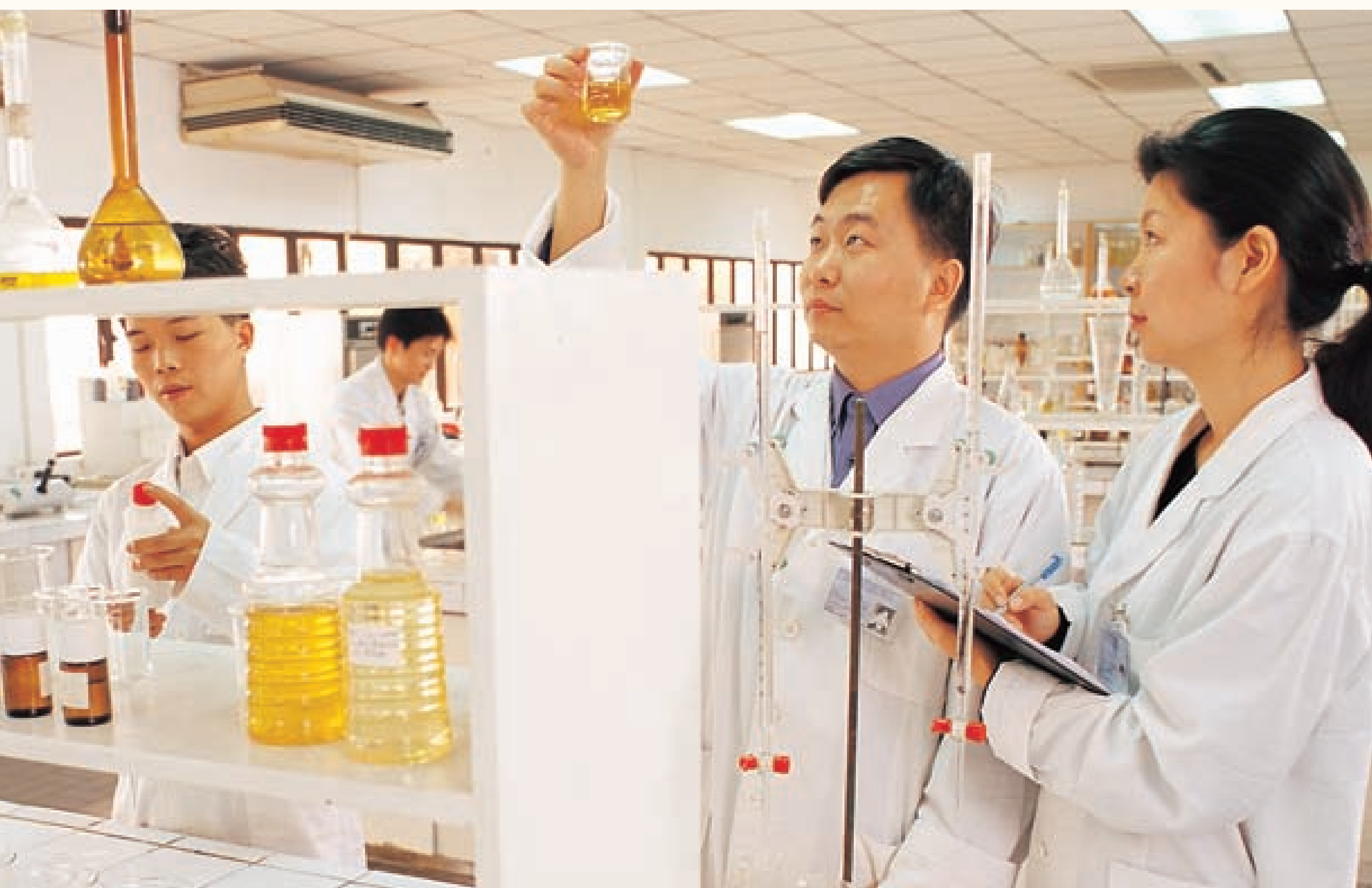
The R&D activities undertaken are:

- **Refining and fractionation** - improve palm oil's health quality and overall process efficiency, including reduction of processing material while maintaining product quality.

- **Specialty fats** - increase the range of products and applications, and enhance the Group's process efficiency and product quality through the use of different technologies.

- **Oleochemicals** - research the use of various feedstock including by-products and wastes generated from the Group's edible oils production, develop new applications for our products and explore the potential of basic oleochemicals downstream processing to meet customers' increasing and changing demands.

- **Biodiesel** - use of different feedstock for production and process development and innovations to meet new specifications.



- **Oilseeds crushing** - develop new soy protein products.
- **Rice milling** - develop new applications for by-products like rice bran and rice fibre, and improve rice bran oil refining process.
- **Seed development** - improve the variety and quality of seeds through plant breeding research to meet our processing and consumers' needs.
- **Consumer products** - develop new products and improve on processing methods to produce healthier oils.
- **Plantations** - improve yield and oil extraction rate through the development of quality seeds and planting materials, and conduct experiments on tissue culture techniques for clonal palms production. We continue to evaluate different fertiliser regimes to determine optimal application rates and investigate the effect of irrigation in the dry region of South Sumatra.
- **Fertiliser** - establish positive effects from the usage of NPK on FFB yield and oil extraction rate compared to straight fertilisers, and define the optimal dosage of NPK for various soil types.

AWARDS

Company level

- Singapore International 100 Ranking 2008 by International Enterprise Singapore - ranked 1st for highest overseas revenue; 1st for revenue by market for China, India, the Middle East and North Asia; and top 10 for revenue by market for Africa, the Americas, Europe and South East Asia.
- Securities Investors Association (Singapore) Investors' Choice Awards 2008 - Winner, Most Transparent Company in the category of Services/Utilities/ Agriculture.
- Business Times Singapore Corporate Awards 2008 - Bronze for Best Annual Report in the category of newly listed company.
- 2008 Frost & Sullivan Asia Pacific Industrial Technologies Award for Growth Excellence - Agribusiness Market.
- Asiamoney Best Managed Companies 2008 Awards - Large-Cap Corporate of the Year, Singapore.
- Asiamoney Corporate Governance Poll 2008 - ranked 3rd for Best Overall for Corporate Governance, Singapore.

- Top 50 Singapore Brands by Brand Finance Consultancy - Wilmar's consumer brand portfolio ranked second in brand value with an "A" brand rating. Total brand portfolio valued at S$2.9 billion.

China Group Operations

In recognition of the Group's businesses in China, Yihai Kerry Investments Co., Ltd. received the following awards:

- Awarded by China Enterprise Confederation and China Entrepreneurs Association:
  - China Top 200 Performance Enterprises 2008 - ranked 64th
  - China Top 500 Enterprises 2008 - ranked 79th
  - China Top 500 Manufacturing Enterprises 2008 - ranked 32nd
- China-made Food Enterprises Outstanding Contribution Award 2008 from the General Administrator of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) and China Association for Quality Promotion.
- 2008 China Charity Award - the Most Benevolent Foreign Enterprise from the Ministry of Civil Affairs, People's Republic of China.
- Foreign Funded Enterprises Infrastructure Contribution Award 2008 - jointly organised by People's Pictorial, Xinhua Daily Telegraph, Reference News, China Pictorial, Economic Information Newspaper and China Famous Brand Magazine.

Merchandising & Processing - Palm & Laurics

- Primaniyarta Award 2008 (Indonesian Export Award) for Best Performing Exporter, awarded by the

Indonesian Government to subsidiary - PT Karya Putrakreasi Nusantara.

- Refiners Certificate of Competency 2008 from Malaysian Palm Oil Board (MPOB) awarded to subsidiaries – Bintulu Edible Oils Sdn Bhd - 1st place, and PGEO Edible Oils Sdn Bhd - 3rd place.

Merchandising & Processing – Oilseeds & Grains

- Top 100 Baking Enterprises Award from the All-China Federation of Industry and Commerce Baking Industry Association awarded to subsidiary - Shenzhen Southseas Grains Industries Limited, engaged in flour milling activities.

Consumer Products

- China - Arawana cooking oil was awarded Trusted and Reliable Brand for Edible Oils by the China Edible Oils Industry Association.
- Indonesia - Sania cooking oil was ranked No. 3 in the Indonesian Best Brand Survey 2008. The survey criteria included brand awareness, customer satisfaction, loyalty and market share among others.
- Vietnam - Neptune and SIMPLY brands were awarded Top 500 leading brands in Vietnam for 2008 by the Vietnam Chamber of Commerce.

Plantations & Palm Oil Mills

- Certification for sustainable palm oil by the Roundtable on Sustainable Palm Oil (RSPO) awarded to subsidiary, PPB Oil Palms Bhd, for meeting the RSPO Principles & Criteria in three of its mills - Sapi Palm Oil Mill, Reka Halus Palm Oil Mill and Sabahmas Palm Oil Mill.
- ISO 9001:2000 for quality management system in

the mill and plantations operations of subsidiaries - PT AMP Plantation, PT Perkebunan Milano and PT Tania Selatan.

- ISO 14001:2004 for environmental management system in the mill and plantations operations of subsidiaries - Rekahalus Sdn Bhd, PT AMP Plantation, PT Perkebunan Milano and PT Tania Selatan.
- Zero Accident Award from the Ministry of Labour and Transmigration of Indonesia awarded to subsidiaries - PT Tania Selatan, PT Buluh Cawang Plantations, PT Musi Banyuasin Indah and PT Agro Palindo Sakti. This award is a commendation of the plantation companies' safety and health programmes which contributed to zero accidents for the period 1 January 2005 to 30 September 2007.

Others

- Vietnam - Outstanding Foreign Direct Investment Enterprises Awards 2008 from the Ministry of Planning and Development and Vietnam Economic Times, awarded to subsidiary - Cai Lan Oils & Fats Industries Company Ltd.

CORPORATE SOCIAL RESPONSIBILITY

At Wilmar, we adopt a holistic and practical approach to balance growth with sustainability. In 2008, we advanced our agenda for sustainable development on several fronts.

Awarded Certification For Sustainable Palm Oil Production

Among our notable achievements this year was the Roundtable on Sustainable Palm Oil (RSPO) certification awarded to our business unit, PPB Oil Palms Berhad. We were one of the first in the industry to receive the RSPO certification. The award is a testament to the Group's strong commitment to sustainable growth that balances economic, environmental and social interests.

This is Wilmar's first RSPO certification. It involved a rigorous audit process, benchmarked against the strict RSPO Principles, Criteria and Indicators under the Malaysian National Interpretation scheme of the RSPO. The certification covers three of our palm oil mills, which collectively produce approximately 123,000 metric tonnes of sustainable crude palm oil annually from their supply base of four plantations spread over more than 19,400 hectares in Sabah, East Malaysia.

The production of certified sustainable palm oil will tap the rising demand for sustainably and responsibly produced products, notably for RSPO-certified palm oil, which is accredited by the sole recognised certification system in the market.

We will continue to work towards full certification for all of Wilmar's operations.

Environmental Stewardship

The scale of our operations comes with greater responsibility over our impact on the environment. The Group applies best practices and actively seeks to improve the use of resources through the 4Rs of Reduce, Reuse, Recycle and Recover to manage our environmental impact.

Greenhouse Gas Emission Mitigation and Energy Efficiency

Our environmental agenda addresses the global concern on climate change through greenhouse gas (GHG) mitigation and energy efficiency.

Wilmar commissioned a carbon footprint study in 2008 to assess the intensity and extent of our carbon footprint. The independent study assessed our operations in origination, processing and distribution of palm oil, soybean and other related products across 50 oil palm plantations and 80 processing facilities. We are reviewing the study and planning appropriate actions to further reduce our carbon footprint.

The Group is self-sufficient in generating energy for our palm milling operations, and uses a large proportion of biofuel generated from waste materials and biomass. Besides powering our mills, part of the energy produced is supplied to employee housing complexes.

Wilmar has five registered clean development mechanism (CDM) projects with the United Nations Framework Convention on Climate Change (UNFCCC). The CDM projects are aimed at reducing our carbon footprint. Three of these projects are already generating carbon credits in the form of Certified Emission Reductions (CERs). Another three new projects are at the validation stage with the

UNFCCC. The majority of projects are focused on generating energy by recycling and reusing biomass waste products or by methane gas capture.

Promoting Biodiversity through Partnerships

We believe that active engagement with strategic and committed partners will enhance our environmental and conservation efforts. One such collaboration in 2008 was with the International Finance Corporation (IFC), Zoological Society of London and the Indonesian Institute of Sciences to reduce the impact of palm oil cultivation on biodiversity. The project aims to develop a science-based framework that improves the biodiversity-related indicators set out under the RSPO's Principles and Criteria, and to lobby its recognition among policy-makers. The project is under the auspices of the Biodiversity and Agricultural Commodities Programme (BACP), which is an associated agency of the IFC.

With our partners, Wilmar will roll out the project in Sumatra and Kalimantan, Indonesia. We will contribute project funding and offer plantation sites for field research. We have also hired a Biodiversity Manager who will co-ordinate the Group's BACP project, oversee High Conservation Value areas within our plantations and work with relevant institutions, scientists and civil organisations.

Reporting Initiatives

We continuously strengthen our sustainability practices. We participated in several third-party reporting initiatives to further enhance our standards of corporate governance. We also plan to undertake more comprehensive disclosure of our socio-environmental performance and to use it as a measuring tool and benchmark for improvement.

Carbon Disclosure Project (CDP)

In 2008, Wilmar participated in the Carbon Disclosure Project 6 (CDP6), along with over 2,000 of the world's largest companies. This is part of the Group's active engagement with stakeholders towards greater transparency in our business activities. The CDP aims "to facilitate a dialogue, supported by quality information, from which a rational response to climate change will emerge."

In the CDP6 report, Wilmar was listed as one of the few Asian companies working on baseline studies in preparation for CDP7 emissions disclosure.

The Group's participation in the CDP is part of our ongoing efforts to benchmark CSR standards and to drive further improvements.

Global Reporting Initiative

Wilmar participated in an international project by the Global Reporting Initiative (GRI) to develop indicators for a global reporting framework on sustainability specific to the food processing sector. The GRI is a multi-stakeholder governed institution that develops the global standards in sustainability reporting which companies use to measure and report their economic, environmental and social performance.

CORPORATE SOCIAL RESPONSIBILITY

Community Involvement

Wilmar continues to be involved and responsive in community development efforts.

Nurturing the Future

We believe that education will help younger generations secure a better future. In 2008, the Group continued to build schools to make education accessible to more children. We also conducted enrichment programmes for teachers as well as enhanced the academic curriculum to elevate the quality of learning. Wilmar sets specific performance indicators to ensure that earmarked funds are spent in a meaningful and effective manner.

Across our operations in Malaysia, Indonesia and China, Wilmar provided:

- Land, building funds, furniture and other basic amenities for school set-ups
- Accommodation, teaching materials, salary and honoraria for teachers
- Subsidies for uniforms, school books and food for every child on an annual basis
- Scholarships for tertiary students
- Transportation for students
- Funds for the schools' running expenses

In Indonesia, 26 schools benefited from the above support. In East Malaysia, the Group partnered with the Borneo Child Aid Society to build eight new schools across Sabah and Sarawak. These are in addition to the four Humana-Wilmar schools operating in Sabah. The new schools are expected to be ready by end-2009.

In China, the Group made contributions towards disaster relief, education and healthcare. This included donations to the relief efforts for China's snowstorm and the Sichuan earthquake disaster.

We also contributed to scholarships for poor students, cataract operations for the needy, development of schools in remote areas and a nursing home for the aged. In total, Wilmar contributed more than US$5.6 million in cash and kind.

Wilmar was accorded the '2008 China Charity Award - The Most Benevolent Foreign Enterprise' by the Ministry of Civil Affairs of the People's Republic of China. This award is the country's top honour for individuals, corporate and civil organisations, in recognition of their contribution to public welfare and charity work.

Moving Forward

As we work towards our long-term sustainability goals, we will continue to engage various stakeholders to understand their needs and expectations. This, together with the Group's strong culture of continuous improvement, will enable us to meet our business goals while creating value for all our stakeholders.

HUMAN CAPITAL MANAGEMENT

Wilmar has a growing workforce of more than 70,000 people across our global operations. We rely on a diverse mix of nationalities, experiences and expertise to run our operations. Our ability to recruit, to develop and to motivate a large talent pool is critical to the continued growth of our business.

Recruiting New Talent

Wilmar has established partnerships and networks with local and international tertiary institutions to recruit top graduates through internal and external referrals, internship programmes and campus career fairs. In Indonesia, we launched "Wilmar the Young Tiger", a talent management programme to recruit talented youths from top universities in Java and Sumatra for management trainee positions. The selected candidates go through an intensive training programme to develop their business skills for future leadership positions within the Group.

Developing Expertise

Wilmar strives to provide all employees with career and personal development opportunities. Employees are given opportunities for job rotation across functions, businesses, market segments and geographic locations. These opportunities build closer working relationships, improve coordination of work flow processes and enhance teamwork. We regularly enrol our people in seminars and workshops to keep them updated with latest developments relevant to their work. We also focus on developing effective supervisors by improving their skill sets. Workshops such as "High Performance and Effective Supervisory and Management Skills" were organised to improve supervisory, communication and coaching skills.

Grooming Future Leaders

We are constantly on the lookout for promising employees with the potential to be our company's future leaders. These strong performers are given opportunities

to lead major projects, to receive executive coaching and to interact frequently with top management who also mentor them personally.

Rewarding Our People

The Group regularly reviews compensation and benefits policies to ensure that our practices are in line with market norms and relevant labour regulations. In 2008, a Common Staff Performance Appraisal and Cross Ranking System was adopted Group-wide. This system sets the guidelines to determine employee bonus, salary increment and promotion.

During the year, the Group offered 18,170,000 share options through our Executive Share Option Scheme, to reward 255 senior executives for their contributions to the Group's success. Long service awards were also presented to 92 employees in recognition of their dedication and loyalty to the Company.

Employee Wellness and Work-Life Balance

Promoting employee wellness and work-life balance is a key priority. Events such as "Family Day" are organised to acquaint employees' families with the Wilmar culture, employees' work roles and their working environment. We regularly organise other events to build rapport and to foster closer teamwork among employees. These include annual dinners, educational trips to the Group's operations, health talks and sports tournaments.

Going forward, Wilmar will continue to strive to be the employer of choice. We want to attract the best talent and to create a dynamic working environment, to motivate and to retain our employees.

INFORMATION TECHNOLOGY

Wilmar has made significant investments in Information Technology (IT) to support our business operations and growth. We actively seek to extend our IT platform to business partners, subsidiaries, associates, vendors and customers, to enhance business efficiency.

The Group has built up a pool of expertise in China, Indonesia, Singapore and Malaysia to implement and to maintain enterprise-wide IT applications. We coordinate the deployment of centralised and integrated IT applications to reduce costs. In addition, we have established standard IT practices to improve information flow and operational efficiency.

We have adopted SAP as our Enterprise Resource Planning platform. During the year, we implemented SAP in 65 new entities. We now have a total of 140 entities across 9 countries running the SAP system for business and accounting transactions. We will continue to roll out the platform to the rest of the Group.

To meet our growing IT needs, our Wide Area Network (WAN) was upgraded in existing locations and expanded to many new locations. The improved WAN infrastructure allows for the wider deployment of centralised and integrated IT applications to a larger user base.

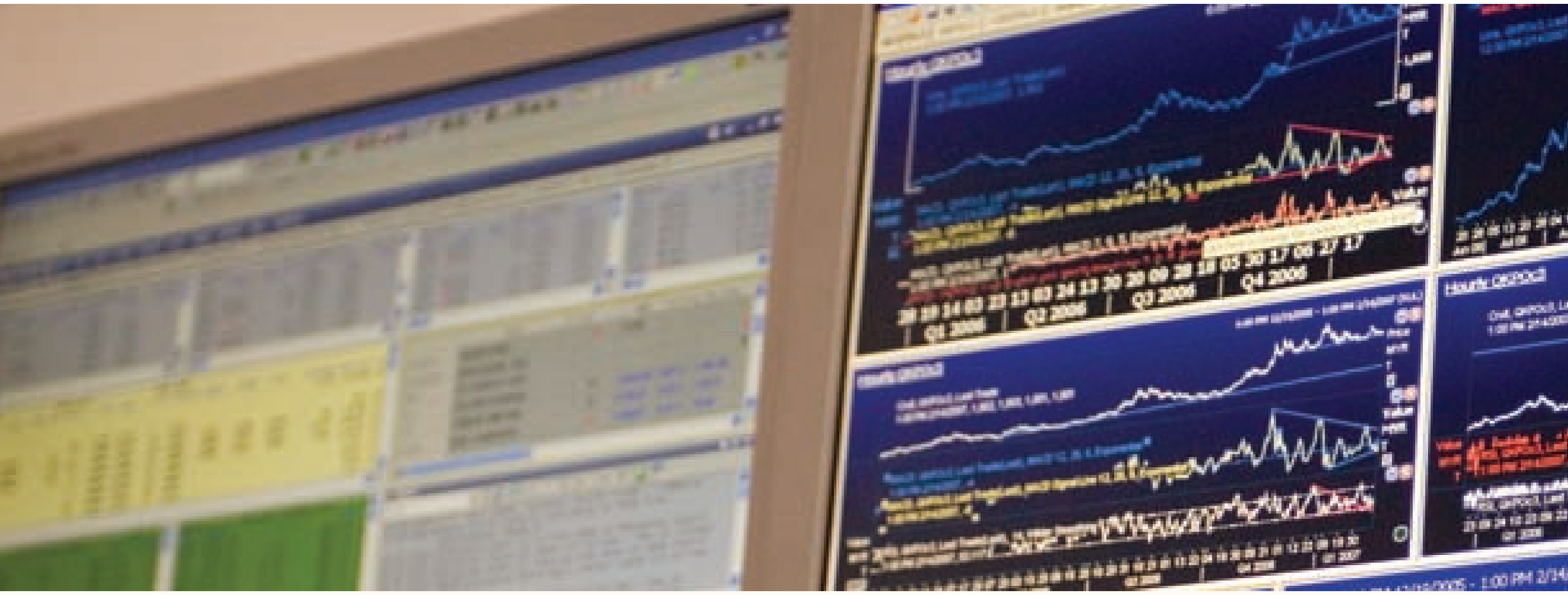
In 2008, we improved supply chain efficiency by enhancing and extending our Channel Management system and Third Party Logistics system to vendors and customers. The Group also applied promising

technologies to improve business processes. We conducted successful trials to integrate mobile telephone messaging with our IT platform, to gather up-to-date sales information. We are in the process of testing the Geography Information system in some of our plantation estates.

Going forward, we will continue to extend our IT platform to all our entities globally and to ensure service excellence to our large user base. We plan to extend Business Intelligence applications to provide our managers with enhanced analytical and business flow information. Strengthening IT security with new technologies is also a key priority.

RISK MANAGEMENT



Overview

Risk management is an integral part of the Group's business model. The principal objective is to manage the various risks across the Group's operations. These include risks arising from commodity price, counterparty credit, interest rate and currency.

To ensure a sound system of internal controls, the Board has established a risk management framework for Wilmar and its subsidiaries. These policies and procedures provide a process to identify, quantify and control the risks faced by the Group. The ongoing compliance of these risk management processes and policies is carried out by the respective operating units and is regularly reviewed by the Group's Internal Audit.

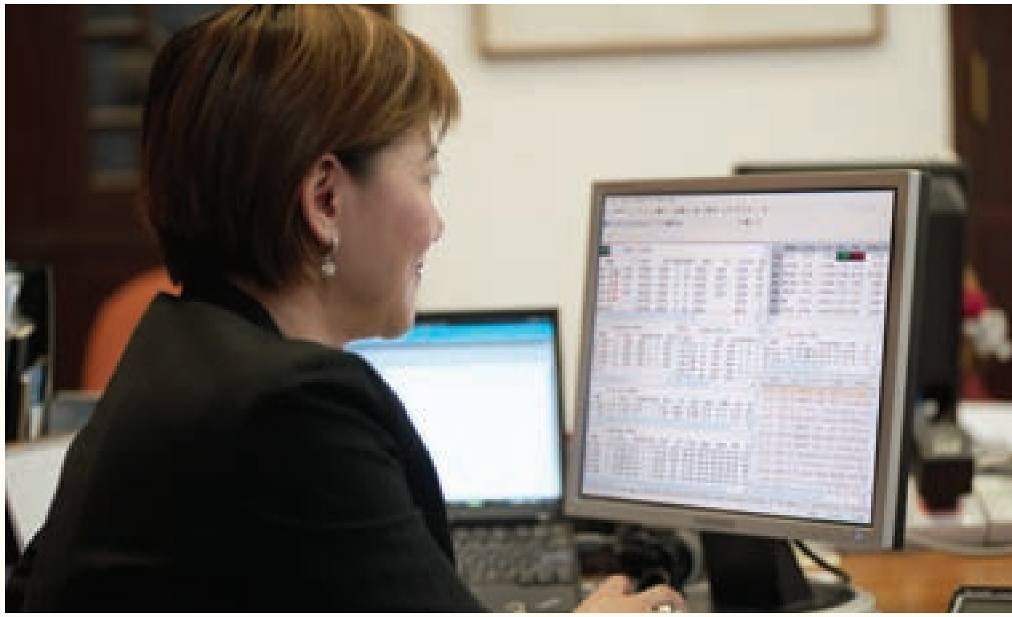
The Group regularly assesses these processes and policies through internal reviews and external consultations, to ensure that they are appropriate and adequate.

Commodity Price Risk

Depending on the market situation, prices of raw materials and end products can fluctuate significantly. The Group is exposed to commodity price fluctuations because sale and purchase commitments may not typically match at the end of each business day. We minimise this price risk through careful management of our commodity positions. We also use forward physical and derivative contracts to hedge or minimise our price exposure.

Currency Risk

The Group operates in several countries and faces foreign currency risk when transactions or borrowings are denominated in currencies other than their respective functional currencies. Any movement in these currencies against the respective functional currencies may result in the Group incurring losses due to the settlement of these transactions or revaluation of borrowings, receivables and payables.



Where possible, we manage our currency exposures by matching sales and purchases in the same currency or through financial instruments, such as forward currency contracts.

However, the Group may still be exposed to currency risk to the extent that the natural hedges and/or financial instruments do not completely cover the Group's exposure in any particular foreign currency, or where the Group has any open position.

Interest Rate Risk

Most of the Group's borrowings are in the form of trade financing and have short term tenors. The interest costs are typically priced into the products and passed on to customers. Therefore, short-term interest rate movements have minimal impact on our margins.

For long term borrowings, Wilmar may enter into financial instruments such as interest rates swaps to hedge or minimise our interest rate risk.

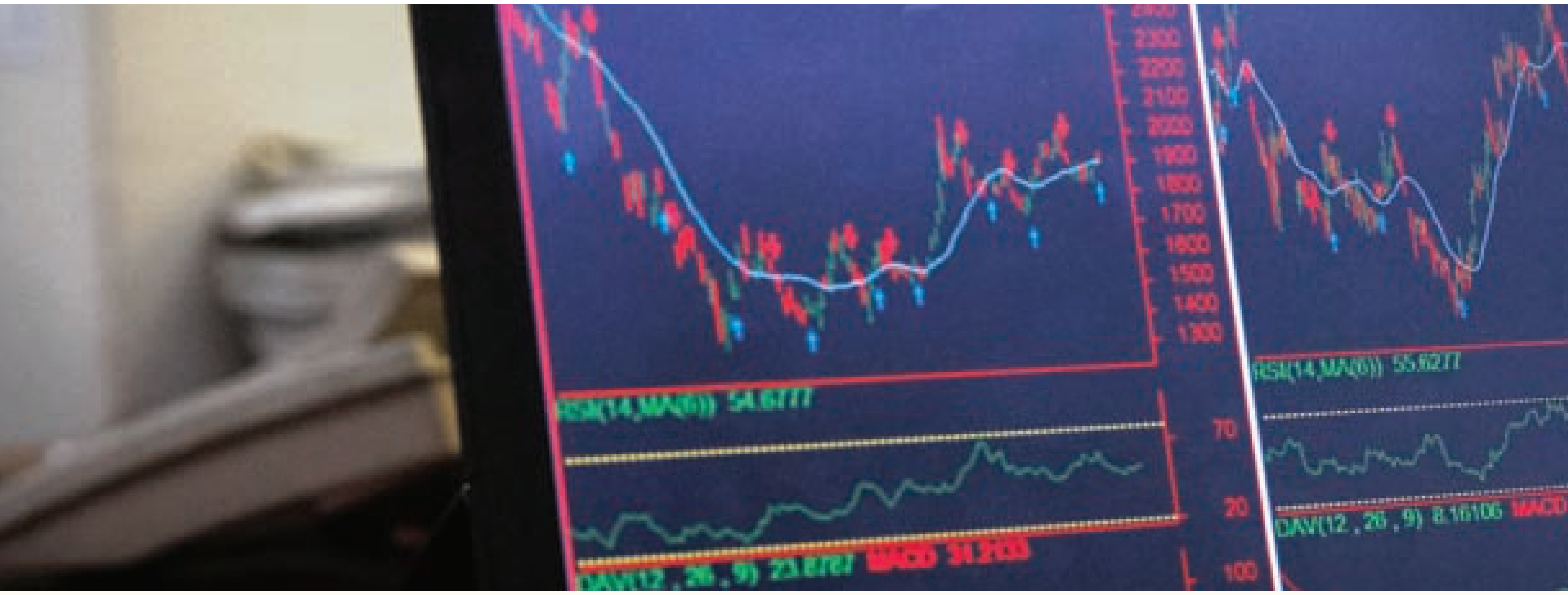
Counterparty Credit Risk

The majority of the Group's export sales require Letters of Credit from customers or are sold on cash terms against the presentation of documents of title. For domestic sales, the Group conducts business on cash terms or may grant customers credit terms, where appropriate.

Factors affecting the credit worthiness of customers, such as their financial strength, operating track record, past payment history, transaction volume and duration of business relationship with the Group are considered and monitored closely when granting credit terms and limits. As a practice, we will usually require a Letter of Credit or conduct cash sales for new customers.

The Group periodically reviews credit terms granted and takes appropriate actions which include varying credit limits or tightening payment terms depending on customers' credit worthiness or market conditions.

RISK MANAGEMENT



Risk Governance

The risk management framework, designed to safeguard shareholders' investment and the Group's assets, by its nature can only mitigate but not completely eliminate all risks especially systemic risks. Inherently, the framework can only provide reasonable and not absolute assurance against material misstatement or loss.

Wilmar's risk governance structure comprises three levels:

- The Risk Management Committee at the Board level;
- The Executive Risk Committee; and
- Risk management by the respective operating units.

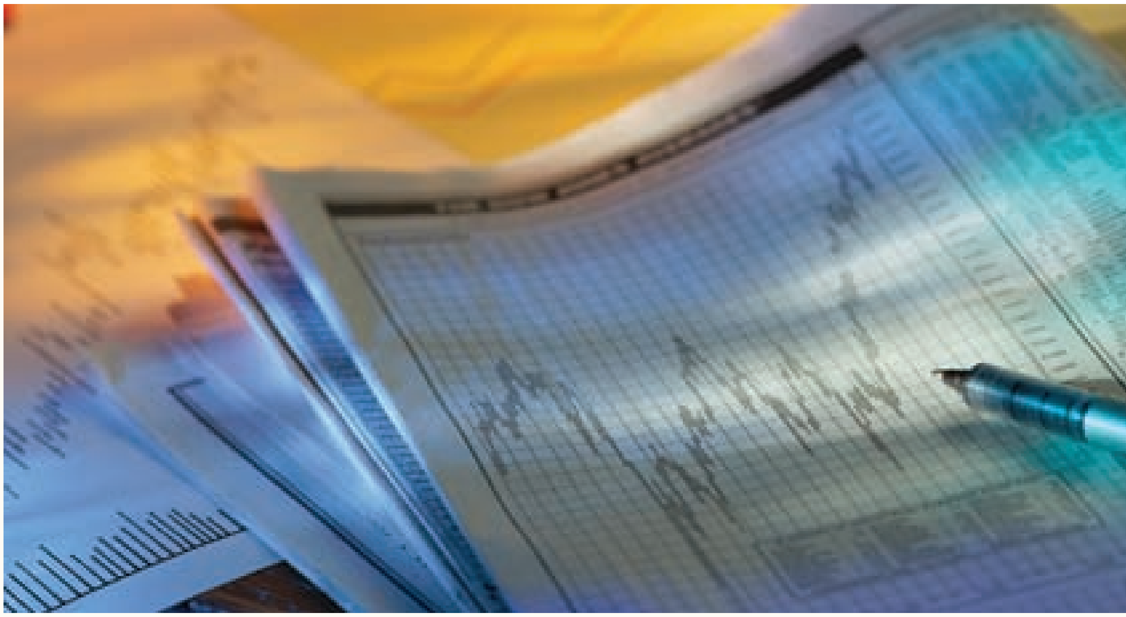
The Board-level Risk Management Committee is chaired by the Lead Independent Director and is charged with:

- overseeing the Executive Risk Committee;
- reviewing the overall risk management guidelines/framework;
- reviewing and recommending risk limits; and
- assessing the adequacy and effectiveness of the risk management policies and systems.

The Executive Risk Committee comprises Executive Directors. Its responsibilities include, amongst others, the monitoring and improvement of the overall effectiveness of the risk management system and the review of positions and limits to manage overall risk exposure.

The heads of the operating units are responsible for monitoring their respective risks and adherence to policies and limits set by the Risk Management Committee and the Board.

To achieve effective governance and oversight, the Group has a Middle Office independent of the front and back office. The Middle Office is responsible for capturing and measuring Group-wide risks, as well as monitoring for limit breaches. The Middle Office circulates a daily risk exposure



report, which is reviewed by the Executive Risk Committee for any significant risk issues. The Middle Office also sends out regular risk alerts to the operating units, Executive Risk Committee and/or Risk Management Committee when risk exposure is seen to be reaching trigger levels.

The Group has in place an overall risk tolerance threshold recommended by the Risk Management Committee and approved by the Board. The risk tolerance threshold refers to the maximum potential loss of all unhedged exposures across all products and geographical regions at any given time. The risk tolerance threshold is arrived at after taking into account the Group's equity strength and profitability. Other factors include the overall production capacity, the price trends of raw materials, the Board's overall view of the market and the projected sales volumes and turnover.

CORPORATE GOVERNANCE

Wilmar is fully committed to maintaining a high standard of corporate governance guided by the principles set out in the Corporate Governance Code 2005 ("Code"). This report describes the practices adopted by the Company.

PRINCIPLE 1

The Board's Conduct of its Affairs

The primary role of the Board is to provide entrepreneurial leadership as well as to manage the Group in the best interest of the shareholders so as to enhance the share value and returns in the long term. It sets the overall business direction of the Group and is committed to continually building on the strength of the Group and harnessing greater synergies through exploring business opportunities with strategic alliances. The Board reviews the strategic plans, business development proposals and risk management policies of the Group directly or through the respective committees.

Apart from its statutory responsibilities, the Board is primarily responsible for:

- Reviewing and approving the Group's business strategies, key operational initiatives, major investment and funding decisions;
- Ensuring that decisions and investments are consistent with medium and long term strategic goals; and
- Overseeing the management of principal risks that may affect the Group's businesses and ensuring that appropriate systems to manage these risks are in place.

The Board had convened four meetings during the financial year. As provided in the Company's Articles of Association, Directors may convene Board meetings by teleconferencing and videoconferencing. To assist the Board in executing its duties, the Board has delegated specific functions to the following Board committees.

1. Executive Committee

The Executive Committee (Exco) oversees the management of the business and affairs of the Group in accordance with its terms of reference approved by the Board, which may be revised from time to time. The members of the Exco are Mr Kuok Khoon Hong (Chairman), Mr Martua Sitorus, Mr Chua Phuay Hee and Mr Teo Kim Yong, all of whom are Executive Directors of the Company.

In addition to the above, the Exco is tasked to supervise the Management's delegated responsibility in the following functions:

- Drawing up the Group's annual budget and business plan for the Board's approval;
- Carrying through approved strategic business proposals;
- Implementing appropriate systems of internal accounting and other controls;
- Adopting suitably competitive human resource practices and compensation policies; and
- Ensuring that the Group operates within the approved budgets.

The Exco meets on an informal basis and all decisions are placed on record by written resolutions.

2. Audit Committee

The Audit Committee (AC) comprises three Independent Directors, Mr Tay Kah Chye (Chairman), Mr Kwah Thiam Hock and Mr Yeo Teng Yang, all of whom have accounting or related financial management expertise and experience. As part of the Company's corporate governance practices, all Directors are invited to attend all AC meetings which are convened at least four times annually. In addition, the AC meets with the external and internal auditors at least once a year without the presence of the Management. Details of functions of the AC are found in Principle 11 of this report.

3. Risk Management Committee

The Risk Management Committee (RMC) is chaired by Mr Yeo Teng Yang, the Lead Independent Director, with Mr Kuok Khoon Hong and Mr Leong Horn Kee as members. The RMC meets no less than four times a year. Members of the Board are also invited to attend the RMC meetings. The RMC would hold informal meetings as and when the need arises.

One of the principal tasks of the RMC is to review existing risk management policies and guidelines and to recommend proposed revisions to the Board for approval. In addition to the above, the RMC reviews risk reports that monitor and control risk exposures on a regular basis to identify new risk exposures that may arise from dynamic changes in the business environment. In carrying out its duties, the RMC is assisted by the Executive Risk Committee (ERC). The ERC reviews the trade positions and the limits to manage overall risk exposure and is thus responsible for monitoring the overall effectiveness of the Group's risk management system. The members of the ERC are Mr Kuok Khoon Hong, Mr Martua Sitorus, Mr Chua Phuay Hee and Mr Teo Kim Yong.

4. Nominating Committee

The Nominating Committee (NC) comprises three Directors, a majority of whom, including the Chairman, are Independent Directors. The members are Mr Kwah Thiam Hock (Chairman), Mr Kuok Khoon Hong and Mr Tay Kah Chye. The NC meets at least once a year. The functions of the NC are enumerated in Principle 4 of this report.

5. Remuneration Committee

The Remuneration Committee (RC) comprises Mr Kwah Thiam Hock (Chairman), Mr Kuok Khoon Ean, Mr Yeo Teng Yang and Mr Leong Horn Kee, most of whom are Independent Directors. The roles of the RC are set out in Principle 7 of this report.

The Directors' attendance at Board and Board Committee meetings during the financial year ended 31 December 2008 is set out in the following page:

	Board of Directors	Audit Committee	Risk Management Committee	Remuneration Committee	Nominating Committee
No. of meetings held	**4**	**4**	**4**	**1**	**1**
Name of Director	**Member Attendance**	**Member Attendance**	**Member Attendance**	**Member Attendance**	**Member Attendance**
Executive Directors					
Kuok Khoon Hong	4/4	NM	4/4	NM	1/1
Martua Sitorus	4/4	NM	NM	NM	NM
Chua Phuay Hee	4/4	NM	NM	NM	NM
Teo Kim Yong	4/4	NM	NM	NM	NM
Lee Hock Kuan	4/4	NM	NM	NM	NM
Kwok Kian Hai (Note 1)	3/4	NM	NM	NM	NM
Non-Executive Directors					
Kuok Khoon Ean	3/4	NM	NM	1/1	NM
Kuok Khoon Ho (Note 2)	1/4	NM	NM	NM	NM
John Daniel Rice	3/4	NM	NM	NM	NM
Independent Directors					
Yeo Teng Yang	4/4	4/4	4/4	1/1	NM
Leong Horn Kee	4/4	NM	4/4	1/1	NM
Tay Kah Chye	4/4	4/4	NM	NM	1/1
Kwah Thiam Hock	4/4	4/4	NM	1/1	1/1

Note 1 - Mr Kwok Kian Hai retired from the Company on 30 September 2008.
Note 2 - Mr Kuok Khoon Ho, a nominee of PPB Group Berhad, was appointed a Non-Executive Director on 10 November 2008. He attended the last Board meeting of the year which was held in November 2008.
NM: Not a Member of the Committee

As part of the Company's continuing efforts to update Directors on the changes to regulatory environment, Directors are encouraged to attend relevant seminars and courses at the Company's expense. Regular presentations are made at Board meetings to update Non-Executive Directors on the Group's business activities. In addition, the Company organises on-site visits for Non-Executive Directors to familiarise them with the operations of the various business divisions in key countries. Newly appointed Director(s) are provided with guidance notes setting out their duties and obligations.

PRINCIPLE 2

Board Composition and Guidance

The Board presently has twelve members comprising five Executive Directors and seven Non-Executive Directors. Out of the total of twelve Directors, four (representing one third of the Board composition) of these Directors are considered "Independent" based on the guidelines under the Code. The Board defines an Independent Director as one who has no relationship with the Group, which would otherwise interfere with the exercise of independent judgment of the Group's affairs. The Board is of the view that it is able to exercise independent judgment on the Group's business operations and provide the Management with an objective perspective on issues. The Board is made up of Directors with a wide range of skills, experience and qualifications in the fields of operations, financial and risk management. Key information about the Directors is presented in the section entitled "Board of Directors" in this annual report.

The composition and the effectiveness of the Board are reviewed on an annual basis by the NC to ensure that there is an appropriate mix of expertise and experience to fulfill its duties.

The Board collectively views that its current size complies with the Code and is effective taking into account the scale and nature of the operations of the Group.

PRINCIPLE 3

Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer (CEO), Mr Kuok Khoon Hong, provides leadership to the Group and is instrumental in its expansion into one of Asia's largest agri-business groups. Mr Kuok has been overall in-charge of the management and strategic direction of the Group since its initial listing in July 2006 through a reverse takeover. All strategic and major decisions made by him are reviewed and approved by the Board.

The Chairman and CEO leads all Board meetings and sets the agenda. He ensures that Board members receive accurate and timely information to enable them to be fully cognisant of the affairs of the Group. He also fosters effective communication and solicits contributions from the Board members to facilitate constructive discussions.

The role of the Chairman and CEO is not separate as there is adequate accountability and transparency reflected by internal controls established within the Group. The single leadership arrangement ensures that the decision-making process for seizing good growth prospects for the Group would not be unnecessarily impeded. With Mr Yeo Teng Yang's role as the Lead Independent Director, who avails himself to address shareholders' concerns and acts as a counter balance in the decision-making process, the Board is of the opinion that there is sufficient independence in its exercise of objective judgment on the business affairs of the Group.

PRINCIPLE 4

Board Membership

The principal functions of the NC are as follows:

1. To review nominations of new Director appointments based on selection criterion such as the incumbent's credentials and his skills and contributions required by the Company.

2. To review and recommend to the Board the retirement and re-election of Directors in accordance with the Company's Articles of Association.

3. To determine annually whether a Director is "Independent", guided by the independent guidelines contained in the Code.

4. To decide whether a Director is able to and has adequately carried out his duties as a Director of the Company, in particular whether the Directors concerned have multiple board representations or if they are in conflict with the interests of the Company.

5. To decide how the Board's performance may be evaluated and propose objective performance criteria.

Board appointments are approved by way of written resolutions based on the recommendations of the NC.

During the financial year, the Board has, upon the recommendation of the NC, appointed Mr Kuok Khoon Ho as Non-Executive Director in place of Mr Kwok Kian Hai who retired from the Company.

In accordance with the Company's Articles of Association, one third of the Directors (who have been longest in office since their last re-election or appointment), except for the Managing Director (or any equivalent appointment, howsoever described), are required to retire by rotation at least once every three years. These Directors are eligible for re-election subject to approval by the shareholders at the annual general meeting (AGM). New Directors will hold office only until the AGM following their appointments and they will be eligible for re-election. Such Directors are not taken into account in determining the number of Directors who are to retire by rotation.

In line with the recommendation of the Code, Mr Kuok Khoon Hong, who is not required under the Company's Articles of Association to retire by rotation, has nevertheless submitted himself for re-election at the forthcoming AGM. Messrs Yeo Teng Yang, Tay Kah Chye and Kwah Thiam Hock, who are retiring by rotation in accordance with Article 104, have been nominated for re-election at the forthcoming AGM.

Mr Kuok Khoon Ho, who was appointed as a Director after the last AGM, has submitted himself for re-election at the forthcoming AGM.

The NC has reviewed the independence of the four Directors, namely Messrs Yeo Teng Yang, Leong Horn Kee, Tay Kah Chye and Kwah Thiam Hock, and is satisfied that there is nothing that would affect their roles as Independent Directors.

The NC is of the view that although some Directors have other Board representations, they are able to and have adequately carried out their duties as Directors of the Company.

PRINCIPLE 5

Board Performance

The NC issues a Board Assessment Checklist to all Directors for the evaluation of the Board's effectiveness as a whole. In appraising the Board's effectiveness, the assessment is based on factors including the Board's understanding of the Group's business operations, development of strategic directions and the effectiveness of Board meetings to facilitate discussion and decision on critical and major corporate matters. The collated findings are reported and recommendations are made to the Board for consideration and for further improvements to help the Board to discharge its duties more effectively.

Although the Directors are not evaluated individually, the factors taken into consideration with regards to the re-nomination of Directors for the current year include their attendance and contributions made at these meetings.

PRINCIPLE 6

Access to Information

The Board is informed by the Management of all material events and transactions as and when they occur. Analysts' and media reports on the Group are forwarded to the Directors on an on-going basis.

The Board has separate, independent and unrestricted access to the Management of the Group at all times. Requests for information from the Board are dealt with promptly by the Management.

The Board is provided with complete, adequate and timely information prior to Board Meetings. The Company Secretary attends all Board meetings and is responsible to ensure that established procedures and all relevant statutes and regulations that are applicable to the Company are complied with. The Company Secretary works together with the respective divisions of the Company to ensure the Company complies with all relevant rules and regulations.

PRINCIPLE 7

Procedures for Developing Remuneration Policies

The RC has been delegated the authority to review and recommend to the Board on remuneration policies and packages for the Directors and key executives of the Group. The aim is to build capable and committed management teams through competitive compensation, and retain a pool of talented executives to meet the current needs and future growth of the Company. The RC is also responsible for the administration of the Company's share option scheme. During the year, the Company granted 18.17 million Wilmar shares under the Wilmar Executives' Share Option Scheme to senior executives of the Company.

In discharging their duties, the RC members have access to advice from the human resources department and external advisers as and when it deems necessary. To ensure that the remuneration package is competitive and sufficient to attract, retain and motivate key executives, the RC also takes into consideration industry practices and norms in the compensation review.

PRINCIPLES 8 & 9

Level and Mix of Remuneration & Disclosure on Remuneration

Remuneration of Directors

A breakdown showing the level and mix of each individual Director's remuneration for the financial year ended 31 December 2008 is as follows:

Name of Directors	Directors' Fee (%)	Salary (%)	Benefits (%)	Variable Bonus (%)	Total (%)	Remuneration Band
Executive Directors						
Kwok Kian Hai*	Nil	6%	68%	26%	100%	S$7,250,000 to S$7,500,000
Kuok Khoon Hong	Nil	20%	1%	79%	100%	S$3,250,000 to S$3,500,000
Martua Sitorus	Nil	23%	-	77%	100%	S$2,500,000 to S$2,750,000
Lee Hock Kuan	Nil	30%	1%	69%	100%	S$1,750,000 to S$2,000,000
Teo Kim Yong	Nil	36%	1%	63%	100%	S$1,250,000 to S$1,500,000
Chua Phuay Hee	Nil	37%	1%	62%	100%	S$1,000,000 to S$1,250,000
Non-Executive Directors						
Kuok Khoon Ean	Nil	-	-	-	-	Not applicable
Kuok Khoon Ho	Nil	-	-	-	-	Not applicable
John Daniel Rice	Nil	-	-	-	-	Not applicable
Independent Non-Executive Directors						
Yeo Teng Yang	100%	-	-	-	100%	S$250,000 and below
Leong Horn Kee	100%	-	-	-	100%	S$250,000 and below
Tay Kah Chye	100%	-	-	-	100%	S$250,000 and below
Kwah Thiam Hock	100%	-	-	-	100%	S$250,000 and below

**Mr Kwok Kian Hai's remuneration includes a gratuity for his 27 years of service with the Group.*

Directors' fees in respect of the financial year ended 31 December 2008 are subject to approval by shareholders at the forthcoming AGM.

No employee of the Group who is an immediate family member of a Director was paid a remuneration that exceeded S$150,000 during the financial year ended 31 December 2008.

Remuneration of Key Executives

The remuneration of the Company's top five executives takes into account the pay and employment conditions within the industry and is performance related. It is not in the best interest of the Company to disclose the details of their remuneration due to the competitiveness of the industry for key talent.

PRINCIPLE 10

Accountability of the Board and Management

The Board is responsible to shareholders, the public and the regulatory authorities in providing a balance and comprehensive assessment of the Company's performance and prospects. The Management provides the Board with management reports and accounts of the Group's performance, financial position and prospects on a quarterly basis. Both the Board and the Management will continually strive towards maximising sustainable value to the shareholders of the Company.

Shareholders are provided with quarterly results available through the SGX-ST website. The Company's latest events and announcements are posted on its website.

PRINCIPLE 11

Audit Committee

The operations of the AC are regulated by its charter. The Board is satisfied that the members of the AC have sufficient accounting, financial, management expertise or experience to discharge their duties.

The members of the AC perform the following functions:

- To review the criteria for the appointment of a professional public accounting firm as the external auditors to the Company;
- To review with the external auditors, their evaluation of the system of internal accounting controls;
- To review and approve, the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors;
- To review with the external auditors, their audit report, findings and recommendations. Where the external auditor also supply a substantial volume of non-audit services to the Company, to review the nature and extent of such services to maintain the independence of the auditors;
- To review and approve the financial statements of the Company and the consolidated financial statements of the Group for submission to the Board of Directors for approval;
- To review the assistance given by the Company's officers to the external auditors;
- To nominate external auditors for re-appointment;
- To ensure that the internal audit function is adequately resourced and has appropriate standing within the Group. For the avoidance of doubt, the internal audit function can be either in-house, outsourced to a reputable accounting/auditing third-party firm or performed by a major shareholder, holding company, parent company or controlling enterprise with an internal audit staff;
- To review the scope and results of the internal audit procedures;
- To ensure the adequacy of the audit function annually;
- To ensure that a review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management is conducted annually;
- To review Interested Person Transactions; and
- To meet with the external and internal auditors without the presence of the Management at least once a year.

The AC has explicit authority to investigate any matters within the scope of its duties, and power to obtain independent professional advice. It has been given full access to and co-operation by the Management and reasonable resources to discharge its duties properly and full discretion to invite other Directors or executives to attend its meetings.

During the last financial year, the AC met four times to review, inter alia, the following:

- The financial statements of the Company and the Group before each of the announcements of the Company's quarterly results. During the process, the AC reviewed, among other things, the key areas of management judgment applied for adequate provision and disclosure, critical accounting policies and any significant changes made that would have an impact on the financials;

- The external auditors' plans for the purpose of discussing the scope of the audit and reporting obligations before the audit commences. All significant audit findings and recommendations made by the external auditors were discussed, and where appropriate, implementation of such recommendations were followed up with the Management;

- The independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the nature and volume of non-audit services provided by them. The AC is satisfied that such services do not affect the independence or objectivity of the external auditors;

- The internal audit findings raised by the internal auditors. During the process, material non-compliance and internal control weaknesses were reviewed and discussed. The AC ensured that appropriate follow-up actions had been taken regularly with the Management on outstanding internal audit issues; and

- The reporting on Interested Person Transactions to ensure that current procedures for monitoring of Interested Person Transactions had been complied with. These transactions are reviewed quarterly with the internal auditors and annually with the external auditors. The AC is satisfied that the guidelines and review procedures established to monitor Interested Person Transactions have been complied with.

The AC has recommended the re-appointment of Ernst & Young as the Company's external auditors at the forthcoming AGM.

PRINCIPLES 12 & 13

Internal Controls and Audit

Reporting to the AC, the internal audit department carried out internal audit reviews and performed checks and compliance tests of the Group's systems of internal control, including financial and operational controls and risk management. Ad-hoc reviews are also conducted on areas of concern identified by the Management and the AC.

The internal audit department, headed by Mr Patrick Tan, has unrestricted access to all records, properties, functions and co-operation from the Management and staff as necessary to effectively discharge its responsibilities, and is independent of the activities it audits.

The Board is of the view that the Group currently has an adequate internal control system in place to provide reasonable but not absolute assurance that there is no material loss or financial misstatement, assets are safeguarded, proper accounting records are maintained, and financial information used with the business and for publication is reliable. The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

PRINCIPLES 14 & 15

Communication with Shareholders

The Board's policy is that all shareholders should be equally informed of all major developments impacting the Group. All shareholders of the Company whose names are registered in the Depositor Register and the Registry of Members are entitled to attend the general meetings of the Company. They are encouraged to meet with the Board and the Management so as to have a greater insight of the Group's developments.

The Company also communicates with its shareholders through holding formal media and analysts briefings for the Group's quarterly results chaired by the Chairman and CEO together with key Management members. Regular updates on information about the Company are released through the SGX network.

Dealings In Securities

The Group has in place procedures for prohibiting dealings in the Company's shares by all staff while in possession of price sensitive information and during the period commencing two weeks prior to the announcement of the Company's quarterly results and one month prior to the announcement of the Company's full year results. Directors and executives are also expected to observe insider-trading laws at all times even when dealing in securities during the permitted trading period.

Interested Person Transactions

The Group has established a procedure for recording and reporting Interested Person Transactions. Details of significant interested person transactions for the year ended 31 December 2008 are set out below:

Name of Interested Person	Aggregate value of all Interested Person Transactions during the year under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	FY 2008 US$'000	**FY 2008 US$'000**
Archer Daniels Midland Group	11,431	7,131,561
Wilmar International Holdings Limited	NIL	NIL
Wilmar Holdings Pte Ltd Group	NIL	154
Kuok Khoon Ean's Associates	9,353	NIL
Martua Sitorus' Associates	NIL	35,083
Kuok Khoon Hong's Associates	NIL	NIL
PPB Group	24,413	NIL
Kuok Brothers Sdn Berhad	537	NIL

Save as disclosed, there are no other material contracts entered into by the Company and its subsidiaries involving the interest of the Chief Executive Officer, any Director or controlling shareholder, which are either subsisting at the end of the financial year ended 31 December 2008 or, if not then subsisting entered into since the end of the previous financial year ended 31 December 2007.

FINANCIAL REPORT

Contents

CAPITAL STRUCTURE

Wilmar maintains an efficient capital structure which serves to maximise returns to shareholders while preserving our balance sheet strength. Given the nature of our business, we require a high level of working capital to fund our inventories and receivables. The level of funding fluctuates in relation to prices of agricultural commodities and business volume. In FY2008, we achieved significant volume growth amidst a very volatile price environment. Our balance sheet and capital structure remained strong throughout the period.

Shareholders' funds grew US$1.8 billion to US$9.6 billion while total loans and borrowings was up US$255.7 million to US$5.3 billion as at 31 December 2008. Loans and borrowings net of cash, was US$1.7 billion lower at US$2.4 billion.

Net debt to equity ratio improved sharply to 0.25x as at 31 December 2008 from 0.52x a year ago, as a result of the Group's stronger operating cash flow in FY2008. Interest cover improved to 7.6x for FY2008 from 6.0x in FY2007 on strong earnings growth.

A large proportion of our borrowings are used to finance our working capital, which comprises very liquid or near cash assets like inventories and trade receivables. Inventories are primarily agricultural commodities with a ready market, while trade receivables have short turnover period and are substantially supported by Letters of Credit. Adjusting the net debt level for liquid working capital, our adjusted net debt to equity ratio would be much lower at 0.10x.

As at 31 December	**2008** **US$ million**	**2007** **US$ million**
Shareholders' funds	9,606.5	7,845.2
Net loans and borrowings	2,390.5	4,060.3
Net debt to equity	0.25x	0.52x
Liquid working capital:		
Inventories (excluding consumables)	2,322.4	3,503.7
Trade receivables	1,331.2	1,501.2
Less: Current liabilities (excluding loans and borrowings)	(2,245.7)	(1,959.7)
	1,407.9	3,045.2
Net loans and borrowings (excluding liquid working capital)	982.6	1,015.1
Adjusted net debt to equity	0.10x	0.13x

CAPITAL MANAGEMENT AND TREASURY POLICIES

Borrowings

The Group's total loans and borrowings of US$5.3 billion comprised:

As at 31 December	**2008** **US$ million**	**2007** **US$ million**
Short term	3,677.1	4,209.1
Long term	1,606.5	818.8
	5,283.6	5,027.9

More than 90% of short term loans and borrowings were trade financing lines with minimal refinancing risks as they are backed by inventories and receivables and are self-liquidating. Long term loans and borrowings were committed loans, including convertible bonds. These borrowings are due from 2010 onwards.

During the year, we improved the Group's funding structure by reducing our short term borrowings and replacing them with long term and committed loans and borrowings. Two term loans were secured during the period:

- April 2008 - US$400 million unsecured 3-year revolving loan facility to fund the Group's capacity expansion and working capital requirements.

- September 2008 - US$380 million 1-year committed term loan facility (with an option for one year extension) for the Group's working capital requirements.

The majority of the Group's loans and borrowings were denominated in United States Dollar (US$) while the balance represented borrowings in the local currencies of the countries where we operate. These currencies consisted mainly of Chinese Renminbi (RMB), Indonesian Rupiah (IDR) and Malaysian Ringgit (MYR).

With the exception of zero-coupon convertible bonds of US$550.3 million (2007: US$542.4 million), our loans and borrowings were predominantly on floating rates.

Cash and cash equivalents

Cash and cash equivalents were held in US$ and the local currencies of the respective countries where we operate, mainly RMB, MYR and IDR. As at 31 December 2008, our cash and cash equivalents comprised primarily cash and bank balances of US$2.9 billion (2007: US$967.6 million).

Included in our cash and bank balances were US$1.5 billion (2007: US$302.0 million) pledged with financial institutions for bank facilities. Available cash and bank balances (excluding cash pledged and bank overdraft) more than doubled to US$1.1 billion as at 31 December 2008 from US$444.9 million the previous year end.

The Group has built up a strong cash reserve to enable us to weather the current global economic slowdown.

Financial risk management

Wilmar operates in several countries and is exposed to a variety of financial risks including credit risk, liquidity risk, interest rate risk, foreign currency risk and commodity price risk. Risk management is discussed in greater detail in the Risk Management section and Notes to the Financial Statements. The following is a brief summary:

- **Credit risk.** The majority of the Group's export sales require Letters of Credit from customers or are sold on cash terms against the presentation of documents of title. Our domestic sales are executed on cash terms or where appropriate, credit terms are granted. We conduct thorough credit assessment before granting credit terms and limits.

- **Interest rate risk.** The Group has minimal exposure to interest rate risk as most of our loans and borrowings are short term and trade related, with interest costs typically priced into the products and passed on to customers.

- **Foreign currency risk.** Currency risk arises as entities in the Group regularly transact or borrow in currencies other than their respective functional currencies, including US$, RMB and MYR. We manage our currency risk by constructing natural hedges where we match sales and purchases in any single currency or through financial instruments such as foreign currency forward exchange contracts. The Group may still be exposed to foreign currency risk if the natural hedges and/or financial instruments do not completely cover the exposure or where the Group has maintained an open position in any currency.

- **Commodity price risk.** The prices of agricultural commodities are subject to wide fluctuations, exposing the Group to commodity price risk when our sales and purchases commitments do not match at the end of each business day. The Group uses forward physical and derivative contracts to mitigate such risk.

- **Liquidity risk.** The Group maintains sufficient liquidity by closely monitoring our cash flow and maintaining sufficient credit facilities with a diversified panel of more than 40 banks in various geographies, including the use of trade finance for the Group's raw material purchases.

CASH FLOW, FUNDING AND LIQUIDITY

Cash flow

Net cash flow generated from operating activities in FY2008 was US$3.2 billion compared to an outflow of US$1.0 billion in FY2007. The strong operating cash flow resulted from the Group's robust performance for the year and lower working capital requirements. Working capital requirements fell in line with the sharp drop in prices of agricultural commodities as well as lower turnover days from the Group's stringent liquidity management, particularly in the second half of FY2008.

	FY2008 US$ million	FY2007 US$ million
Net cash generated from/(used in) operating activities	3,230.8	(1,025.5)
Net cash flows used in investing activities	(1,296.1)	(530.4)
Net cash (outflow)/inflow from financing activities	(1,275.9)	2,001.9
Net increase in cash held	658.8	446.0
Turnover days:		
Inventory	43	56
Trade receivables	16	21
Trade payables	14	16

Of the cash generated from operating activities in FY2008:

- US$1.3 billion was used in investing activities, of which US$1.1 billion was applied towards plantations, property, plant and equipment and US$274.5 million for long term investments.

  Major additions of property, plant and equipment during the year included crushing plants, flour mills, oleochemicals plants, refinery and fractionation plants in China; a refinery plant in Germany; expansion in the Group's existing facilities in China, Malaysia and Indonesia; and the purchase of new vessels. Long term investments included our associates in Africa, Russia and Ukraine.

- US$1.3 billion was used in financing activities, of which US$240.1 million was for the payment of dividends and US$1.2 billion for the placement of short term fixed deposits pledged with financial institutions for bank facilities. The Group's net proceeds from bank loans amounted to US$245.8 million during the year.

Funding and liquidity

At the end of FY2008, credit facilities in the form of short term loans, trade finance and committed loans available to the Group were more than US$11 billion, of which US$5.3 billion was utilised. The unutilised facilities, together with the Group's US$1.1 billion available cash and bank balances, brought the Group's total available liquidity to approximately US$7 billion as at 31 December 2008.

The Group does not have any major loan refinancing requirements in FY2009 while funding for capital expenditure is expected to be substantially met by internal resources and where necessary, loans and borrowings.

Operationally, assuming no major movements in the prices of agricultural commodities, our funding requirements coincide with the seasonality of sales. Typically, the third quarter of the year is the seasonal peak in terms of sales volume. The additional funding requirements for that quarter is expected to be met by the Group's healthy liquidity position.

The Group does not have any covenants with lenders which could restrict the use of credit facilities and no material breaches of covenants have occurred.

SHAREHOLDERS' RETURNS

For FY2008, the Board of Directors has proposed a final dividend of 4.5 Singapore cents per share. Together with the interim dividend of 2.8 Singapore cents per share paid on 12 December 2008, total dividend for FY2008 will amount to 7.3 Singapore cents per share or a payout ratio of approximately 20% of net profit. Barring any unforeseen circumstances, the Group expects to maintain the dividend payout ratio at the current level.

Currently, Wilmar does not have a mandate for share buy-back. We will be seeking shareholders' approval for such mandate at the upcoming Annual General Meeting.

ACCOUNTING POLICIES

The Group's financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The preparation of financial statements requires management to exercise judgement and to use estimates and assumptions. Significant accounting judgement and estimates, which are discussed in greater detail in the Notes to the Financial Statements, include:

- Assessment for impairment of goodwill which requires an estimation of future cash flows from the cash-generating unit and an appropriate discount rate for present value calculation.
- Depreciation of plant and equipment which is based on management estimates of their useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets.
- Provision for income taxes involves significant judgement as there are transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different, such differences will impact the income tax and deferred tax provisions.
- Biological assets, which are stated at fair value less point-of-sale costs, are estimated by reference to an independent valuer's assessment. Changes in the conditions of biological assets could impact the fair value of these assets.
- Provision for employee gratuity benefit is determined using actuarial valuations, involving assumptions about discount rates, future salary increases, mortality rates and future pension increases. Such estimates are subject to significant uncertainty.

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Wilmar International Limited ("the Company" or "Wilmar") and its subsidiaries (collectively, "the Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2008.

DIRECTORS

The directors of the Company in office at the date of this report are:

Kuok Khoon Hong
Martua Sitorus
Chua Phuay Hee
Teo Kim Yong
Lee Hock Kuan
Kuok Khoon Ean
Kuok Khoon Ho *(appointed on 10 November 2008)*
John Daniel Rice
Yeo Teng Yang
Leong Horn Kee
Tay Kah Chye
Kwah Thiam Hock

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares and convertible bonds of the Company and its related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct Interest			Deemed Interest		
	As at 1.1.08 or date of appointment	**As at 31.12.08**	**As at 21.1.09**	**As at 1.1.08 or date of appointment**	**As at 31.12.08**	**As at 21.1.09**
Company						
Wilmar International Limited (Ordinary Shares)						
Kuok Khoon Hong	–	–	–	3,077,831,017	3,078,764,017	3,078,764,017
Martua Sitorus	–	4,338,000	4,338,000	3,076,312,557	3,076,312,557	3,076,312,557
Chua Phuay Hee	250,000	250,000	250,000	–	–	–
Teo Kim Yong	1,000,000	1,850,000	1,850,000	–	–	–
Lee Hock Kuan	75,000	210,000	210,000	–	61,000	61,000
Kuok Khoon Ean	–	–	–	342,000	486,400	486,400
Kuok Khoon Ho	–	–	–	–	–	639,000

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

	Direct Interest			Deemed Interest		
	As at 1.1.08 or date of appointment (US$)	As at 31.12.08 (US$)	As at 21.1.09 (US$)	As at 1.1.08 or date of appointment (US$)	As at 31.12.08 (US$)	As at 21.1.09 (US$)
Wilmar International Limited						
(US$600,000,000 convertible bonds due 2012)						
Kuok Khoon Hong	–	–	–	–	2,500,000	2,500,000
Martua Sitorus	–	1,000,000	1,000,000	–	–	–
Teo Kim Yong	–	800,000	800,000	–	–	–

Mr Kuok Khoon Hong and Mr Martua Sitorus, by virtue of their indirect interests of not less than 20% of the issued share capital in Wilmar Holdings Pte Ltd (in members' voluntary liquidation), a controlling shareholder of the Company, which has a direct interest of 48.1% of the issued share capital in the Company, are each deemed to have an interest in the issued share capital of all subsidiaries held by the Company pursuant to Section 7 of the Companies Act Cap. 50.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, convertible bonds, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year (or date of appointment if later) or at the end of the financial year.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company, who held office at the end of the financial year has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

MATERIAL CONTRACTS

List of material contracts

A. *US$400,000,000 Unsecured 3-Year Revolving Loan Facility*

On 15 April 2008, the Company entered into a loan agreement for a US$400,000,000 unsecured 3-year revolving facility with Bank of America N.A., ING Bank N.V., Oversea-Chinese Banking Corporation Limited and Rabobank International. Oversea-Chinese Banking Corporation Limited is acting as the Facility Agent.

B. *US$380,000,000 One-Year Committed Term Loan Facility with Option for One Year Extension*

On 8 September 2008, the Company (as a guarantor) entered into a Facility Agreement for a US$380,000,000 one-year committed term loan facility with an option for a one year extension granted to Wilmar Trading Pte Ltd, a wholly-owned subsidiary of the Company. The mandated lead arrangers for the loan facility are Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, Singapore Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd, Singapore Branch and Mizuho Corporate Bank, Ltd, Singapore Branch. The Bank of Tokyo-Mitsubishi UFJ, Ltd, Singapore Branch is acting as the Facility Agent.

SHARE OPTIONS

The Company's Executives' Share Option Scheme ("ESOS") was approved by shareholders on 30 June 2000 and continues to be operative after the completion of the reverse takeover on 14 July 2006 ("RTO"). No options were granted to employees of the Company and its wholly-owned subsidiaries since the RTO to 26 November 2008.

The ESOS is administered by the Remuneration Committee. The members are Mr Kwah Thiam Hock (Chairman), Mr Kuok Khoon Ean, Mr Yeo Teng Yang and Mr Leong Horn Kee, the majority of whom are independent directors.

The ESOS entitles eligible participants to subscribe for ordinary shares in the Company at a price equal to the average of the closing prices of the shares on the SGX-ST on the five trading days immediately preceding the date of the grant of the option ("Market Price") or at a discount to the Market Price (up to a maximum of 20%). The number of shares in respect of which options may be granted when aggregated with those granted under any other share option schemes of the Company and for the time being in force, shall not exceed 15% of the issued share capital of the Company on the date preceding the date of the relevant grant.

On 27 November 2008 and 9 December 2008, the Company granted options to subscribe for a total of 18,170,000 Wilmar shares to executives of the Group. The options are valid for a term of five years from the date of grant at the respective exercise prices (subject to any subsequent adjustment as stated in the ESOS) determined by the Remuneration Committee. The options are exercisable in the following manner:

- After 1st anniversary of the date of grant - 50% of options granted
- After 2nd anniversary of the date of grant - the remaining 50% of options granted

The number of unissued ordinary shares of the Company under options outstanding as at the end of the financial year is as follows:

Options Series	Date of Grant	As at Date of Grant	Options Exercised/lapsed	Balance as at 31.12.08	Exercise Price	Exercise Period
2008/A	27.11.2008	8,975,000	–	8,975,000	S$2.45	28.11.2009 to 26.11.2013
2008/A	27.11.2008	8,975,000	–	8,975,000	S$2.45	28.11.2010 to 26.11.2013
2008/B	09.12.2008	110,000	–	110,000	S$2.63	10.12.2009 to 08.12.2013
2008/B	09.12.2008	110,000	–	110,000	S$2.63	10.12.2010 to 08.12.2013
Total		18,170,000		18,170,000		

Except as disclosed above, since the completion of the RTO till the end of the financial year under review:

- No options have been granted to directors and controlling shareholders of the Company and their associates;
- No participant has received 5% or more of the total options under the ESOS;
- No options have been granted to directors and employees of the holding company (the Company currently does not have a parent company) and its subsidiaries;
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and
- No options have been granted at a discount.

AUDIT COMMITTEE

The Audit Committee ("AC") members at the date of this report are Mr Tay Kah Chye (Chairman), Mr Kwah Thiam Hock and Mr Yeo Teng Yang.

The AC performs the functions specified by Section 201B(5) of the Singapore Companies Act, Cap. 50, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), and the Singapore Corporate Governance Code 2005.

The principal responsibility of the AC is to assist the Board of Directors in fulfilling its oversight responsibilities. The operations of the AC are regulated by its charter. The Board is of the opinion that the members of the AC have sufficient accounting, financial, management expertise or experience to discharge their duties.

Notwithstanding that the Group has appointed different auditors for certain non-significant subsidiaries and associated companies, the Board and AC are satisfied that such appointments would not compromise the standard and effectiveness of the audit of the Group.

During the year, AC met four times to review, inter alia, the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The AC also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the AC prior to the submission to the directors of the Company for adoption. The Audit Committee also met with the external and internal auditors, without the presence of management, to discuss issues of concern to them.

The AC has, in accordance with Chapter 9 of the Listing Manual of the SGX-ST, reviewed the requirements for approval and disclosure of interested person transactions, reviewed the procedures set up by the Group and the Company to identify and report and where necessary, seek approval for interested persons transactions and, with the assistance of the internal auditors, reviewed interested persons transactions.

The AC was satisfied that proper risk management procedures were in place. It will consider regularly the need to conduct independent risk management reviews and disclose their decision and results of such reviews conducted to shareholders and the Singapore Exchange.

The AC was satisfied with the independence and objectivity of the external auditors and has nominated Ernst & Young LLP for re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

AUDITORS

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors

Kuok Khoon Hong
Director

Chua Phuay Hee
Director

Singapore
27 March 2009

STATEMENT BY DIRECTORS

We, Kuok Khoon Hong and Chua Phuay Hee, being two of the directors of Wilmar International Limited, do hereby state that, in the opinion of the directors,

(a) the accompanying balance sheets, consolidated income statement, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008, and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Kuok Khoon Hong
Director

Chua Phuay Hee
Director

Singapore
27 March 2009

INDEPENDENT AUDITORS' REPORT

To the Members of Wilmar International Limited

We have audited the accompanying financial statements of Wilmar International Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 74 to 181, which comprise the balance sheets of the Group and the Company as at 31 December 2008, the statements of changes in equity of the Group and the Company and the income statement and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

To the Members of Wilmar International Limited

OPINION

In our opinion,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore
27 March 2009

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2008

	Note	2008 US$'000	2007 US$'000
Revenue	4	**29,145,185**	16,466,151
Cost of sales	5	**(25,585,369)**	(14,738,345)
Gross profit		**3,559,816**	1,727,806
Other items of income			
Net gains arising from changes in fair value of biological assets		**–**	123,457
Interest income	6	**92,927**	17,667
Other operating income	7	**277,433**	133,008
Other items of expenses			
Selling and distribution expenses		**(1,577,456)**	(797,877)
Administrative expenses		**(243,575)**	(144,823)
Other operating expenses	8	**(84,082)**	(108,257)
Finance costs	9	**(346,927)**	(180,986)
Share of results of associates		**111,189**	59,798
Profit before tax	10	**1,789,325**	829,793
Income tax expense	11	**(232,174)**	(154,557)
Profit after tax		**1,557,151**	675,236
Attributable to:			
Equity holders of the Company		**1,530,990**	580,405
Minority interests		**26,161**	94,831
		1,557,151	675,236
Earnings per share attributable to equity holders of parent (US cents per share)			
- Basic	12	**23.98**	12.80
- Diluted	12	**23.98**	12.80

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
As at 31 December 2008

	Note	Group 2008 US$'000	Group 2007 US$'000	Company 2008 US$'000	Company 2007 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**3,252,216**	2,556,820	**–**	–
Investment securities	14	**36,565**	856	**36,000**	–
Investment in subsidiaries	15	**–**	–	**8,301,502**	7,782,603
Investment in associates	16	**1,157,870**	451,950	**307,127**	140,152
Plasma investments	17	**7,456**	5,742	**–**	–
Biological assets	18	**1,021,057**	940,014	**–**	–
Intangible assets	19	**3,942,014**	3,933,295	**–**	–
Derivative financial instruments	20	**14,222**	33,609	**14,222**	26,883
Deferred tax assets	21	**56,681**	28,038	**–**	–
Other receivables	22	**87,497**	472,229	**236,162**	679,042
		9,575,578	8,422,553	**8,895,013**	8,628,680
Current assets					
Inventories	23	**2,468,305**	3,614,066	**–**	–
Trade receivables	24	**1,331,164**	1,501,204	**–**	–
Other receivables	22	**746,019**	856,554	**1,336,553**	1,112,405
Derivative financial instruments	20	**816,088**	95,922	**–**	–
Investment securities	14	**38,604**	49,182	**–**	–
Cash and bank balances	25	**2,893,102**	967,572	**78,003**	2,829
		8,293,282	7,084,500	**1,414,556**	1,115,234
TOTAL ASSETS		**17,868,860**	15,507,053	**10,309,569**	9,743,914
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	26	**946,219**	1,001,912	**–**	–
Other payables	27	**894,125**	780,261	**82,607**	36,160
Derivative financial instruments	20	**289,596**	108,030	**–**	–
Loans and borrowings	28	**3,677,118**	4,209,148	**–**	16,000
Tax payable		**115,710**	69,498	**2,110**	120
		5,922,768	6,168,849	**84,717**	52,280
NET CURRENT ASSETS		**2,370,514**	915,651	**1,329,839**	1,062,954

BALANCE SHEETS
As at 31 December 2008

	Note	Group 2008 US$'000	Group 2007 US$'000	Company 2008 US$'000	Company 2007 US$'000
Non-current liabilities					
Other payables	27	**28,417**	41,863	**–**	–
Loans and borrowings	28	**1,606,447**	818,761	**950,311**	542,363
Deferred tax liabilities	21	**335,872**	296,078	**–**	–
		1,970,736	1,156,702	**950,311**	542,363
TOTAL LIABILITIES		**7,893,504**	7,325,551	**1,035,028**	594,643
NET ASSETS		**9,975,356**	8,181,502	**9,274,541**	9,149,271
Equity attributable to equity holders of the parent					
Share capital	29	**8,402,547**	8,402,547	**8,838,686**	8,838,686
Retained earnings		**2,321,715**	1,095,808	**285,730**	116,540
Other reserves	30	**(1,117,801)**	(1,653,157)	**150,125**	194,045
		9,606,461	7,845,198	**9,274,541**	9,149,271
Minority interests		**368,895**	336,304	**–**	–
Total equity		**9,975,356**	8,181,502	**9,274,541**	9,149,271
TOTAL EQUITY AND LIABILITIES		**17,868,860**	15,507,053	**10,309,569**	9,743,914

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2008

	Note	Attributable to equity holders of the parent					
	Note	Share capital	Retained earnings	Other reserves	Equity attributable to equity holders of the parent, total	Minority interests	Equity total
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2008							
Group							
Opening balance at 1 January 2008		8,402,547	1,095,808	(1,653,157)	7,845,198	336,304	8,181,502
Convertible bonds - equity component	30(b)(i)	–	–	(48,000)	(48,000)	–	(48,000)
Share of associates' surplus on revaluation of land and buildings	30(b)(v)	–	–	(1,174)	(1,174)	–	(1,174)
Net fair value adjustment on cash flow hedges	30(b)(vi)	–	–	419,345	419,345	–	419,345
Foreign currency translation	30(b)(iii)	–	–	95,073	95,073	15,650	110,723
Net income recognised directly in equity		–	–	465,244	465,244	15,650	480,894
Profit for the year		–	1,530,990	–	1,530,990	26,161	1,557,151
Total recognised income and expense for the year		–	1,530,990	465,244	1,996,234	41,811	2,038,045
Shares granted to employees	30(b)(i)	–	–	3,068	3,068	–	3,068
Grant of equity-settled share options	30(b)(vii)	–	–	1,012	1,012	–	1,012
Acquisition of subsidiaries	15	–	–	–	–	2,591	2,591
Share capital contributions by minority shareholders		–	–	–	–	20,410	20,410
Disposal of subsidiaries		–	–	1,086	1,086	(3,990)	(2,904)
Dilution of minority shareholders' interests		–	–	–	–	(11,169)	(11,169)
Dividends on ordinary shares	39	–	(240,137)	–	(240,137)	–	(240,137)
Dividends paid to minority shareholders by subsidiaries		–	–	–	–	(17,062)	(17,062)
Transfer to other reserves	30(b)(iv)&(v)	–	(64,946)	64,946	–	–	–
Closing balance at 31 December 2008		8,402,547	2,321,715	(1,117,801)	9,606,461	368,895	9,975,356

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2008

	Note	Attributable to equity holders of the parent					
		Share capital	Retained earnings	Other reserves	Equity attributable to equity holders of the parent, total	Minority interests	Equity total
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2007							
Group							
Opening balance at 1 January 2007		280,278	547,245	29,792	857,315	124,687	982,002
Convertible bonds - equity component	30(b)(i)	–	–	132,520	132,520	–	132,520
Merger reserve arising from the merger of IPT assets	30(b)(ii)	–	–	(1,960,906)	(1,960,906)	–	(1,960,906)
Share of associates' government grant received	30(b)(iv)	–	–	914	914	–	914
Revaluation of land and buildings	30(b)(v)	–	–	1,407	1,407	–	1,407
Share of associates' surplus on revaluation of land and buildings	30(b)(v)	–	–	1,174	1,174	–	1,174
Foreign currency translation	30(b)(iii)	–	–	70,131	70,131	19,663	89,794
Net income/(expense) recognised directly in equity		–	–	(1,754,760)	(1,754,760)	19,663	(1,735,097)
Profit for the year		–	580,405	–	580,405	94,831	675,236
Total recognised income and expense for the year		–	580,405	(1,754,760)	(1,174,355)	114,494	(1,059,861)
Shares issued for acquisition of subsidiaries	29	8,122,269	–	–	8,122,269	–	8,122,269
Shares granted to employees	30(b)(i)	–	–	61,525	61,525	–	61,525
Acquisition of subsidiaries		–	–	–	–	130,468	130,468
Disposal of subsidiaries		–	–	–	–	(3,138)	(3,138)
Dividends on ordinary shares	39	–	(21,556)	–	(21,556)	–	(21,556)
Dividends paid to minority shareholders by subsidiaries		–	–	–	–	(30,207)	(30,207)
Transfer to other reserves	30(b)(iv)	–	(10,286)	10,286	–	–	–
Closing balance at 31 December 2007		8,402,547	1,095,808	(1,653,157)	7,845,198	336,304	8,181,502

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2008

		Attributable to equity holders of the parent			
	Note	**Share capital** US$'000	**Retained earnings** US$'000	**Other reserves** US$'000	**Equity attributable to equity holders of the parent, total** US$'000
2008					
Company					
Opening balance at 1 January 2008		8,838,686	116,540	194,045	9,149,271
Convertible bonds - equity component	30(b)(i)	–	–	(48,000)	(48,000)
Net expense recognised directly in equity		–	–	(48,000)	(48,000)
Profit for the year		–	409,327	–	409,327
Total recognised income and expense for the year		–	409,327	(48,000)	361,327
Shares granted to employees	30(b)(i)	–	–	3,068	3,068
Grant of equity-settled share options	30(b)(vii)	–	–	1,012	1,012
Dividends on ordinary shares	39	–	(240,137)	–	(240,137)
Closing balance at 31 December 2008		8,838,686	285,730	150,125	9,274,541

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2008

		Attributable to equity holders of the parent			
	Note	Share capital US$'000	Retained earnings US$'000	Other reserves US$'000	Equity attributable to equity holders of the parent, total US$'000
2007					
Company					
Opening balance at 1 January 2007		716,417	26,760	–	743,177
Convertible bonds - equity component	30(b)(i)	–	–	132,520	132,520
Net income recognised directly in equity		–	–	132,520	132,520
Profit for the year		–	111,336	–	111,336
Total recognised income and expense for the year		–	111,336	132,520	243,856
Shares issued for acquisition of subsidiaries	29	8,122,269	–	–	8,122,269
Shares granted to employees	30(b)(i)	–	–	61,525	61,525
Dividends on ordinary shares	39	–	(21,556)	–	(21,556)
Closing balance at 31 December 2007		8,838,686	116,540	194,045	9,149,271

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2008

	2008 US$'000	2007 US$'000
Cash flows from operating activities		
Profit before tax	**1,789,325**	829,793
Adjustments for:		
Net gains arising from changes in fair value on biological assets	**–**	(123,457)
Depreciation of property, plant and equipment (Note 10)	**207,900**	133,692
Impairment on investment in associates	**1,172**	–
Net loss on disposal of investment in associates	**15,621**	–
Amortisation of intangible assets	**18**	78
Negative goodwill taken to the income statement	**(348)**	(1,382)
Positive goodwill written off to the income statement	**346**	2,544
(Gain)/loss on disposal of property, plant and equipment	**(17,699)**	632
Loss/(gain) on disposal/liquidation of subsidiaries	**95**	(26)
Gain on disposal of investment securities	**(4,024)**	(1,049)
Shares granted to employees	**3,068**	61,525
Grant of share options to employees	**1,012**	–
Net (gain)/loss on the fair value of derivative financial instruments	**(77,796)**	6,962
Net gain on the fair value of investment securities	**(1,614)**	–
Foreign exchange arising from translation	**49,629**	26,615
Interest expense	**326,151**	172,836
Interest income	**(92,927)**	(17,667)
Share of results of associates	**(111,189)**	(59,798)
Operating cash flow before working capital changes	**2,088,740**	1,031,298
Changes in working capital:		
Decrease/(increase) in inventories	**1,111,580**	(1,727,068)
Decrease/(increase) in receivables and other assets	**445,433**	(624,774)
Increase in payables	**72,916**	515,318
Cash flows generated from/(used in) operations	**3,718,669**	(805,226)
Interest paid	**(293,272)**	(156,390)
Interest received	**92,927**	17,667
Income taxes paid	**(287,466)**	(81,542)
Net cash flows generated from/(used in) operating activities	**3,230,858**	(1,025,491)

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2008

	2008 US$'000	2007 US$'000
Cash flows from investing activities		
Net cash inflow on acquisition of subsidiaries (Note 15)	**1,263**	122,019
Payments for dilution in minority interests	**(11,266)**	(12,557)
(Increase)/decrease in plasma investments	**(1,614)**	7,203
Payments for investment securities	**(168,376)**	(313,414)
Payments for investment in associates	**(238,493)**	(14,501)
Payments for biological assets	**(94,642)**	(65,212)
Payments for property, plant and equipment	**(1,012,188)**	(544,468)
Payments for intangible assets	**(416)**	(5)
Dividends received from associates	**11,470**	16,001
Proceeds from disposal of investment securities	**150,999**	265,681
Proceeds from disposal of biological assets	**147**	–
Proceeds from disposal of property, plant and equipment	**70,566**	8,881
Proceeds from disposal of associates	**4,642**	–
Net cash outflow from disposal of subsidiaries (Note 15)	**(8,193)**	–
Net cash flows used in investing activities	**(1,296,101)**	(530,372)
Cash flows from financing activities		
Increase in receivables	**(28,112)**	(8,558)
(Increase)/decrease in net amount due from related parties	**(2,100)**	41,962
Decrease/(increase) in net amount due from associates	**29,905**	(54,180)
Decrease in advances from minority shareholders	**(3,462)**	(5,085)
Proceeds from bank loans	**245,842**	2,245,768
Proceeds from/(repayments of) finance lease liabilities	**10**	(19)
Increase in fixed deposits pledged with financial institutions for bank facilities	**(1,240,591)**	(142,745)
Interest paid	**(36,840)**	(23,498)
Dividends paid by the Company	**(240,137)**	(21,556)
Dividends paid to minority shareholders by subsidiaries	**(17,062)**	(30,207)
Proceeds from issue of shares by subsidiaries to minority shareholders	**16,600**	25
Net cash flows (used in)/generated from financing activities	**(1,275,947)**	2,001,907
Net increase in cash held	**658,810**	446,044
Cash and cash equivalents at the beginning of the financial year	**444,886**	(1,158)
Cash and cash equivalents at the end of the financial year (Note 25)	**1,103,696**	444,886

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Wilmar International Limited (the "Company") is a limited liability company, incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 56, Neil Road, Singapore 088830.

The principal activities of the Company are those of an investment holding company and provision of management services to its subsidiary companies. The principal activities of the subsidiaries are disclosed in Note 40 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in US Dollars (USD or US$) and all values are rounded to the nearest thousand (US$'000), except when otherwise indicated.

The accounting policies have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year.

2.2 *Changes in accounting policies*

(a) *Adoption of new and revised FRS*

With effect from 1 January 2008, the Group has adopted all the new and revised FRS and INT FRS that are mandatory for financial years beginning on or after 1 January 2008. The adoption of these FRS and INT FRS has no significant impact to the Group.

(b) *Future changes in accounting policies*

The Group has not adopted the following FRS and INT FRS that have been issued but not yet effective:

Reference		Description	Effective for annual periods beginning on or after
FRS 1	:	Presentation of Financial Statements – Revised presentation – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 *Changes in accounting policies (continued)*

(b) ***Future changes in accounting policies (continued)***

Reference		Description	Effective for annual periods beginning on or after
FRS 23	:	Borrowing Costs	1 January 2009
FRS 27	:	Consolidation and Separate Financial Statements – Amendments Relating to Cost of an Investment in a Subsidiary, Jointly-controlled Entity or Associate	1 January 2009
FRS 32	:	Financial Instruments: Presentation – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 39	:	Financial Instruments: Recognition and Measurement – Amendments relating to eligible hedged items	1 July 2009
FRS 101	:	First-time Adoption of Financial Reporting Standards – Amendments Relating to Cost of an Investment in a Subsidiary, Jointly-controlled Entity or Associate	1 January 2009
FRS 102	:	Share-based payment – Vesting conditions and cancellations	1 January 2009
FRS 108	:	Operating Segments	1 January 2009
INT FRS 113	:	Customer Loyalty Programmes	1 July 2008
INT FRS 116	:	Hedges of a Net Investment in a Foreign Operation	1 October 2008
INT FRS 117	:	Distribution of Non-cash Assets to Owners	1 July 2009

The directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial application. The revised presentation of financial statements due to the adoption of FRS 1 and FRS 108 is set out below.

FRS 1 Presentation of Financial Statements – Revised presentation

The revised FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income. It presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements.

FRS 108 Operating Segments

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker. The impact of this standard on the other segment disclosures is still to be determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

With the exception of acquisition of IPT assets described below, acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. The accounting policy for goodwill is set out in Note 2.11(a). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as an income in the income statement on the date of acquisition.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

In July 2007, the Group has completed the acquisition of all Wilmar Holdings Pte Ltd's ("WHPL") interests in its subsidiaries and associated companies, save for its interests in the Company, and shares owned by Archer Daniels Midland Asia-Pacific Limited ("ADM") and/or its affiliated companies ("ADM Group") in companies where ADM Group holds shares with WHPL, together with minority interests held by WHPL in certain subsidiaries of the Company ("IPT Assets"). The above transaction was accounted for using the pooling-of-interest method.

Business combination involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as merger reserve. The income statement reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined.

2.4 *Transactions with minority interests*

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the parent entity extension approach, whereby on acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in goodwill. Gain or loss on disposal to minority interests is recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 *Foreign currency*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated income statement on disposal of the subsidiary.

The assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity as foreign currency translation reserve. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

2.6 *Subsidiaries*

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

2.7 *Associates*

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associates is accounted for using the equity method. Under the equity method, the investment in associate is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment. Any excess of the Group's share of net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of profit or loss of the associate in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The financial statements of the associate are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's financial statements, investments in associates are carried at cost less accumulated impairment loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all items of property, plant and equipment, except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Land and land rights	–	amortised over the period of leases
Buildings	–	4 to 30 years
Plant and machineries	–	4 to 16 years
Furniture, fittings and office equipment	–	3 to 20 years
Motor vehicles, trucks and aircrafts	–	4 to 15 years
Vessels	–	5 to 25 years

The cost of construction-in-progress represents all costs, including borrowing costs, incurred on the construction of the assets. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the construction is completed. No depreciation is provided on construction-in-progress as these assets are not yet available for use.

Interest on borrowings to finance the construction of property, plant and equipment is capitalised during the period of time that is required to complete and prepare each asset for its intended use. All other borrowing costs are expensed.

Repairs and maintenance are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the asset.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 *Biological assets*

Biological assets, which include mature and immature oil palm plantations, are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the income statement. Oil palm plantations are considered mature when 60% of oil palm per block are bearing fruits with an average weight of 3 kilograms or more per bunch. Point-of-sale costs include all costs that would be necessary to sell the assets.

The fair value of the oil palm plantations is estimated by reference to independent professional valuations using the discounted cash flows of the underlying biological assets. The expected cash flows from the whole life cycle of the oil palm plantations is determined using the market price of the estimated yield of the agricultural produce, being fresh palm fruit bunches, net of maintenance and harvesting costs and any costs required to bring the oil palm plantations to maturity. The estimated yield of the oil palm plantations is affected by the age of the oil palm trees, the location, soil type and infrastructure. The market price of the fresh palm fruit bunches is largely dependent on the prevailing market price of the processed products after harvest, being crude palm oil and palm kernel.

2.10 *Plasma investments*

Costs incurred during the development up to the conversion of the Plasma plantation are captalised to Plasma plantations. The development of the Plasma oil palm plantations is financed by plasma loans, which was received by the plasma farmers (represented by "Cooperatives"), plus additional funding by the Company, should the bank financing be not adequate to finance the development costs. Accumulated development costs are presented net of the plasma loans and are presented as "Plasma investments".

The difference between the accumulated development costs of Plasma plantations and their conversion value is charged to the income statement.

2.11 *Intangible assets*

(a) *Goodwill*

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and

- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in the income statement. Impairment losses recognised for goodwill are not reversed in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 *Intangible assets (continued)*

(a) ***Goodwill (continued)***

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that cash-generating unit (or group of cash-generating units) is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit (or group of cash-generating units) retained.

(b) ***Other intangible assets***

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

(i) *Brands*

The brands were acquired in a business combination. The useful lives of the brands are estimated to be indefinite because based on the current market share of the brands, management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash inflows for the Group.

(ii) *Trademarks and licences*

Trademarks and licences acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the income statement using the straight line method over 5 to 20 years.

2.12 *Financial assets*

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 *Financial assets (continued)*

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

(a) ***Financial assets at fair value through profit or loss***

Financial assets held for trading are classified as financial assets at fair value through profit or loss. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the income statement. Net gains or net losses on the financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

The Group does not designate any financial assets not held for trading as financial assets at fair value through profit or loss.

(b) ***Loans and receivables***

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

(c) ***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(d) ***Available-for-sale financial assets***

Available-for-sale financial assets are financial assets that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised directly in the fair value adjustment reserve in equity, except that impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the income statement. The cumulative gain or loss previously recognised in equity is recognised in the income statement when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 *Impairment of financial assets*

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) ***Assets carried at amortised cost***

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

(b) ***Assets carried at cost***

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) ***Available-for-sale financial assets***

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Reversals of impairment losses in respect of equity instruments are not recognised in the income statement. Reversals of impairment losses on debt instruments are recognised in the income statement if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the income statement except for assets that are previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.16 *Inventories*

(a) *Physical inventories, futures and other forward contracts*

Physical inventories of palm based products, edible oils, oilseeds and other agricultural commodities are valued at the lower of cost and spot prices prevailing at the balance sheet date.

The Group has committed purchase and sales contracts for palm oil and other agricultural commodities that are entered into as part of its manufacturing and sale activities. The prices and physical delivery of the sales and purchases are fixed in the contracts and these contracts are not recognised in the financial statements until physical deliveries take place.

The Group also enters into non-physical delivery forward contracts and commodity derivatives to manage the price risk of its physical inventory and to hedge against fluctuations in commodity prices. Commodity derivatives include futures, options and swap contracts on palm oil and palm based products, soyabeans and other non-palm products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 *Inventories (continued)*

(a) *Physical inventories, futures and other forward contracts (continued)*

Gains or losses arising from matched forward and derivatives contracts are recognised immediately in the income statement. Any difference arising from the fair value assessment will be recognised in the financial statements. Unrealised losses arising from the valuations are set off against unrealised gains on an aggregated basis.

The outstanding forward and derivative contracts are valued at their fair value at the balance sheet date against quoted market prices. Where the quoted market prices are not available, fair value are based on management's best estimates and are arrived at by reference to the market prices of another contract that is substantially similar. The notional principal amounts of the outstanding forward and futures contracts are off-balance sheet items.

(b) *Other inventories*

Other inventories are stated at lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price less the costs of completion and selling expenses.

2.17 *Financial liabilities*

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the income statement when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the income statement. Net gains or losses on derivatives include exchange differences.

2.18 *Borrowings*

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the balance sheet date.

(a) *Borrowings*

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 *Borrowings (continued)*

(b) *Convertible bonds*

When convertible bonds are issued, the total proceeds are allocated to the liability component and the equity component, which are separately presented on the balance sheet. Should there be embedded derivatives, the fair value of the embedded derivatives is to be independently valued and separately presented on the balance sheet.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component and the fair value of the embedded derivatives is allocated to the conversion option (equity component), which is presented in equity net of deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount will be transferred to share capital account. When the conversion option lapses, its carrying amount will be transferred to retained earnings.

2.19 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are recognised initially at fair value. Subsequent to initial recognition, financial guarantees are recognised as income in the income statement over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the income statement.

2.20 *Borrowing costs*

Borrowing costs are recognised in the income statement as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

2.21 *Provisions*

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 *Employee benefits*

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Employee share option plans***

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in the income statement, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

(c) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision for the estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

(d) ***Provision for employee service entitlements***

For certain companies in Indonesia, the Group recognises a provision for employee service entitlements in accordance with Labor Law No. 13/2003 dated 25 March 2003. The provision is based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method". Actuarial gains or losses are recognised as income or expense when the cumulative actuarial gains or losses exceed 10% of the defined benefit obligation. These gains or losses are recognised over the expected remaining working lives of employees. Past service cost is amortised over the remaining working lives of each employee.

2.23 *Leases*

(a) ***As lessee***

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 *Leases (continued)*

(a) ***As lessee (continued)***

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) ***As lessor***

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2.24 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) ***Sale of goods***

Revenue from sales arising from physical delivery of palm based products, soyabeans, other edible oils, oilseeds and other agricultural commodities is recognised when significant risks and rewards of ownership of goods are transferred to the buyer.

(b) ***Ship charter income***

Revenue from time charters is recognised on a time apportionment basis.

(c) ***Interest income***

Interest income is recognised as interest accrues (using the effective interest method) unless collectibility is in doubt.

(d) ***Rental and storage income***

Rental and storage income is recognised on a straight-line basis over the lease terms on ongoing leases.

(e) ***Dividend income***

Dividend income is recognised when the right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 *Income taxes*

(a) ***Current tax***

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in the income statement except that tax relating to items recognised directly in equity is recognised directly in equity.

(b) ***Deferred tax***

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;

- in respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

- in respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxes are recognised in the income statement except that deferred tax relating to items recognised directly in equity is recognised directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 *Income taxes (continued)*

(c) ***Sales tax (continued)***

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.26 *Derivative financial instruments and hedging activities*

The Group uses derivative financial instruments such as forward currency contracts, foreign currency options and various commodities futures, options and swap contracts to hedge its risks associated with foreign currency and commodity price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at fair value.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the profit and loss account.

The fair value of forward contracts is determined by reference to current forward prices for contracts with similar maturity profiles. The fair value of futures, options and swap contracts is determined by reference to available market information and option valuation methodology. Where the quoted market prices are not available, fair values are based on management's best estimate and are arrived at by reference to the market prices of another contract that is substantially similar.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedged item or transaction, the hedging instrument, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's (or transaction's) cash flows attributable to or fair values of the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in cash flows or fair value, and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they are designated.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Cash flow hedges

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve (Note 30(b)(vi)), while the ineffective portion is recognised in the profit and loss account.

Amounts taken to the hedging reserve are transferred to the profit and loss account when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs. If the hedged item is a non-financial asset or liability, the amounts taken to the hedging reserve are transferred to the initial carrying amount of the non-financial asset or liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 *Segment reporting*

A business segment is a distinguishable component of the Group that is engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

2.28 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.29 *Dividends to Company's shareholders*

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

2.30 *Contingencies*

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

2.31 *Government grants*

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to the income statement over the expected useful life of the relevant asset by equal annual instalments. Where the grant relates to an expense item, it is recognised in the income statement over the period necessary to match them on a systematic basis to the costs it is intended to compensate. Grants related to income are presented as a credit under other operating income.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

(a) ***Impairment of goodwill***

The Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the value in use of the cash-generating unit (or group of cash-generating units) to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill at 31 December 2008 was approximately US$2,851,757,000 (2007: US$2,843,473,000).

(b) ***Depreciation of plant and equipment***

The cost of plant and equipment is depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 20 years. These are common life expectancies applied in the industry. Changes in the expected level of the usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at 31 December 2008 was approximately US$1,330,732,000 (2007: US$1,019,942,000).

(c) ***Income taxes***

The Group has exposure to income taxes in various jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's tax payable, deferred tax assets and deferred tax liabilities at 31 December 2008 was approximately US$115,710,000 (2007: US$69,498,000), US$56,681,000 (2007: US$28,038,000) and US$335,872,000 (2007: US$296,078,000) respectively.

(d) ***Biological assets***

The Group's biological assets are stated at fair value less point-of-sale costs. This is estimated by reference to an independent valuer's assessment of the fair value of the biological assets. Changes in the conditions of the biological assets could impact the fair value of the assets. The carrying amount of the Group's biological assets at 31 December 2008 was approximately US$1,021,057,000 (2007: US$940,014,000).

(e) ***Provision for employee gratuity***

Provision for employee gratuity benefit is determined using actuarial valuations. The actuarial valuation involved making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long term nature of this plan, such estimates are subject to significant uncertainty. The net provision for employee gratuity at the balance sheet date is approximately US$14,480,000 (2007: US$13,408,000). Further details are given in Note 31.

4. REVENUE

	Group 2008 US$'000	Group 2007 US$'000
Sales of palm based products, other edible oils and oilseeds	**29,054,482**	16,426,424
Shipping charter income	**80,932**	29,422
Others	**9,771**	10,305
	29,145,185	16,466,151

5. COST OF SALES

	Group 2008 US$'000	Group 2007 US$'000
Cost of inventories recognised as expense – physical delivery	**25,090,964**	14,039,694
Labour costs and other overheads	**1,310,032**	566,695
Net gain on non-physical delivery forward contracts ("paper trades")	**(190,595)**	(20,408)
Net (gain)/loss from derivative financial instruments	**(625,032)**	152,364
	25,585,369	14,738,345

6. INTEREST INCOME

	Group 2008 US$'000	Group 2007 US$'000
Interest income:		
- from associates	**7,382**	4,214
- from fixed deposits	**69,662**	2,851
- from other sources	**12,201**	8,467
- from related parties	**665**	1,212
- late interest charge to trade receivables	**3,017**	923
	92,927	17,667

7. OTHER OPERATING INCOME

	Group	
	2008	**2007**
	US$'000	US$'000
Bad debts recovered	**107**	267
Compensation/penalty income	**6,611**	1,221
Gain on disposal of property, plant and equipment	**17,699**	–
Gain on disposal of associates	**920**	–
Gain on disposal of subsidiaries	**–**	26
Gain on disposal of investment securities	**4,044**	1,049
Government grants/incentive income	**19,108**	7,786
Income from sales cancellation	**14,738**	476
Negative goodwill on acquisition of subsidiaries/associate	**348**	1,382
Net foreign exchange gain	**181,799**	98,483
Processing fee income/tolling income	**2,086**	275
Rental and storage income	**3,955**	5,537
Royalty/marketing/other income	**4,249**	329
Scrap sales	**9,543**	4,890
Service fees/management fees/commission income	**3,015**	329
Fair value gain on investment securities at fair value through profit or loss	**3,596**	–
Write-back of impairment of associates	**–**	43
Others	**5,615**	10,915
	277,433	133,008

8. OTHER OPERATING EXPENSES

	Group	
	2008	**2007**
	US$'000	US$'000
Allowance for doubtful receivables – non-trade	**1**	1,858
Allowance for doubtful receivables – trade	**18,647**	2,447
Allowance on advances to associates	**5,000**	2,500
Amortisation of intangible assets	**18**	78
Bad debts written off – non-trade	**1,059**	380
Bad debts written off – trade	**1,098**	285
Compensation/penalty expenses	**1,601**	1,654
Expenses relating to convertible bonds	**–**	12,500
Fair value loss on convertible bonds	**12,661**	–
Fair value loss on investment securities at fair value through profit or loss	**1,982**	–
Goodwill arising from acquisition of subsidiaries written off	**346**	2,544
Grant of share options to employees	**1,012**	–
Impairment of investment in associates	**1,172**	–
Impairment of property, plant and equipment	**376**	677
Inventories written off	**1,126**	1,554
Loss on disposal of associates	**16,541**	–
Loss on disposal of property, plant and equipment	**–**	632
Loss on disposal of subsidiaries	**95**	–
Loss on disposal of investment securities	**20**	–
Loss on plasma investments	**–**	62
Merger expenses	**–**	3,541
Pre-operating expenses	**4,424**	2,895
Shares granted to employees	**3,068**	61,525
Services/management fees expenses	**1,820**	1,535
Others	**12,015**	11,590
	84,082	108,257

9. FINANCE COSTS

	Group 2008 US$'000	Group 2007 US$'000
Interest expense:		
- bank borrowings (including bank overdrafts)	**322,639**	172,475
- bank charges	**20,776**	8,150
- convertible bonds (accretion of interest)	**7,948**	–
- delayed payments to trade payables	**581**	3,939
- loans from associated companies	**2**	415
- loans from related parties	**618**	1,514
- others	**6,173**	1,545
	358,737	188,038
Less: Amount capitalised		
- biological assets (Note 18)	**(6,183)**	(2,131)
- property, plant and equipment (Note 13)	**(5,627)**	(4,921)
	346,927	180,986

10. PROFIT BEFORE TAX

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

	Group 2008 US$'000	Group 2007 US$'000
Non-audit fees paid to:		
- Auditors' of the Company	**51**	196
- Other auditors	**72**	114
Depreciation of property, plant and equipment:	**213,547**	136,826
Less: Amount capitalised as part of costs of biological assets	**(6,023)**	(3,811)
Add: Impairment loss	**376**	677
Depreciation of property, plant and equipment - net	**207,900**	133,692
Employee benefits expense (Note 32)	**466,504**	253,814
Operating lease expense	**4,011**	1,390

11. INCOME TAX EXPENSE

(a) ***Major components of income tax expense***

The major components of income tax expense for the years ended 31 December 2008 and 2007 are:

	Group	
	2008	**2007**
	US$'000	US$'000
Income statement		
Current income tax		
Current income taxation	**238,150**	115,334
Under/(over)provision in respect of previous years	**1,192**	(156)
	239,342	115,178
Deferred income tax		
Origination and reversal of temporary differences	**(13,875)**	40,489
Under/(over)provision in respect of previous years	**6,707**	(1,110)
Income tax expense recognised in the income statement	**232,174**	154,557
Deferred income tax related to items charged or credited directly to equity:		
Net change in fair value of derivative financial instruments designated as cash flow hedges	**22,070**	–

(b) ***Relationship between tax expense and accounting profit***

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rates for the years ended 31 December 2008 and 2007 are as follows:

	Group	
	2008	**2007**
	US$'000	US$'000
Accounting profit before income tax	**1,789,325**	829,793
Tax calculated at tax rate of 18% (2007: 18%)	**322,079**	149,363
Adjustments:		
Effect of different tax rates in other countries	**52,971**	88,385
Effect of tax concession	**(156,263)**	(2,682)
Effect of tax exemption	**(35,003)**	(92,171)
Section 13A exemption of shipping profits	**(5,351)**	(854)
Income not subject to taxation	**(32,249)**	(40,244)
Non-deductible expenses	**59,637**	47,548
Deferred tax assets/tax losses not recognised	**44,424**	16,407
Under/(over) provision in respect of previous years	**7,899**	(1,266)
Others	**(25,970)**	(9,929)
Income tax expense recognised in the income statement	**232,174**	154,557

11. INCOME TAX EXPENSE (CONTINUED)

(c) The corporate income tax applicable to the Malaysian companies of the Group was reduced to 26% for the financial year ended 31 December 2008 from 27% for the financial year ended 31 December 2007.

(d) Certain subsidiaries and associated companies, which are registered corporations in the People's Republic of China, being foreign investment enterprises ("FIE"), are exempt from income tax on the first 2 years' profits, and are taxed at the concessionary tax rate of 50% of the applicable income tax rates from the third to the fifth year. China is working towards the convergence of the corporate income tax rates between FIE and the domestic enterprises by narrowing the corporate income tax rates disparity to a standard 25%. The transitional phase of the convergence exercise came into effect on 1 January 2008.

(e) A major subsidiary, Wilmar Trading Pte Ltd, has been granted the "Global Trader Programme" incentive by International Enterprise Singapore ("IES"), under which qualifying profits are taxed at a concessionary rate of 10% for a period of 5 years commencing 1 January 2003. The concessionary rate was subsequently revised to 5% for a period of 5 years commencing 1 January 2004. Wilmar Trading Pte Ltd has been granted the incentive for another 5 years commencing 1 January 2009 and continues to enjoy a concessionary rate of 5% on qualifying profits.

(f) Wilmar Oleo Pte. Ltd., another Singapore subsidiary, has also been granted the "Global Trader Programme" incentive by IES, under which qualifying profits are taxed at a concessionary rate of 10% for a period of 5 years commencing 1 January 2007.

(g) The shipping subsidiary, Wilmar Ship Holdings Pte. Ltd. and 11 of its subsidiaries that are incorporated in Singapore, are granted the "Approved International Shipping" ("AIS") incentive by the Maritime Port Authority ("MPA"), under which their qualifying tax profits and those of 3 approved network companies are tax exempt for a period of 10 years commencing 1 January 2008. Raffles Shipping International Pte. Ltd., a subsidiary of Wilmar Ship Holdings Pte. Ltd., was also granted the AIS incentive from 1 August 2008 to 31 December 2017.

(h) Apart from the above, there is also no taxation charge for other vessel owning subsidiaries as the profits derived from their Singapore registered vessels are exempt from income tax under Section 13A of the Singapore Income Tax Act, Cap. 134.

12. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2008	**2007**
Profit, net of tax for the year attributable to ordinary equity holders of the parent (US$'000)	**1,530,990**	580,405
Weighted average number of ordinary shares ('000)	**6,385,681**	4,534,892
Basic earnings per share (US cents per share)	**23.98**	12.80

12. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent (after deducting dividends and amortisation of discount on convertible bonds) by the weighted average number of shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

18,170,000 (2007: Nil) of share options granted to employees under the Executive Share Option Scheme ("ESOS") and 161,163,569 (2007: 161,163,569) of convertible bonds have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the current and previous financial year.

	Group	
	2008	**2007**
Profit for the year attributable to ordinary equity holders of the parent (US$'000)	**1,530,990**	580,405
Weighted average number of ordinary shares ('000)	**6,385,681**	4,534,892
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	**6,385,681**	4,534,892
Diluted earnings per share (US cents per share)	**23.98**	12.80

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land, land and land rights	Buildings	Plant and machineries	Furniture, fittings and office equipment	Vessels	Motor vehicles, trucks and aircrafts	Construction in-progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group								
Cost								
At 1 January 2007	84,596	353,036	739,776	24,896	51,602	54,279	174,804	1,482,989
New subsidiaries acquired	349,092	301,149	587,018	36,086	–	29,724	31,310	1,334,379
Additions	37,998	18,842	20,007	11,079	79,556	11,324	396,203	575,009
Disposals	(313)	(3,387)	(10,085)	(2,004)	(6,039)	(3,349)	(82)	(25,259)
Transfers	9,010	68,192	181,918	4,419	29,592	946	(294,077)	–
Currency translation differences	9,546	24,214	51,047	1,932	–	1,444	6,733	94,916
At 31 December 2007 and 1 January 2008	489,929	762,046	1,569,681	76,408	154,711	94,368	314,891	3,462,034
New subsidiaries acquired	–	–	–	136	–	37	–	173
Disposal of subsidiaries	(313)	(1,749)	(12,612)	(434)	–	(268)	(31,799)	(47,175)
Additions	60,242	44,559	61,692	10,443	102,473	22,374	653,451	955,234
Disposals	(332)	(6,210)	(24,344)	(3,501)	(32,698)	(6,055)	(7,681)	(80,821)
Transfers	5,810	137,169	309,937	2,275	15,169	1,716	(472,076)	–
Reclassification	(3,718)	(74,449)	64,341	(9,432)	–	13,818	1,769	(7,671)
Currency translation differences	(241)	23,807	34,664	1,761	–	(1,554)	10,514	68,951
At 31 December 2008	551,377	885,173	2,003,359	77,656	239,655	124,436	469,069	4,350,725
Accumulated depreciation								
At 1 January 2007	6,011	58,179	203,262	13,732	13,591	34,028	–	328,803
New subsidiaries acquired	22,848	84,232	286,378	23,622	–	14,209	–	431,289
Depreciation charge for the year	5,215	23,401	84,562	7,349	7,846	8,453	–	136,826
Disposals	(105)	(717)	(5,988)	(1,174)	(5,016)	(2,747)	–	(15,747)
Impairment loss	–	–	671	6	–	–	–	677
Currency translation differences	1,491	7,314	9,769	3,958	–	834	–	23,366
At 31 December 2007 and 1 January 2008	35,460	172,409	578,654	47,493	16,421	54,777	–	905,214
Disposal of subsidiaries	(41)	(762)	(4,328)	(65)	–	(68)	–	(5,264)
Depreciation charge for the year	8,989	33,599	119,500	10,395	26,903	14,161	–	213,547
Disposals	(85)	(1,858)	(14,904)	(2,796)	(3,764)	(4,347)	–	(27,754)
Impairment loss	–	314	62	–	–	–	–	376
Reclassification	1,385	(14,432)	14,284	(5,958)	–	4,721	–	–
Currency translation differences	295	4,404	6,738	1,208	–	(255)	–	12,390
At 31 December 2008	46,003	193,674	700,006	50,277	39,560	68,989	–	1,098,509

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land, land and land rights	Buildings	Plant and machineries	Furniture, fittings and office equipment	Vessels	Motor vehicles, trucks and aircrafts	Construction in-progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Net carrying amount								
At 31 December 2007	454,469	589,637	991,027	28,915	138,290	39,591	314,891	2,556,820
At 31 December 2008	505,374	691,499	1,303,353	27,379	200,095	55,447	469,069	3,252,216

In the current financial year, an impairment charge of approximately US$376,000 (2007: US$677,000) was made on certain property, plant and equipment to bring their carrying values to their recoverable values.

Capitalisation of borrowing costs

The Group's property, plant and equipment include borrowing costs arising from bank term loans borrowed specifically for the purpose of the construction of plants. During the financial year, the borrowing costs capitalised as cost of plant and machineries amounted to approximately US$5,627,000 (2007: US$4,921,000).

Assets held under finance lease

The carrying amount of motor vehicles held under finance lease at the balance sheet date was approximately US$145,000 (2007: US$100,000).

Leased assets are pledged as security for the related finance lease liabilities (Note 28).

Assets pledged as security

In addition to assets held under finance leases, certain property, plant and equipment of the Group are pledged as security for the bank borrowings (Note 28).

14. INVESTMENT SECURITIES

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
Non-current:				
Available-for-sale financial assets				
Unquoted equity shares, at cost	**36,565**	856	**36,000**	–
Current:				
Available-for-sale financial assets				
Unquoted equity shares, at cost	**6**	49,182	**–**	–
Held for trading financial assets				
Equity instruments (quoted)	**38,598**	–	**–**	–
	38,604	49,182	**–**	–

Unquoted shares at cost have no market prices and the fair value cannot be reliably measured using valuation techniques.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2008	**2007**
	US$'000	US$'000
Unquoted equity shares, at cost	**8,301,502**	7,782,603

Details of the list of subsidiaries are included in Note 40.

Acquisition of subsidiaries

The Group acquired the following subsidiaries during the financial year:

Name of subsidiaries acquired	**Equity interest acquired**	**Consideration**	**Date of acquisition**
	%	US$'000	
Raffles Shipping International Pte. Ltd.	100	– *	1 August 2008
Raffles Shipping Corporation Pte. Ltd.	60	9,600	1 November 2008
		9,600	

* *Purchase consideration for the acquisition of Raffles Shipping International Pte. Ltd. is less than US$1,000.*

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The fair values of the identifiable assets and liabilities of subsidiaries acquired and the effect thereof as at the date of acquisition were as follows:

	Recognised on date of acquisition US$'000	Carrying amount before combination US$'000
Property, plant and equipment	173	173
Investment in associates	2,429	2,429
Trade and other receivables	23,921	23,921
Cash and cash equivalents	10,863	10,863
	37,386	37,386
Trade and other payables	30,373	30,373
Loans and borrowings	32	32
Tax payable	504	504
	30,909	30,909
Net identifiable assets	6,477	6,477
Less: Minority interests	(2,591)	(2,591)
Identifiable net assets acquired	3,886	3,886
Positive goodwill arising from acquisition recognised as part of intangible assets	5,714	
Total consideration for acquisition	9,600	

Total cost of business combination

The total cost of the business combination is as follows:

	New acquisition US$'000
Consideration for acquisition - cash paid	9,600

The effects of acquisition on cash flows is as follows:

Consideration settled in cash	9,600
Less: Cash and cash equivalents of subsidiaries acquired	(10,863)
Net cash inflow on acquisition	(1,263)

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Impact of acquisition on income statement

From the date of acquisition, the acquirees have contributed approximately US$18,105,000 to the Group's net profit for the financial year ended 31 December 2008. If the combination had taken place at the beginning of the financial year, the Group's profit would have been approximately US$1,532,661,000 and revenue would have been approximately US$29,149,403,000.

Goodwill arising from acquisition

Goodwill of approximately US$5,714,000 arising from the acquisition of Raffles Shipping Corporation Pte. Ltd. is recognised as part of intangible assets.

Acquisition of minority interests

On 14 February 2008, the Group's subsidiary, Tradesound Investments Limited ("Tradesound") acquired an additional 25.31% equity interest in PT Cahaya Kalbar Tbk ("CK") from its minority interests for a cash consideration of IDR61,890,500,400 (equivalent to approximately US$6,632,000). As a result of this acquisition, CK became an 87.02% owned subsidiary of Tradesound. On the date of acquisition, the book value of the additional interest acquired was approximately US$6,354,000. The difference between the consideration and the book value of the interest acquired is expensed off to the income statement immediately.

On 19 March 2008, the Group's subsidiary, Wilmar China New Investments Pte. Ltd. ("WCNI") acquired an additional 28.33% equity interest in Yihai Kerry (Anhui) Oils & Grains Industries Co., Ltd ("YK Anhui") from its minority interests for a cash consideration of RMB17,000,000 (equivalent to US$2,434,000). As a result of this acquisition, YK Anhui became an 80% owned subsidiary of WCNI. On the date of acquisition, the book value of the additional interest acquired was approximately US$2,366,000.The difference between the consideration and the book value of the interest acquired is expensed off to the income statement immediately.

On 30 September 2008, the Group's subsidiary, Siteki Investments Pte Ltd ("Siteki") acquired an additional 32% equity interest in Cam Vang Company Limited ("Cam Vang") from its minority interests for a cash consideration of approximately US$2,200,000. As a result of this acquisition, Cam Vang became a wholly-owned subsidiary of Siteki. On the date of acquisition, the book value of the additional interest acquired was approximately US$2,449,000. The difference between the consideration and the book value of the interest acquired is recognised in the income statement immediately.

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Disposal of subsidiaries

The carrying values of the identifiable assets and liabilities of subsidiaries disposed and the effect thereof as at the date of disposal were as follows:

	US$'000
Property, plant and equipment	41,911
Intangible assets	2,777
Trade and other receivables	38,388
Inventories	35,658
Cash and cash equivalents	8,193
	126,927
Trade and other payables	95,395
Loans and borrowings	24,305
	119,700
Net identifiable assets	7,227
Less: Minority interests	(3,566)
	3,661
Less: Transfer to investment in associates	(3,566)
Net assets disposed	95
Net assets disposed	95
Loss on disposal	(95)
Sales proceeds, net	–
Less: Cash and cash equivalents of subsidiaries disposed	(8,193)
Net cash outflow on disposal of subsidiaries	(8,193)

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
Shares, at cost	**680,278**	267,648	**307,127**	140,152
Quasi equity loans	**164,521**	–	**–**	–
Share of post-acquisition reserves	**280,501**	181,637	**–**	–
Share of changes recognised directly in associates' equity	**914**	2,088	**–**	–
Currency translation differences	**31,656**	577	**–**	–
Carrying amount of investment	**1,157,870**	451,950	**307,127**	140,152

Details of the list of significant associates are included in Note 41.

The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	Group	
	2008	**2007**
	US$'000	US$'000
Assets and liabilities:		
Current assets	**3,142,272**	2,592,066
Non-current assets	**1,260,683**	900,795
Total assets	**4,402,955**	3,492,861
Current liabilities	**2,587,339**	2,418,887
Non-current liabilities	**648,320**	231,224
Total liabilities	**3,235,659**	2,650,111
Results:		
Revenue	**10,833,498**	6,847,017
Profit for the year	**265,590**	156,250

17. PLASMA INVESTMENTS

Plasma investments comprise accumulated costs and borrowing costs incurred for the development of oil palm plantations in Indonesia under the "Plasma Scheme". Under this scheme, which is implemented under the Indonesian Government's guidelines, the subsidiaries assume the responsibility for developing oil palm plantations to the productive stage, using the bank loans provided specifically for this purpose. When the oil palm plantations are at their productive stage, the development costs of the plantations together with the aforementioned bank loans will be transferred to the plasma landholders.

	Group	
	2008	**2007**
	US$'000	US$'000
Development cost and interest expense capitalised	**12,358**	10,183
Less: Instalments paid by plasma landholders	**(339)**	(339)
	12,019	9,844
Transferred to plasma landholders	**(4,047)**	(3,586)
	7,972	6,258
Less: Impairment	**(516)**	(516)
Total plasma investments	**7,456**	5,742

18. BIOLOGICAL ASSETS

	Group	
	2008	**2007**
	US$'000	US$'000
At 1 January	**940,014**	223,542
New subsidiaries acquired	**–**	524,749
Additions	**100,540**	69,629
Disposals	**(147)**	(359)
Capitalisation of interest (Note 9)	**6,183**	2,131
Capitalisation of depreciation	**6,023**	3,811
Currency translation differences	**(31,556)**	(937)
Transfers to small holders	**–**	(6,009)
	1,021,057	816,557
Increase in fair value less point-of-sale costs	**–**	123,457
At 31 December	**1,021,057**	940,014

18. BIOLOGICAL ASSETS (CONTINUED)

(a) *Analysis of oil palm production*

During the financial year, the Group harvested 2,960,264 tonnes (2007: 2,836,723 tonnes) of fresh palm fruit bunches, which had a fair value less estimated point-of-sale costs of approximately US$428,456,000 (2007: US$382,032,000). The fair value of fresh palm fruit bunches was determined with reference to their market prices.

(b) *Analysis of biological assets*

At the end of the financial year, the Group's total planted area of mature and immature plantations are as follows:

	Group	
	2008	**2007**
	US$'000	US$'000
Planted area:		
- Mature *	**796,569**	786,472
- Immature	**224,488**	153,542
	1,021,057	940,014

	Group	
	2008	**2007**
	Hectares	Hectares
Planted area:		
- Mature *	**143,871**	131,564
- Immature	**82,038**	73,953
	225,909	205,517

* *Mature planted area included rubber plantations*

(c) At 31 December 2008, the fair value of biological assets of the Group mortgaged as securities for bank term loans amounted to approximately US$113,395,000 (2007: US$162,080,000).

(d) Based on approval from Minister of Agriculture, Republic of Indonesia to develop oil palm plantations, the Group is committed to develop a total of 132,875 hectares (2007: 73,953 hectares) of oil palm plantations.

(e) The interest capitalised is actual interest incurred on the bank borrowings to finance the development of oil palm plantations.

18. BIOLOGICAL ASSETS (CONTINUED)

(f) The fair value of biological assets has been determined based on valuations by an independent professional valuer. The valuations were based on the following significant assumptions:

(i) No new planting or replanting activities are assumed;
(ii) Oil palm trees have an average life of 25 (2007: 25) years, with the first three years as immature and remaining years as mature;
(iii) Discount rate per annum of 8.1% to 17.4% (2007: 7.5% to 16.7%);
(iv) Fresh Fruit Bunches ("FFB") selling price of US$101 to US$118 (2007: US$116 to US$128) per metric tonne and
(v) Yield per hectare is 20.9 (2007: 22.8), based on average historical performance.

19. INTANGIBLE ASSETS

	Goodwill US$'000	Trademarks & licenses and others US$'000	Brand US$'000	Total US$'000
Group				
Cost				
At 1 January 2007	47,889	665	–	48,554
Additions	–	5	–	5
Disposals	(5,431)	(5)	–	(5,436)
Acquisition of new subsidiaries	2,812,531	279	1,089,247	3,902,057
Currency translation differences	170	19	–	189
Written off to income statement	–	(297)	–	(297)
At 31 December 2007 and 1 January 2008	2,855,159	666	1,089,247	3,945,072
Additions	–	416	–	416
Disposal of subsidiaries	(2,777)	–	–	(2,777)
Acquisition of new subsidiaries	11,704	–	–	11,704
Currency translation differences	(645)	(4)	–	(649)
At 31 December 2008	2,863,441	1,078	1,089,247	3,953,766
Accumulated amortisation and impairment				
At 1 January 2007	(10,524)	(23)	–	(10,547)
Goodwill arising from acquisition of new subsidiaries and additional interest in existing subsidiaries written off	(2,544)	–	–	(2,544)
Negative goodwill taken to the income statement	1,382	–	–	1,382
Amortisation during the year	–	(78)	–	(78)
Currency translation differences	–	10	–	10
At 31 December 2007 and 1 January 2008	(11,686)	(91)	–	(11,777)

19. INTANGIBLE ASSETS (CONTINUED)

	Goodwill US$'000	Trademarks & licenses and others US$'000	Brand US$'000	Total US$'000
Accumulated amortisation and impairment (continued)				
At 31 December 2007 and 1 January 2008	(11,686)	(91)	–	(11,777)
Goodwill arising from acquisition of new subsidiaries and additional interest in existing subsidiaries written off	(346)	–	–	(346)
Negative goodwill taken to the income statement	348	–	–	348
Amortisation during the year	–	(18)	–	(18)
Currency translation differences	–	41	–	41
At 31 December 2008	(11,684)	(68)	–	(11,752)
Net carrying amount				
At 31 December 2007	2,843,473	575	1,089,247	3,933,295
At 31 December 2008	2,851,757	1,010	1,089,247	3,942,014

Amortisation expense

The amortisation of trademarks & licenses and others is included in other operating expenses in the income statement.

Brand

Brand relates to the 'Arawana' brand name for the Group's consumer products segment that was acquired in the previous financial year. As explained in Note 2.11(b)(i), the useful life of the brand is estimated to be indefinite.

Impairment testing of goodwill and brand

Goodwill arising from business combinations and brand have been allocated to individual cash-generating units ("CGU") for impairment testing as follows:

The carrying amounts of goodwill and brand allocated to each CGU are as follows:

	Merchandising and Processing Segment		Consumer Products Segment		Plantation and Palm Oil Mills Segment		Others		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Goodwill	**1,221,506**	1,219,927	**28,986**	28,986	**1,595,551**	1,594,560	**5,714**	–	**2,851,757**	2,843,473
Brand	**–**	–	**1,089,247**	1,089,247	**–**	–	**–**	–	**1,089,247**	1,089,247

19. INTANGIBLE ASSETS (CONTINUED)

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow beyond the five-year period are as follows:

	Merchandising and Processing Segment		Consumer Products Segment		Plantation and Palm Oil Mills Segment	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
Terminal growth rates	**3%**	3%	**3%**	3%	**3%**	3%
Pre-tax discount rates	**14%**	14%	**12%**	12%	**12%**	12%

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations of the market development. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments. The forecasted growth rates are based on published industry research and do not exceed the long term average growth rate for the industries relevant to the CGU.

20. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments included in the balance sheet at 31 December are as follows:

	Group						Company					
	2008			2007			2008			2007		
	Contract/ Notional amount US$'000	Assets US$'000	Liabilities US$'000	Contract/ Notional amount US$'000	Assets US$'000	Liabilities US$'000	Contract/ Notional amount US$'000	Assets US$'000	Liabilities US$'000	Contract/ Notional amount US$'000	Assets US$'000	Liabilities US$'000
Forward currency contracts	**9,006,546**	**145,394**	**97,977**	2,041,864	23,744	10,760	**–**	**–**	**–**	–	–	–
Futures, options and swap contracts	**3,115,109**	**670,694**	**191,619**	2,559,261	78,904	97,270	**–**	**–**	**–**	–	–	–
Fair value of embedded derivative of convertible bonds		**14,222**	**–**		26,883	–		**14,222**	**–**		26,883	–
Total derivative financial instruments		**830,310**	**289,596**		129,531	108,030		**14,222**	**–**		26,883	–
Less: Current portion		**(816,088)**	**(289,596)**		(95,922)	(108,030)		**–**	**–**		–	–
Non-current portion		**14,222**	**–**		33,609	–		**14,222**	**–**		26,883	–

20. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group classifies derivative financial instruments as financial assets/(liabilities) at fair value through profit or loss.

Other than those designated as hedges of certain commodities derivatives, the Group does not apply hedge accounting.

Cash flow hedges

Hedges of future sales of biodiesel

The Group enters into various commodities options and swap contracts in order to hedge the financial risk related to the sale of biodiesel. The Group has applied cash flow hedge accounting to these derivatives as they are considered to be highly effective hedging instruments. A net fair value gain of approximately US$419,345,000 (2007: Nil), with a related deferred tax charge of approximately US$22,070,000 (2007: Nil), is included in the hedging reserve in respect of these contracts.

The cash flows arising from these derivatives are expected to occur and entered into the determination of profit or loss during the next three financial years as follows: US$251,192,000, US$156,149,000 and US$12,004,000 (2007: Nil).

21. DEFERRED TAX

Deferred income tax as at 31 December relates to the following:

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2008	2007	2008	2007
	US$'000	US$'000	US$'000	US$'000
Deferred tax assets:				
Provisions	**12,981**	5,475	**(5,482)**	(1,258)
Unutilised tax losses	**16,020**	8,224	**(9,478)**	(1,409)
Differences in depreciation for tax purposes	**18,798**	10,452	**(11,295)**	(4,055)
Other items	**8,882**	3,887	**(4,617)**	(1,495)
	56,681	28,038		
Deferred tax liabilities:				
Differences in depreciation for tax purposes	**111,024**	94,690	**29,129**	3,834
Fair value adjustments on acquisition of subsidiaries	**28,683**	17,803	**(543)**	(800)
Fair value adjustments on derivatives classified as cash flow hedges	**22,070**	–	**–**	–
Fair value adjustments on biological assets	**173,930**	178,062	**(11,486)**	43,517
Other items	**165**	5,523	**6,604**	1,045
	335,872	296,078		
Deferred income tax expense			**(7,168)**	39,379

21. DEFERRED TAX (CONTINUED)

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 39) for the financial years ended 31 December 2008 and 2007 respectively.

22. OTHER RECEIVABLES

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
Non-current:				
Prepayments	**21,360**	5,129	**–**	–
Advances for property, plant and equipment	**18,827**	18,289	**–**	–
Purchase consideration for the acquisition of IPT associates *	**–**	349,492	**–**	349,492
Deferred charges arising from convertible bonds	**–**	48,000	**–**	48,000
Other non-trade receivables	**29,452**	30,692	**–**	6,143
Amount due from subsidiaries – non-trade	**–**	–	**233,360**	274,007
Amount due from associates – non-trade	**17,858**	20,627	**2,802**	1,400
	87,497	472,229	**236,162**	679,042

* *Being the purchase consideration for the acquisition of Archer Daniels Midland Asia-Pacific Limited's interest in a few associates in Peoples' Republic of China. The transfer of these entities was completed during the financial year ended 31 December 2008 and the amount was reclassified to investment in associates.*

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
Current:				
Deposits	**63,263**	34,163	**–**	–
Prepayments	**27,050**	44,904	**60**	91
Loan to a minority shareholder	**274**	342	**–**	–
Tax recoverable	**70,669**	18,500	**–**	–
Other non-trade receivables	**137,221**	77,225	**57**	1,186
Advances for property, plant and equipment	**100,839**	38,077	**–**	–
Advances to suppliers	**184,538**	497,817	**–**	–
Amount due from subsidiaries – non-trade	**–**	–	**1,287,307**	1,061,516
Amount due from associates – non-trade	**157,125**	143,219	**49,129**	49,612
Amount due from related parties – non-trade	**5,040**	2,307	**–**	–
	746,019	856,554	**1,336,553**	1,112,405

22. OTHER RECEIVABLES (CONTINUED)

Amount due from subsidiaries and associates (non-current)

The non-current non-trade balances receivable from subsidiaries and associates are unsecured, non-interest bearing and have no fixed terms of repayment. These balances are not expected to be paid within the next twelve months.

Amount due from subsidiaries, associates and related parties (current)

The current non-trade balances receivable from subsidiaries, associates and related parties are unsecured, non-interest bearing and have no fixed terms of repayment except for the following:

(a) an amount of approximately US$84,915,000 (2007: US$87,904,000) due from associates which bears interest ranging from 5.77% to 13.24% (2007: 5.58% to 10.25%) per annum; and

(b) an amount of approximately US$1,479,000 (2007: Nil) due from a related party which bears interest at 13.00% (2007: Nil) per annum.

23. INVENTORIES

	Group	
	2008	**2007**
	US$'000	US$'000
Balance Sheet		
At cost:		
Raw materials	**494,306**	1,499,984
Consumables	**145,050**	107,054
Finished goods	**355,844**	1,577,196
Stock in transit	**199,733**	282,939
	1,194,933	3,467,173
At net realisable value:		
Raw materials	**293,319**	–
Consumables	**896**	3,301
Finished goods	**979,157**	143,592
	1,273,372	146,893
	2,468,305	3,614,066
Income Statement:		
Inventories recognised as an expense in cost of sales	**25,090,964**	14,039,694
Inclusive of the following charge:		
- Inventories written down	**197,078**	–

24. TRADE RECEIVABLES

	Group 2008 US$'000	Group 2007 US$'000
Trade receivables	**947,808**	1,094,001
Notes receivables	**38,675**	36,004
Value added tax recoverable	**132,574**	174,498
Amount due from associates – trade	**203,634**	153,057
Amount due from related parties – trade	**30,264**	48,696
	1,352,955	1,506,256
Less: Allowance for doubtful receivables	**(21,791)**	(5,052)
	1,331,164	1,501,204

Trade receivables are non-interest bearing and the average turnover is 16 days (2007: 21 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Notes receivables are non-interest bearing and have a maturity period ranging from 1 to 180 days (2007: 1 to 180 days).

Receivables that are past due but not impaired

The Group has trade receivables amounting to approximately US$658,748,000 (2007: US$798,616,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group 2008 US$'000	Group 2007 US$'000
Trade receivables past due:		
Lesser than 30 days	**398,197**	586,498
30 - 60 days	**76,714**	134,479
61 - 90 days	**31,168**	42,457
91 - 120 days	**98,490**	16,016
More than 120 days	**54,179**	19,166
	658,748	798,616

24. TRADE RECEIVABLES (CONTINUED)

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

Movement in allowance accounts:

	Group Individually impaired	
	2008	**2007**
	US$'000	US$'000
At 1 January	**(5,052)**	(2,808)
Allowance made during the year	**(18,647)**	(2,447)
Bad debts written off against allowance	**1,926**	436
Exchange differences	**(18)**	(233)
At 31 December	**(21,791)**	(5,052)

The above trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
Trade receivables	**1,331,164**	1,501,204	**–**	–
Other receivables – current	**433,592**	275,756	**1,336,493**	1,112,314
Other receivables – non-current	**47,310**	51,319	**236,162**	281,550
Cash and bank balances	**2,893,102**	967,572	**78,003**	2,829
Loans and receivables	**4,705,168**	2,795,851	**1,650,658**	1,396,693

25. CASH AND BANK BALANCES

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
Cash at banks and in hand	**750,747**	528,320	**474**	2,829
Short term deposits	**599,730**	137,218	**77,529**	–
Fixed deposits pledged for bank facilities	**1,542,625**	302,034	**–**	–
Cash and bank balances	**2,893,102**	967,572	**78,003**	2,829

25. CASH AND BANK BALANCES (CONTINUED)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the cash requirements of the Group, and earn interests at the respective short-term deposit rates.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the balance sheet date:

	Group	
	2008	**2007**
	US$'000	US$'000
Cash and bank balances	**2,893,102**	967,572
Less: Fixed deposits pledged with financial institutions for bank facilities	**(1,542,625)**	(302,034)
Bank overdrafts (Note 28)	**(246,781)**	(220,652)
Cash and cash equivalents	**1,103,696**	444,886

26. TRADE PAYABLES

	Group	
	2008	**2007**
	US$'000	US$'000
Trade payables	**826,575**	641,012
Value added tax payable	**26,544**	14,456
Due to associates - trade	**44,671**	124,693
Due to related parties - trade	**48,429**	221,751
	946,219	1,001,912

Trade payables are non-interest bearing and are normally settled on 14 days (2007: 16 days) term.

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
Trade payables	**946,219**	1,001,912	**–**	–
Other payables – current	**592,247**	434,042	**82,607**	36,160
Other payables – non-current	**13,937**	28,455	**–**	–
Loans and borrowings (Note 28)	**5,283,565**	5,027,909	**950,311**	558,363
Total financial liabilities carried at amortised cost	**6,835,968**	6,492,318	**1,032,918**	594,523

27. OTHER PAYABLES

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
Current:				
Accrued operating expenses	**404,117**	294,331	**6,896**	7,312
Advances from customers	**301,878**	346,219	**–**	–
Due to subsidiaries – non-trade	**–**	–	**74,266**	28,848
Due to associates – non-trade	**8,613**	5,480	**1,445**	–
Due to related parties – non-trade	**5,851**	5,212	**–**	–
Deposits from third parties	**25,033**	38,328	**–**	–
Dividend payable to minority shareholders	**13,144**	23,105	**–**	–
Payable for property, plant and equipment	**26,365**	8,328	**–**	–
Other liabilities	**109,124**	59,258	**–**	–
	894,125	780,261	**82,607**	36,160

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
Non-current:				
Advances from minority shareholders of subsidiaries	**13,937**	28,422	**–**	–
Provision for employee gratuity (Note 31)	**14,480**	13,408	**–**	–
Other payables	**–**	33	**–**	–
	28,417	41,863	**–**	–

The current amounts due to subsidiaries, associates and related parties are unsecured, non-interest bearing and repayable on demand.

The non-current advances from minority shareholders are unsecured, non-interest bearing and are not expected to be repaid within the next twelve months.

28. LOANS AND BORROWINGS

	Note	Maturity	Weighted average interest rate 2008 %	Weighted average interest rate 2007 %	Group 2008 US$'000	Group 2007 US$'000	Company 2008 US$'000	Company 2007 US$'000
Current:								
Bank term loans	(a)	2009	**5.19**	6.59	**47,168**	88,418	**–**	16,000
Short term loans	(b)	2009	**6.10**	5.87	**2,563,567**	1,984,303	**–**	–
Pre-shipment loans	(b)	2009	**4.20**	5.55	**269,120**	692,597	**–**	–
Trust receipts/bill discounts	(b)	2009	**2.23**	4.72	**550,428**	1,223,120	**–**	–
Bank overdrafts	(c)	2009	**11.69**	6.70	**246,781**	220,652	**–**	–
Obligations under finance lease	(d)	2009	**9.47**	18.00	**54**	58	**–**	–
					3,677,118	4,209,148	**–**	16,000
Non-current:								
Bank term loans	(a)	2010 – 2019	**3.36**	6.15	**1,056,046**	276,354	**400,000**	–
Convertible bonds	(e)	2012	**4.40**	4.40	**550,311**	542,363	**550,311**	542,363
Obligations under finance lease	(d)	2010 – 2012	**9.47**	18.00	**90**	44	**–**	–
					1,606,447	818,761	**950,311**	542,363
Total loans and borrowings					**5,283,565**	5,027,909	**950,311**	558,363

The terms and conditions and securities for interest bearing loans and borrowings are as follows:

(a) ***Bank term loans***

The bank term loans of the Group and the Company are secured by:

(i) A charge over property, plant and equipment of certain subsidiaries

(ii) A pledge over inventories, biological assets and accounts receivables of certain subsidiaries

(iii) Corporate guarantees from the Company and certain subsidiaries

(iv) Personal guarantee from a director/minority shareholder of a subsidiary

28. LOANS AND BORROWINGS (CONTINUED)

(b) ***Short term loans/pre-shipment loans/trust receipts/bill discounts***

Short term loans, pre-shipment loans, trust receipts and bill discounts are secured by a charge over property, plant and equipment, fixed deposits, accounts receivables, inventories, corporate guarantees from the Company and certain subsidiaries and personal guarantee from a director/minority shareholder of a subsidiary.

(c) ***Bank overdrafts***

Bank overdrafts are secured by property, plant and equipment, inventories, accounts receivables and corporate guarantees from the Company and corporate guarantees from certain subsidiaries.

(d) ***Obligations under finance lease***

These obligations are secured by a charge over the lease assets (Note 13). The average discount rate implicit in the leases is 9.47% (2007: 18.00%) per annum. These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

(e) ***Convertible bonds***

On 18 December 2007, the Company issued a zero coupon convertible bond denominated in US Dollars with a nominal value of US$600,000,000. The bond will mature 5 years from the issue date at their nominal value of US$600,000,000 or can be convertible on or after 27 January 2008 up to the seventh day prior to 18 December 2012 into fully paid ordinary shares of the Company at an initial conversion price of S$5.38 per share with a fixed exchange rate of S$1.4451 to US$1.00. The conversion price is subject to adjustment in the circumstances described under "Term and Conditions of Bonds - Conversion" in the circular dated 17 December 2007.

The fair value of the liability component, included in non-current loans and borrowings, is calculated using a market interest rate for an equivalent non-convertible bond at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in capital reserves (Note 30(b)(i)).

The carrying amount of the liability component of the convertible bonds at the balance sheet date is derived as follows:

	Group and Company	
	2008	**2007**
	US$'000	US$'000
Face value of convertible bonds issued on 18 December 2007	**600,000**	600,000
Discount on convertible bonds	**–**	48,000
Fair value of convertible bonds at the balance sheet date	**600,000**	648,000
Fair value of embedded derivatives at issuance date	**26,883**	26,883
Equity component	**(84,520)**	(132,520)
Accretion of interest	**7,948**	–
Liability component of convertible bonds at the balance sheet date	**550,311**	542,363

28. LOANS AND BORROWINGS (CONTINUED)

(f) The bank facilities up to a limit of approximately US$1,079,048,000 (2007: US$1,616,002,000) are guaranteed by:

(i) the Company and certain subsidiaries; and

(ii) personal guarantee given by a director/minority shareholder of a subsidiary

29. SHARE CAPITAL

	Group		Company	
	Number of shares		**Number of shares**	
	'000	US$'000	'000	US$'000
At 1 January 2007	2,532,805	280,278	2,532,805	716,417
Shares arising from acquisition of subsidiaries (1) (2)	3,852,876	8,122,269	3,852,876	8,122,269
At 31 December 2007, 1 January 2008 and 31 December 2008	6,385,681	8,402,547	6,385,681	8,838,686

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

(1) The Company issued approximately 2,403,154,000 ordinary shares amounting to approximately US$5,118,544,000 for the acquisition of PGEO Group Sdn Bhd, PPB Oil Palms Berhad and Kuok Oils & Grains Pte Ltd.

(2) The Company issued approximately 1,449,722,000 ordinary shares amounting to approximately US$3,003,725,000 for the IPT Assets acquisition.

30. OTHER RESERVES

(a) ***Composition:***

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
Capital reserves (Note (b)(i))	**149,113**	194,045	**149,113**	194,045
Merger reserve (Note (b)(ii))	**(1,959,820)**	(1,960,906)	**–**	–
Foreign currency translation reserve (Note (b)(iii))	**179,652**	84,579	**–**	–
General reserve (Note (b)(iv))	**92,897**	26,544	**–**	–
Asset valuation reserve (Note (b)(v))	**–**	2,581	**–**	–
Hedging reserve (Note (b)(vi))	**419,345**	–	**–**	–
Employee share option reserve (Note (b)(vii))	**1,012**	–	**1,012**	–
Total other reserves	**(1,117,801)**	(1,653,157)	**150,125**	194,045

(b) ***Movements***:

(i) *Capital reserves*

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
At 1 January	**194,045**	–	**194,045**	–
Shares granted to employees (Note 32)	**3,068**	61,525	**3,068**	61,525
Equity component of convertible bonds	**(48,000)**	132,520	**(48,000)**	132,520
At 31 December	**149,113**	194,045	**149,113**	194,045

Shares granted to employees represent the difference between the market price and the settlement price on 1,950,000 (2007: 21,168,000) ordinary shares which were transferred from Wilmar Holdings Pte Ltd to a total of 56 (2007: 374) employees of the Wilmar group of companies as a reward for their long services with the Group.

Equity component of convertible bonds represents the residual amount included in shareholders' equity in capital reserves.

30. OTHER RESERVES (CONTINUED)

(b) ***Movements (continued):***

(ii) *Merger reserve*

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
At 1 January	**(1,960,906)**	–	**–**	–
Merger reserve arising from the merger of the IPT Assets	**–**	(1,960,906)	**–**	–
Disposal of a subsidiary	**1,086**	–	**–**	–
At 31 December	**(1,959,820)**	(1,960,906)	**–**	–

Merger reserve represents the difference between the consideration paid and the share capital of the subsidiaries under the IPT Assets.

(iii) *Foreign currency translation reserve*

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
At 1 January	**84,579**	14,448	**–**	–
Net currency translation differences of financial statements of foreign operations	**95,073**	70,131	**–**	–
At 31 December	**179,652**	84,579	**–**	–

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

30. OTHER RESERVES (CONTINUED)

(b) ***Movements (continued):***

(iv) *General reserve*

	Group 2008 US$'000	Group 2007 US$'000	Company 2008 US$'000	Company 2007 US$'000
At 1 January	**26,544**	15,344	**–**	–
Transfer from retained earnings	**66,353**	10,286	**–**	–
Share of associates' government grant received	**–**	914	**–**	–
At 31 December	**92,897**	26,544	**–**	–

(a) In accordance with the "Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment" and the Group's China subsidiaries' Articles of Association, appropriations from the net profit should be made to the Reserve Fund and the Enterprise Expansion Fund, after offsetting accumulated losses from prior years, and before profit distributions to the investors. The percentage to be appropriated to the Reserve Fund and the Enterprise Expansion Fund are determined by the board of directors of the China subsidiaries.

(b) In accordance with "The Law of Republic of Indonesia" No. 40/2007, a certain amount from the net earnings must be allocated to Reserve Fund. The percentage to be allocated to the Reserve Fund is determined by the General Meeting of the shareholders.

(v) *Asset valuation reserve*

	Group 2008 US$'000	Group 2007 US$'000	Company 2008 US$'000	Company 2007 US$'000
At 1 January	**2,581**	–	**–**	–
Revaluation of land and buildings	**–**	1,407	**–**	–
Share of associates' surplus on revaluation of land and buildings	**(1,174)**	1,174	**–**	–
Transfer to retained earnings	**(1,407)**	–	**–**	–
At 31 December	**–**	2,581	**–**	–

Asset valuation reserve represents increases in the fair value of land and buildings.

30. OTHER RESERVES (CONTINUED)

(b) ***Movements (continued):***

(vi) *Hedging reserve*

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
At 1 January	–	–	–	–
Fair value adjustment on cash flow hedges	**470,641**	–	–	–
Recognised in the profit and loss account on derivatives contracts realised and recognised in "Revenue"	**(51,296)**	–	–	–
At 31 December	**419,345**	–	–	–

Hedging reserve represents fair value adjustment on cash flow hedges.

(vii) *Employee share option reserve*

	Group		Company	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000
At 1 January	–	–	–	–
Grant of equity-settled share options	**1,012**	–	**1,012**	–
At 31 December	**1,012**	–	**1,012**	–

Employee share option reserve represents the equity-settled share options granted to employees (Note 32). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

31. PROVISION FOR EMPLOYEE GRATUITY

The Group recognises provision for employee gratuity in accordance with Indonesia Labour Law No. 13/2003 dated 25 March 2003. The provision is based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Actuarial Valuation Method". Actuarial gains or losses are recognised as income or expenses when the net cumulative unrecognised actuarial gains or losses exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected remaining working lives of employees. Past service cost is amortised over the remaining working lives of each employee.

The provision for employee gratuity recognised by the Group amounted to approximately US$14,480,000 (2007: US$13,408,000). The related expense recognised in the current financial year was approximately US$3,441,000 (2007: US$4,522,000).

31. PROVISION FOR EMPLOYEE GRATUITY (CONTINUED)

The estimated liabilities for employee gratuity based on the actuarial report have been determined using the following assumptions:

	Group	
	2008	**2007**
Discount rate	**13% per annum**	10% per annum
Wages and salary increase	**10% per annum**	10% per annum
Retirement age	**55 years of age**	55 years of age
Mortality rate	**CSO - 1980**	CSO - 1980
Method	**Projected unit credit**	Projected unit credit

The details of the employee gratuity expense recognised in the consolidated income statement are as follows:

	Group	
	2008	**2007**
	US$'000	US$'000
Current service costs	**2,128**	2,676
Adjustments of new entrant employees	**758**	809
Interest costs	**1,370**	1,167
Curtailment loss	**(1,007)**	(654)
Immediate recognition of past service cost	**(74)**	329
Others	**266**	195
	3,441	4,522

The details of the provision for employee gratuity as at balance sheet date are as follows:

	Group	
	2008	**2007**
	US$'000	US$'000
Present value of benefit obligation	**13,104**	16,549
Unamortised service cost	**(182)**	(205)
Unrecognised actuarial loss/(gain)	**1,566**	(2,950)
Currency exchange differences	**(8)**	14
Provision for employee gratuity (Note 27)	**14,480**	13,408

31. PROVISION FOR EMPLOYEE GRATUITY (CONTINUED)

Movement in provision for employee gratuity is as follows:

	Group	
	2008	**2007**
	US$'000	US$'000
At 1 January	**13,408**	9,477
Subsidiaries acquired during the year	**–**	148
Provision made for the year	**3,441**	4,522
Payments during the year	**(467)**	(320)
Subsidiaries disposed during the year	**(34)**	–
Currency exchange differences	**(1,868)**	(419)
At 31 December	**14,480**	13,408

32. EMPLOYEE BENEFITS

	Group	
	2008	**2007**
	US$'000	US$'000
Employee benefits expense (including directors):		
Salaries and bonuses	**441,499**	179,036
Central Provident Fund contributions	**20,979**	11,570
Share-based payments (shares granted to employees)	**3,068**	61,525
Share-based payments (executive share options)	**1,012**	–
Other short term benefits	**18,582**	12,582
Other long term benefits	**3,032**	4,055
	488,172	268,768
Less: Amount capitalised as biological assets	**(21,668)**	(14,954)
	466,504	253,814

Expenses in relation to shares granted to employees of approximately US$3,068,000 (2007: US$61,525,000) represent the difference between the market price and the settlement price on 1,950,000 ordinary shares (2007: 21,168,000) which were transferred from Wilmar Holdings Pte Ltd to a total of 56 (2007: 374) employees of the Wilmar group of companies as a reward for their long service with the Group. The shares were transferred on 23 February 2009 (2007: 7 December 2007) and were deemed a payment to the staff for the services rendered. Accordingly, the costs, computed as the difference between the market price and the settlement price was recorded as an expense in accordance with Financial Reporting Standard 102 Share-based Payment.

32. EMPLOYEE BENEFITS (CONTINUED)

Executive share option plan

Under the Executives Share Option Scheme ("ESOS"), approved by shareholders on 30 June 2000, share options are granted to eligible executives selected by the Remuneration Committee. The exercise price of the options is equal to the average market price of the shares for the five consecutive trading days immediately preceding the date of the grant of that option ("Market Price") or at a discount to the Market Price (up to a maximun of 20%). The number of shares in respect of which options may be granted when aggregated with those granted under any other share option schemes of the Company and for the time being in force, shall not exceed 15% of the issued share capital of the Company on the date preceding the date of the relevant grant. There are no cash settlement alternatives.

During the financial year, a total of 18,170,000 share options are granted to executives of the Group. The options are valid for a term of five years from the date of grant and are exercisable in the following manner:

- After 1st anniversary of the date of grant – 50% of options granted
- After 2nd anniversary of the date of grant – the remaining 50% of options granted

Options Series	Date of Grant	As at Date of Grant	Options Exercised/lapsed	Balance as at 31.12.08	Exercise Price	Exercise Period
2008/A	27.11.2008	8,975,000	–	8,975,000	S$2.45	28.11.2009 to 26.11.2013
2008/A	27.11.2008	8,975,000	–	8,975,000	S$2.45	28.11.2010 to 26.11.2013
2008/B	09.12.2008	110,000	–	110,000	S$2.63	10.12.2009 to 08.12.2013
2008/B	09.12.2008	110,000	–	110,000	S$2.63	10.12.2010 to 08.12.2013
Total		18,170,000		18,170,000		

The weighted average fair value of options granted during the year was S$1.30 (2007: Nil). The weighted average remaining contractual life for these options is 1.5 years (2007: Nil).

The fair value of the share options granted under the ESOS is estimated at the grant date using a trinomial option pricing model ("TOPM") in the Bloomberg Executive Option Valuation Module ("BEOVM"), taking into account the terms and conditions upon which the options were granted. The inputs to the model used are as follows:

	2008
Dividend yield (S$ per share)	0.05
Expected volatility (%)	65.00
Risk-free interest rate (% p.a.)	1.07 to 1.30
Expected life of option (years)	2.00
Weighted average share price at date of grant (S$)	2.79

32. EMPLOYEE BENEFITS (CONTINUED)

The expected life of the option is not necessarily indicative of exercise patterns that may occur, as this is the first option grant, and there is no historical exercising pattern. The expected volatility reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

33. COMMITMENTS AND CONTINGENCIES

(a) ***Capital commitments***

Capital expenditure contracted for as at the balance sheet date but not recognised in the financial statements is as follows:

	Group	
	2008	**2007**
	US$'000	US$'000
Capital commitments in respect of property, plant and equipment	**504,644**	567,010

(b) ***Operating lease commitments – as lessee***

The Group has entered into commercial leases on certain premises and equipment. These leases have an average tenure of between 1 and 10 years.

Future minimum rental payable under non-cancellable operating leases at the balance sheet date are as follows:

	Group	
	2008	**2007**
	US$'000	US$'000
Not later than one year	**3,919**	7,647
Later than one year but not later than five years	**5,741**	16,070
Later than five years	**5,843**	22,776
	15,503	46,493

33. COMMITMENTS AND CONTINGENCIES (CONTINUED)

(c) ***Commitments for sales and purchases contracts***

The Group has the following committed sales and purchases contracts. The contractual or underlying principal amounts of the committed contracts with fixed pricing terms that were outstanding as at 31 December are as follows:

	Contracts or underlying principal	
	2008	**2007**
	US$'000	US$'000
Committed contracts		
Purchases	**1,654,995**	1,604,642
Sales	**2,962,334**	2,785,808

(d) ***Commitments for development of oil palm plantations***

The Group has commitments in relation to the development of oil palm plantations amounting to approximately US$158,372,000 as of 31 December 2008 (2007: US$121,524,000).

(e) ***Corporate guarantees***

The following are the corporate guarantees for the credit facilities extended by banks to:

	Group		**Company**	
	2008	**2007**	**2008**	**2007**
	US$'000	US$'000	**US$'000**	US$'000
Subsidiaries	**–**	–	**1,242,958**	1,724,478
Associates	**127,066**	133,390	**127,066**	133,390
	127,066	133,390	**1,370,024**	1,857,868

34. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	2008	**2007**
	US$'000	US$'000
Related parties		
Dividend income	**31**	–
Dividend paid	**–**	3,409
Freight charges	**–**	66,453
Interest expense	**618**	1,514
Interest income	**665**	1,212
Others	**6,800**	439
Purchase of goods	**4,204,982**	2,403,494
Sales of goods	**688,255**	241,919
Associates		
Dividend income	**11,470**	16,001
Interest expense	**2**	415
Interest income	**7,382**	4,214
Others	**10,003**	5,414
Purchase of goods	**1,376,276**	738,554
Sales of goods	**1,653,955**	917,886

34. RELATED PARTY DISCLOSURES (CONTINUED)

(b) ***Compensation of key management personnel***

	Group	
	2008	**2007**
	US$'000	US$'000
Central Provident Fund contributions	**160**	90
Short term employee benefits	**3,629**	58
Salaries and bonuses	**12,925**	5,712
Share-based payments (i.e. shares granted to employees)	**597**	14,291
	17,311	20,151
Paid to:		
Directors of the Company	**12,777**	7,715
Other key management personnel	**4,534**	12,436
	17,311	20,151

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

		Group				Company			
		2008		2007		2008		2007	
	Note	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Financial assets:									
Investment securities	14	**36,571**	**#**	50,038	#	**36,000**	**#**	–	–
Other receivables – non-current	24	**47,310**	**#**	51,319	#	**236,162**	**#**	281,550	#
Financial liabilities:									
Other payables – non-current	26	**13,937**	**#**	28,455	#	**–**	**–**	–	–

\# *Fair value information has not been disclosed for these financial instruments carried at cost because fair value cannot be measured reliably.*

35. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amounts approximate fair value

Management has determined that the carrying amounts of cash and short term deposits, current trade and other receivables, current trade and other payables and current interest-bearing loans and borrowings, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repaid frequently.

Financial instrument carried at other fair value

Investment securities, comprising unquoted shares and plasma investments are stated at cost as they have no market prices and the fair value cannot be reliably measured using valuation techniques.

Methods and assumptions used to determine fair values

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values as mentioned earlier, are as follows:

Financial assets and liabilities	**Methods and assumptions**
• Other non-current receivables • Other non-current payables • Interest-bearing loans and borrowings	Fair value has been determined using discounted estimated cash flows. Where repayment terms are not fixed, future cash flows are projected based on management's best estimates. The discount rates used are the current market incremental lending rates for similar types of lending, borrowing and leasing arrangements.
• Biological assets	Fair value has been estimated by reference to independent valuations using discounted cash flows of the underlying biological assets. The expected cash flows from the whole life cycle of the oil palm plantations are determined using the market price and the estimated yield of Fresh Fruit Bunches ("FFB"), net of maintenance and harvesting costs and any costs required to bring the oil palm plantations to maturity. The estimated yield of the oil palm plantations is affected by the age of the oil palm, the location, soil type and infrastructure. The market price of the FFB is largely dependent on the prevailing market price of the processed products after harvest, being crude palm oil and palm kernel. Point-of-sale costs include all costs that would be necessary to sell the assets.
• Forward currency contracts	Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.
• Futures, options and swap contracts	Where available, quoted market prices are used as a measure of fair values for the outstanding contracts. Where the quoted market prices are not available, fair values are based on management's best estimate and are arrived at by reference to the market prices of another contract that is substantially similar.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its credit, liquidity, interest rate, foreign currency and commodity price risks. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant financial instruments to hedge the risks of such commercial exposure. Such financial instruments are not held for trade or speculative purposes. These market risk management activities are governed by its risk management system.

To ensure a sound system of internal controls, the Board has established a risk management framework for the Group. Wilmar's risk governance structure comprises three levels:

- The Risk Management Committee at the Board level;
- The Executive Risk Committee; and
- Risk management by the respective operating units.

The Board-level Risk Management Committee is responsible for

- overseeing the Executive Risk Committee;
- reviewing the overall risk management guidelines/framework;
- reviewing and recommending risk limits; and
- assessing the adequacy and effectiveness of the risk management policies and systems.

The Executive Risk Committee comprises Executive Directors and its responsibilities include, amongst others, the monitoring and improvement of the overall effectiveness of the risk management system and the review of positions and limits to manage overall risk exposure.

(a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. For trade receivables, the Group adopts the policy of dealing with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit rating counterparties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the balance sheet date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risk (continued)***

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and segment profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables (net of allowance for doubtful receivables) at the balance sheet date is as follows:

	Group			
	2008	**2008**	**2007**	**2007**
	US$'000	%	US$'000	%
By country:				
South East Asia	**527,967**	**40%**	562,629	38%
People's Republic of China	**386,801**	**29%**	423,996	28%
India	**37,907**	**3%**	64,410	4%
Europe	**199,665**	**15%**	138,200	9%
Others	**178,824**	**13%**	311,969	21%
	1,331,164	**100%**	1,501,204	100%
By segment:				
Merchandising and Processing				
- Palm and laurics	**986,622**	**74%**	948,467	63%
- Oilseeds and grains	**156,694**	**12%**	325,234	22%
Consumer Products	**82,410**	**6%**	100,803	7%
Plantation and Palm Oil Mills	**3,895**	**–**	15,017	1%
Others	**101,543**	**8%**	111,683	7%
	1,331,164	**100%**	1,501,204	100%

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 24 (Trade receivables).

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations due to shortage of funds. The Group maintains sufficient liquidity by closely monitoring its cash flow. Due to the dynamic nature of its underlying business, the Group adopts prudent liquidity risk management policies in maintaining sufficient credit facilities, including the use of trade finance for the Group's raw material purchases. The Group also aims at maintaining flexibility in funding by keeping credit facilities available with different banks.

The table below summarises the maturity profile of the Group's financial liabilities at the balance sheet date based on contractual undiscounted cash flows.

	2008				**2007**			
	Less than 1 year	**1 to 5 years**	**Over 5 years**	**Total**	**1 year or less**	**1 to 5 years**	**Over 5 years**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group								
Trade and other payables	**1,538,466**	**13,937**	**–**	**1,552,403**	1,435,954	28,455	–	1,464,409
Derivative financial instruments	**289,596**	**–**	**–**	**289,596**	108,030	–	–	108,030
Loans and borrowings	**3,684,473**	**1,761,394**	**40,450**	**5,486,317**	4,209,148	818,761	–	5,027,909
	5,512,535	**1,775,331**	**40,450**	**7,328,316**	5,753,132	847,216	–	6,600,348
Company								
Trade and other payables	**82,607**	**–**	**–**	**82,607**	36,160	–	–	36,160
Loans and borrowings	**–**	**1,079,182**	**–**	**1,079,182**	16,000	542,363	–	558,363
	82,607	**1,079,182**	**–**	**1,161,789**	52,160	542,363	–	594,523

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) ***Interest rate risk***

Interest rate risk is the risk that the fair value future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings, interest-bearing loans given to related parties and fixed deposits with financial institutions.

At the balance sheet date, if the US$ interest rates had been 50 (2007: 50) basis points lower/higher with all other variables including tax rate held constant, the Group's profit after tax will be higher/lower by approximately US$12.95 million (2007: US$25.14 million), as a result of lower/higher interest expense on these borrowings. As most of the Group's borrowings are short term and trade related, any interest rate costs are typically priced into the respective trade transactions. Accordingly, the Group has minimum interest rate exposure risk.

(d) ***Foreign currency risk***

The Group operates in several countries with dominant operations in Singapore, People's Republic of China, Indonesia, Malaysia, Europe, Vietnam and others. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the United States Dollar (USD), Chinese Renminbi (RMB), and Malaysian Ringgit (MYR).

Currency risk arises when transactions are denominated in foreign currencies. The Group seeks to manage its foreign currency exposure by constructing natural hedges when it matches sales and purchases in any single currency or through financial instruments, such as foreign currency forward exchange contracts. To manage the currency risk, individual Group entities in consultation with Group Treasury enter into currency forwards, either in their respective countries or with Group Treasury itself. Group Treasury in turn manages the overall currency exposure mainly through currency forwards.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia, Indonesia, People's Republic of China, Europe and Vietnam. The Group's net investments in these countries are not hedged as currency positions in these foreign currencies are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

A 5% strengthening of the United States dollar against the following currencies at the balance sheet date would have increased/(decreased) profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2008 US$'000	**2007** US$'000
Chinese Renminbi	**(133,432)**	(95,247)
Malaysian Ringgit	**(62,198)**	(39,045)
Indonesian Rupiah	**29,127**	11,419
Others	**3,434**	3,550

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) *Commodity price risk*

The price of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, government policies, changes in global demand resulting from population growth and changes in standards of living, and global production of similar and competitive crops. During its ordinary course of business, the value of the Group's open sales and purchase commitments and inventory of raw material changes continuously in line with movements in the prices of the underlying commodity. To the extent that its open sales and purchases commitments do not match at the end of each business day, the Group is subject to price fluctuations in the commodities market. The Group generally uses forward physical and/or exchange traded commodity futures and options contracts to mitigate such risk.

While the Group is exposed to fluctuations in agricultural commodities prices, its policy is to minimise their risks arising from such fluctuations by hedging its sales either through direct purchases of a similar commodity or through futures contracts on the commodity exchanges. The prices on the commodity exchanges are quoted up to twelve months forward.

In the course of hedging its sales either through direct purchases or through futures contracts on the commodity exchanges, the Group may also be exposed to the inherent risk associated with trading activities conducted by its personnel. The Group has in place a risk management system to manage such risk exposure.

At balance sheet date a 5% (2007: 5%) increase/decrease of the commodities price index, with all other variables held constant, would have decreased/increased profit before tax and equity by the amounts as shown below:

	2008 US$'000	**2007** US$'000
Effect of increase in commodities price index		
Effect on profit before tax	**(66,149)**	(85,524)
Effect on equity	**(19,453)**	–
Effect of decrease in commodities price index		
Effect on profit before tax	**66,149**	85,524
Effect on equity	**19,453**	–

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2008 and 31 December 2007.

37. CAPITAL MANAGEMENT (CONTINUED)

The Group monitors capital using net gearing ratio and adjusted net gearing ratio.

(a) ***Net gearing ratio***

Net gearing ratio is net debt to equity, which equals net debt divided by total capital. The Group includes within net debt, loans and borrowings less cash and bank balances. Capital includes equity attributable to the equity holders of the parent, i.e. shareholders' funds.

	Group	
	2008	**2007**
	US$'000	US$'000
Shareholders' funds	**9,606,461**	7,845,198
Loans and borrowings (Note 28)	**5,283,565**	5,027,909
Less: Cash and bank balances (Note 25)	**(2,893,102)**	(967,572)
Net debt	**2,390,463**	4,060,337
Net gearing ratio (times)	**0.25**	0.52

(b) ***Adjusted net gearing ratio***

Adjusted net gearing ratio is adjusted net debt to equity, which equals adjusted net debt divided by total capital. The Group includes within adjusted net debt, net debt less liquid working capital. Liquid working capital includes inventories (excluding consumables) and trade receivables, less current liabilities (excluding loans and borrowings). Capital includes equity attributable to the equity holders of the parent, i.e. shareholders' funds.

	Group	
	2008	**2007**
	US$'000	US$'000
Shareholders' funds	**9,606,461**	7,845,198
Liquid working capital:		
Inventories (excluding consumables)	**2,322,359**	3,503,711
Trade receivables	**1,331,164**	1,501,204
Less: Current liabilities (excluding loans and borrowings)	**(2,245,650)**	(1,959,701)
Total liquid working capital	**1,407,873**	3,045,214
Adjusted net debt	**982,590**	1,015,123
Adjusted net gearing ratio (times)	**0.10**	0.13

38. SEGMENT INFORMATION

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Business segments

The Group comprises the following main business segments:

Merchandising and Processing

Palm and laurics

Merchandising of palm oil and laurics related products. This also includes the operations of palm oil processing and refinery plants.

Oilseeds and grains

Merchandising and processing of a wide range of edible oils, oilseeds and grains from the crushing, further processing and refining of soyabean as well as other oilseeds and grains.

Consumer Products

Consumer products bottled oil business mainly in People's Republic of China, Vietnam and Indonesia.

Plantation and Palm Oil Mills

Oil palm cultivation and milling.

Others

Including the business of manufacturing and distribution of fertiliser products and ship-chartering services.

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the destination countries.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax and deferred tax assets and liabilities, loans and borrowings and related expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

38. SEGMENT INFORMATION (CONTINUED)

(a) *Business segments*

(i) The following table presents revenue and results information regarding the Group's business segments for the years ended 31 December 2008 and 2007.

	Merchandising and Processing		Consumer Products		Plantation and Palm Oil Mills		Others		Elimination		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue												
Sales to external customers	**23,525,607**	13,858,166	**4,758,479**	2,171,645	**65,026**	29,601	**796,073**	406,739	**–**	–	**29,145,185**	16,466,151
Inter-segment sales	**2,034,123**	1,319,273	**–**	644,844	**1,255,513**	810,106	**378,334**	60,801	**(3,667,970)**	(2,835,024)	**–**	–
Total revenue	**25,559,730**	15,177,439	**4,758,479**	2,816,489	**1,320,539**	839,707	**1,174,407**	467,540	**(3,667,970)**	(2,835,024)	**29,145,185**	16,466,151
Results												
Segment results	**1,485,654**	586,208	**93,575**	116,380	**327,850**	287,739	**49,017**	20,444	**–**	–	**1,956,096**	1,010,771
Unallocated expenses											**(31,907)**	(77,457)
Finance income											**92,927**	17,667
Finance costs											**(338,980)**	(180,986)
Share of results of associates	**102,831**	59,701	**5,596**	13	**2,915**	(1,455)	**(153)**	1,539	**–**	–	**111,189**	59,798
Profit before tax											**1,789,325**	829,793
Income tax expense											**(232,174)**	(154,557)
Profit after tax											**1,557,151**	675,236

38. SEGMENT INFORMATION (CONTINUED)

(a) ***Business segments (continued)***

(ii) The following table presents assets, liabilities and other segment information regarding the Group's business segments for the years ended 31 December 2008 and 2007.

	Merchandising and Processing		Consumer Products		Plantation and Palm Oil Mills		Others		Elimination		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Assets and liabilities												
Segment assets	**13,395,022**	13,180,670	**2,565,366**	2,475,570	**3,511,015**	1,782,004	**12,321,445**	10,716,031	**(15,209,208)**	(13,145,710)	**16,583,640**	15,008,565
Investment in associates	**917,061**	275,057	**94**	–	**3,443**	1,813	**326,680**	175,080	**(89,408)**	–	**1,157,870**	451,950
Unallocated assets											**127,350**	46,538
Total assets											**17,868,860**	15,507,053
Segment liabilities	**9,005,357**	8,618,410	**1,087,923**	1,236,948	**595,141**	775,307	**2,545,162**	844,771	**(6,341,972)**	(5,057,824)	**6,891,611**	6,417,612
Unallocated liabilities											**1,001,893**	907,939
Total liabilities											**7,893,504**	7,325,551
Other segment information												
Capital expenditure												
- Property, plant and equipment	**635,689**	755,579	**62,580**	529,308	**49,867**	485,825	**207,271**	138,676	**–**	–	**955,407**	1,909,388
- Intangible assets	**4,356**	1,262,322	**–**	1,089,247	**1,634**	1,550,493	**6,130**	–	**–**	–	**12,120**	3,902,062
- Plasma investments	**–**	–	**–**	–	**1,714**	–	**–**	–	**–**	–	**1,714**	–
- Biological assets	**–**	–	**–**	–	**100,540**	594,378	**–**	–	**–**	–	**100,540**	594,378
Depreciation, impairment and amortisation	**64,881**	86,934	**101,940**	11,852	**29,316**	18,788	**11,781**	16,196	**–**	–	**207,918**	133,770

38. SEGMENT INFORMATION (CONTINUED)

(b) *Geographical segments*

The following table presents revenue, capital expenditure and certain assets information regarding the Group's geographical segments as at and for the years ended 31 December 2008 and 2007.

	South East Asia		People's Republic of China		India		Europe		Others		Total	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue												
Sales to external customers	**7,001,314**	3,825,593	**14,325,761**	8,481,523	**1,662,287**	793,601	**2,537,367**	1,379,065	**3,618,456**	1,986,369	**29,145,185**	16,466,151
Segment assets												
Segment assets	**9,333,584**	8,309,447	**6,542,654**	6,274,626	**65,615**	3,391	**462,888**	194,208	**178,899**	226,893	**16,583,640**	15,008,565
Investment in associates	**357,387**	47,383	**689,476**	234,969	**–**	45,521	**52,900**	73	**58,107**	124,004	**1,157,870**	451,950
Unallocated assets											**127,350**	46,538
Total assets											**17,868,860**	15,507,053
Other segment information												
Capital expenditure												
- Property, plant and equipment	**318,948**	976,695	**530,629**	809,173	**6,262**	1,137	**91,769**	55,334	**7,799**	67,049	**955,407**	1,909,388
- Intangible assets	**12,120**	2,051,842	**–**	1,850,220	**–**	–	**–**	–	**–**	–	**12,120**	3,902,062
- Plasma investments	**1,714**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1,714**	–
- Biological assets	**100,540**	594,378	**–**	–	**–**	–	**–**	–	**–**	–	**100,540**	594,378

39. DIVIDENDS

	Group and Company 2008 US$'000	2007 US$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final tax-exempt (one-tier) dividend for 2007: S$0.026 (2006: S$0.013) per share	**121,773**	21,556
- Interim tax-exempt (one-tier) dividend for 2008: S$0.028 (2007: Nil) per share	**118,364**	–
	240,137	21,556
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final exempt (one-tier) dividend for 2008: S$0.045 (2007: S$0.026) per share	**189,000**	116,000

40. SUBSIDIARIES OF THE GROUP

The following is the list of the subsidiaries of the Group.

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Wilmar Holdings Sdn. Bhd. (3)	Malaysia	Investment holding	**100**	100
Wilmar Bulking Installation Sdn. Bhd. (3)	Malaysia	Renting of storage facilities	**100**	100
Wilmar Edible Oils Sdn. Bhd. (3)	Malaysia	Manufacturing and exporting palm and edible oils	**100**	100
Pacific Rim Palm Oil Limited (3)	Mauritius	Investment holding	**100**	100
PT Asiatic Persada (2)	Indonesia	Oil palm cultivation and palm oil milling	**51**	51
PT Maju Perkasasawit (2)	Indonesia	Oil palm cultivation	**45.90***	45.90*
PT Jammer Tulen (2)	Indonesia	Oil palm cultivation	**45.90***	45.90*
PT Putra Indotropical (2)	Indonesia	Oil palm cultivation	**68.30**	74.77
PT Indoresins Putra Mandiri (2)	Indonesia	Oil palm cultivation	**70**	70

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Wilmar Trading Pte Ltd [1]	Singapore	International trading in edible oils	**100**	100
Wilmar Air Pte. Ltd. [3]	Singapore	Investment holding	**100**	100
WRE Holdings Pte. Ltd. [1]	Singapore	Investment holding	**100**	–
Wilmar Renewable Energy Pte. Ltd. (formerly known as E W Green Power Pte. Ltd.) [1]	Singapore	Investment holding	**100**	–
Newbloom Pte. Ltd. [1]	Singapore	Investment holding	**100**	100
Ferro Group Limited [4]	British Virgin Islands	Investment holding	**100**	100
PT Bumi Sawit Kencana [2]	Indonesia	Oil palm cultivation	**95**	95
Dexas Investments Limited [4]	British Virgin Islands	Investment holding	**100**	100
PT Karunia Kencana Permaisejati [2]	Indonesia	Oil palm cultivation	**95**	95
Rimkus Limited [4]	British Virgin Islands	Investment holding	**100**	100
PT Mentaya Sawit Mas [2]	Indonesia	Oil palm cultivation	**95**	95
Ivory Rose Pte. Ltd. [1]	Singapore	Investment holding	**100**	100
PT Sarana Titian Permata [2]	Indonesia	Oil palm cultivation	**80**	80
Richdelta Pte. Ltd. [1]	Singapore	Investment holding	**100**	100
PT Bulau Sawit Bajenta [2]	Indonesia	Oil palm cultivation	**95**	95
Maxillion Pte. Ltd. [1]	Singapore	Investment holding	**100**	100
PT Pukun Mandiri Lestari [2]	Indonesia	Oil palm cultivation	**95**	95
Acemaxton Pte. Ltd. [1]	Singapore	Investment holding	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
PT Eka Kaharap Itah (2)	Indonesia	Oil palm cultivation	**95**	95
Stephigh Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
PT Alam Sawit Permai (2)	Indonesia	Oil palm cultivation	**95**	95
Maxceed Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
PT Benua Alam Subur (2)	Indonesia	Oil palm cultivation	**95**	95
Quanta Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
PT Hamparan Sawit Eka Malan (2)	Indonesia	Oil palm cultivation	**95**	95
Rosevale Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
PT Petak Malai Sawit Makmur (2)	Indonesia	Oil palm cultivation	**95**	95
Ampleville Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
PT Bawak Sawit Tunas Belum (2)	Indonesia	Oil palm cultivation	**95**	95
Gadsden Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
PT Malindo Lestari Plantations (2)	Indonesia	Oil palm cultivation	**95**	95
Castlerise Pte. Ltd. (1)	Singapore	Dormant	**100**	100
Wilmar Fertilizer Indonesia Pte Ltd (1)	Singapore	Investment holding	**100**	100
PT Sentana Adidaya Pratama (2)	Indonesia	Processing of fertilizers	**100**	100
Wilmar Plantations Limited (1)	British Virgin Islands	Investment holding	**100**	100
PT Permata Hijau Pasaman (2)	Indonesia	Oil palm cultivation	**100**	100
PT Gersindo Minang Plantation (2)	Indonesia	Oil palm cultivation and palm oil milling	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
PT AMP Plantation (2)	Indonesia	Oil palm cultivation, palm oil milling and palm kernel crushing	**100**	100
PT Primatama Muliajaya (2)	Indonesia	Oil palm cultivation	**100**	100
Mixbury Holdings Limited (4)	British Virgin Islands	Investment holding	**100**	100
PT Siak Prima Sakti (2)	Indonesia	Palm oil milling	**100**	100
PT Daya Labuhan Indah (2)	Indonesia	Oil palm cultivation and palm oil milling	**95**	95
PT Agronusa Investama (2)	Indonesia	Oil palm cultivation and palm oil milling	**95**	95
PT Citra Riau Sarana (2)	Indonesia	Oil palm cultivation and palm oil milling	**95**	95
Tradesound Investments Limited (1)	British Virgin Islands	Investment holding	**100**	100
PT Bukit Kapurreksa (2)	Indonesia	Edible oils refining	**100**	100
PT Multi Mineral Trading (2)	Indonesia	Coal business and trading	**100**	100
PT Sinar Alam Permai (2)	Indonesia	Edible oils refining	**100**	100
PT Citraraya Perkasa Abadi (2)	Indonesia	Production and trading of asphalt	**60**	60
PT Multimas Nabati Asahan (2)	Indonesia	Edible oils refining	**100**	100
PT Sinarperdana Caraka (2)	Indonesia	Palm oil milling	**70**	70
PT Karya Putrakreasi Nusantara (2)	Indonesia	Edible oils refining and specialty fats	**60**	60
PT Mekar Bumi Andalas (2)	Indonesia	Refining of palm oil and provision of storage services and edible oils refining	**100**	100
PT Sari Agrotama Persada (2)	Indonesia	Distribution of frying oil, margarine and shortening	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
PT Multi Nabati Sulawesi (2)	Indonesia	Copra crushing, palm kernel crushing and refining	**100**	100
PT Kawasan Industri Dumai (2)	Indonesia	Development of industrial estate	**100**	100
PT Wilmar Bioenergi Indonesia (2)	Indonesia	Processing of biodiesel	**100**	100
PT Cahaya Kalbar Tbk (2)	Indonesia	Edible oils refining and specialty fats	**87.02**	61.71
PT Inticocoa Abadi Industri (2)	Indonesia	Processing cocoa butter and powder	**87.02**	61.71
Cleartech Research Pte. Ltd. (3)	Singapore	Investment holding	**60**	60
PT Petro Andalan Nusantara (2)	Indonesia	Trading in bulking fuel and diesel	**100**	100
Wilmar Plantations (Mauritius) Limited (3)	Mauritius	Investment holding	**100**	100
PT Agro Palindo Sakti (2)	Indonesia	Oil palm cultivation and rubber plantation	**100**	100
PT Buluh Cawang Plantations (2)	Indonesia	Oil palm cultivation, rubber plantation and palm oil milling	**100**	100
PT Musi Banyuasin Indah (2)	Indonesia	Oil palm cultivation and palm oil milling	**100**	100
PT Tania Selatan (2)	Indonesia	Oil palm cultivation and palm oil milling	**100**	100
PT Agrindo Indah Persada (2)	Indonesia	Palm oil milling	**100**	100
PT Sinarsiak Dianpermai (2)	Indonesia	Oil palm cultivation, palm oil milling and palm kernel crushing	**100**	100
PT Perkebunan Milano (2)	Indonesia	Oil palm cultivation, palm oil milling and palm kernel crushing	**100**	100
PT Dharma Wungu Guna (2)	Indonesia	Palm oil milling	**100**	100
PT Murini Samsam (2)	Indonesia	Oil palm cultivation, palm oil milling and palm kernel crushing	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
PT Tritunggal Sentra Buana (2)	Indonesia	Oil palm cultivation	**50 ***	50 *
PT Daya Landak Plantations (2)	Indonesia	Oil palm cultivation	**70**	70
PT Pratama Prosentindo (2)	Indonesia	Oil palm cultivation	**68.30**	74.77
Wilmar Shipping (Mauritius) Limited (3)	Mauritius	Investment holding	**85.33**	85.33
PT Tirta Arung Intiniaga (3)	Indonesia	Ship-owning and chartering	**81.06**	81.06
Wilmar Ship Holdings Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
Analisa Shipping Co Pte Ltd (1)	Singapore	Ship-owning and chartering (Dormant)	**80**	80
Monalisa Shipping Co Pte Ltd (1)	Singapore	Ship-owning and chartering	**100**	100
Gold River Pte. Ltd. (3)	Singapore	Ship-owning and chartering	**100**	100
Louisa Shipping Co Pte. Ltd. (3)	Singapore	Ship-owning and chartering (Dormant)	**100**	100
Isabel Shipping Co Pte. Ltd. (3)	Singapore	Ship-owning and chartering	**80**	80
Olivia Shipping Co Pte. Ltd. (3)	Singapore	Ship-owning and chartering	**80**	80
Sophia Shipping Co Pte. Ltd. (1)	Singapore	Ship-owning and chartering	**100**	100
Sabrina Shipping Co Pte. Ltd. (1)	Singapore	Ship-owning and chartering	**100**	–
Celina Shipping Co Pte. Ltd. (3)	Singapore	Ship-owning and chartering	**100**	–
Angelina Shipping Co Pte. Ltd. (3)	Singapore	Ship-owning and chartering (Dormant)	**100**	–
Nicole Shipping Co Limited (4)	British Virgin Islands	Ship-owning and chartering	**100**	100
Lisa Shipping Co. Pte Ltd (1)	Singapore	Ship-owning and chartering	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Felicia Shipping Co Pte. Ltd. (1)	Singapore	Ship-owning and chartering	**100**	100
Sasa Shipping Co Pte. Ltd. (3)	Singapore	Ship-owning and chartering (Dormant)	**100**	100
Patricia Shipping Co Pte. Ltd. (3)	Singapore	Ship-owning and chartering	**100**	100
Natalie Shipping Co Pte. Ltd. (3)	Singapore	Ship-owning and chartering	**80**	80
Victoria Shipping Co Pte. Ltd. (1)	Singapore	Ship-owning and chartering	**100**	100
Lydia Shipping Co Pte. Ltd. (1)	Singapore	Ship-owning and chartering	**100**	–
Carolina Shipping Co Pte. Ltd. (3)	Singapore	Ship-owning and chartering	**100**	–
Lyna Shipping Co Pte. Ltd. (3)	Singapore	Ship-owning and chartering	**100**	–
Alicia Shipping Co Limited (4)	British Virgin Islands	Ship-owning and chartering (Dormant)	**91**	91
Natasha Shipping Co Limited (4)	British Virgin Islands	Ship-owning and chartering	**100**	100
Raffles Shipping Corporation Pte. Ltd. (3)	Singapore	Investment holding	**60**	–
Raffles Ship Chartering Pte. Ltd. (3)	Singapore	Ship chartering, ship operator, ship brokering services, sale and purchase of ships and new building of ships	**60**	–
Raffles Shipmanagement Services Pte Ltd (3)	Singapore	Ship management services	**60**	–
Sea Ocean Shipping Agency Pte Ltd (3)	Singapore	Shipping agencies	**60**	–
Raffles Shipping International Pte. Ltd. (3)	Singapore	Investment holding	**100**	–
Wilmar Yihai Investments Pte. Ltd. (1)	Singapore	Investment holding	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Wilmar China Investments Pte Ltd (1)	Singapore	Investment holding	**100**	100
Yihai (Zhoukou) Oils & Grains Industries Co., Ltd (2)	People's Republic of China	Oilseeds crushing, edible oils refining and packaging	**89**	89
Yihai (Yantai) Oils & Grains Industries Co., Ltd (2)	People's Republic of China	Oilseeds crushing, edible oils refining and packaging	**79.31**	79.31
Yihai (Lianyungang) Oils & Grains Industries Co., Ltd (2)	People's Republic of China	Oilseeds crushing, edible oils refining, fractionation and packaging	**79**	79
Wilmar Seed Investments Pte. Ltd. (1)	Singapore	Investment holding	**100**	–
Yihai Kerry (Yunnan) Horticulture Co., Ltd (6)	People's Republic of China	Cultivation of botanical related products	**100**	–
Wilmar-ADM China Investments Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
YueYang LuLiang New Century Oils & Grains Industries Co., Ltd (2)	People's Republic of China	Oilseeds crushing, edible oils refining and packaging	**77.50**	77.50
Yihai Kerry (Wuhan) Oils & Grains Industries Co., Ltd (formerly known as New Century Oils & Grains (Wuhan) Co., Ltd) (2)	People's Republic of China	Oilseeds crushing, edible oils refining, fractionation and packaging	**95**	95
Qinhuangdao Goldensea Speciality Oils & Fats Industries Co., Ltd (2)	People's Republic of China	Specialty fats processing	**85**	85
Yihai (Guanghan) Oils, Grains & Foodstuffs Co., Ltd (formerly known as Yihai (Guanghan) Oil, Grains & Foodstuffs Industries Co., Ltd) (2)	People's Republic of China	Oilseeds crushing, edible oils refining and packaging	**100**	100
Yihai (Sichuan) Oils & Grains & Industries Co., Ltd (merged with Yihai (Guanghan) Oil, Grains & Foodstuffs Industries Co., Ltd) (2)	People's Republic of China	Oilseeds crushing, edible oils refining and packaging	**–**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Wilmar China Northeast Investments Pte. Ltd. (formerly known as Wilmar-ADM China Northeast Investments Pte Ltd) (1)	Singapore	Investment holding	**100**	100
Qinhuangdao Goldensea Foodstuff Industries Co., Ltd (2)	People's Republic of China	Protein processing, edible oils refining and packaging	**100**	100
Qinhuangdao Goldensea Bioenergy Co., Ltd (3)	People's Republic of China	Production of biodiesel	**100**	100
Wilmar Excel Pte. Ltd. (3)	Singapore	Investment holding	**100**	100
Wilmar (Shanghai) IT Services Co., Ltd (3)	People's Republic of China	Providing IT services and consultancy	**100**	100
ADM China Holdings Ltd (3)	Mauritius	Investment holding	**100**	100
Wilmar Golden Sea Investment Pte Ltd (1)	Singapore	Investment holding	**100**	100
Qinhuangdao Goldensea Grain and Oil Industry Co., Ltd (2)	People's Republic of China	Oilseeds crushing, edible oils refining and fractionation	**80**	80
Qinhuangdao Tingji Oil & Fat Co., Ltd (5)	People's Republic of China	In liquidation	**80**	80
Kenspot International Pte Ltd (1)	Singapore	Investment holding	**100**	100
Wilmar-ADM Flour Investments Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
Yihai (Zhoukou) Wheat Industries Co., Ltd (3)	People's Republic of China	Flour milling	**100**	100
Yihai (Shijiazhuang) Oils & Grains Industries Co., Ltd (3)	People's Republic of China	Flour milling and peanut crushing	**80**	80
Yihai (Jiamusi) Oils & Grains Industries Co., Ltd (3)	People's Republic of China	Rice milling and rice bran oils processing	**97**	97

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Yihai (Jiamusi) Bio-cogeneration Co., Ltd (3)	People's Republic of China	Generating and providing electricity and steam	**97**	96
Yihai (Fujin) Oils & Grains Industries Co., Ltd (3)	People's Republic of China	Rice milling	**70**	70
Wilmar Great Ocean Investment Pte Ltd (1)	Singapore	Investment holding	**100**	100
Great Ocean Oil & Grain Industries (Fangchenggang) Company Limited (2)	People's Republic of China	Oilseeds crushing, edible oils refining, fractionation and packaging	**60**	60
Wilmar Fujian Investments Pte Ltd (1)	Singapore	Investment holding	**100**	100
Quanzhou Fortune Sea Oils & Grain Industries Co., Ltd (2)	People's Republic of China	Oilseeds crushing, edible oils refining, fractionation and packaging	**100**	100
Wilmar China Investments (Yihai) Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
Yihai (Lianyungang) Oleochemical Industries Co., Ltd (2)	People's Republic of China	Oleochemical products (fatty acid and glycerine) processing	**79**	79
Yihai (Yancheng) Oils & Grains Industries Co., Ltd (3)	People's Republic of China	Oilseeds crushing, edible oils refining and rice milling	**85**	85
Yihai (Changji) Oils & Grains Industries Co., Ltd (2)	People's Republic of China	Oilseeds crushing, edible oils refining and packaging	**92.50**	92.50
Yihai (Akesu) Oils & Grains Industries Co., Ltd (3)	People's Republic of China	Cottonseed crushing	**90**	90
New Yigang (Lianyungang) Wharf Co., Ltd (3)	People's Republic of China	Building and management of port	**51**	51
Yihai (Lianyungang) Industry Development Co., Ltd (3)	People's Republic of China	Industrial land owner	**60**	60

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Wilmar China New Investments Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
Yihai (Tai Zhou) Oils & Grains Industries Co., Ltd (3)	People's Republic of China	Oilseeds crushing, edible oils refining and packaging	**100**	100
Taizhou Yihai Energy Co., Ltd (6)	People's Republic of China	Steam and heating supply services	**80**	–
Yihai (Fangchenggang) Soybeans Industries Co., Ltd (3)	People's Republic of China	Protein processing	**100**	100
Yihai (Dongguan) Oleochemical Industries Co., Ltd (3)	People's Republic of China	Oleochemical products (fatty acid and glycerine) processing	**100**	100
Dongguan Yihai Kerry Oils, Grains & Foodstuffs Industries Co., Ltd (formerly known as Yihai (Dongguan) Feed Protein Development Co., Ltd) (3)	People's Republic of China	Flour milling	**100**	100
Yihai Kerry (Anhui) Oils & Grains Industries Co., Ltd (3)	People's Republic of China	Oilseeds crushing and edible oils refining	**80**	51.67
Yihai (Guangzhou) Wharf Co., Ltd (3)	People's Republic of China	Port management	**95**	95
Yihai Kerry (Harbin) Oils, Grains & Foodstuffs Industries Co., Ltd (formerly known as Wilmar (Haerbin) Oils, Grains & Foodstuffs Industries Co., Ltd) (3)	People's Republic of China	Rice milling , oilseeds crushing and edible oils refining	**100**	100
Yihai Kerry (Yanzhou) Oils & Grains Industries Co., Ltd (3)	People's Republic of China	Flour milling and peanut crushing	**100**	100
Yihai Kerry (Chongqing) Oils & Grains Co., Ltd (formerly known as Wilmar (Chongqing) Oils & Grains Co., Ltd) (3)	People's Republic of China	Edible oils processing (not operational yet)	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Wilmar (Xingping) Foodstuffs Industries Co., Ltd (3)	People's Republic of China	Edible oils processing	**97**	97
Yihai Kerry (Panjin) Oils & Grains Industries Co., Ltd (3)	People's Republic of China	Rice milling and rice bran oils processing	**95**	–
Yihai Kerry (Panjin) Bio-cogeneration Co., Ltd (6)	People's Republic of China	Generating and providing electricity and steam	**95**	–
Yihai Kerry (Anyang) Foodstuffs Industries Co., Ltd (6)	People's Republic of China	Flour milling	**100**	–
Yihai Kerry (Baicheng) Oils, Grains & Foodstuffs Industries Co., Ltd (3)	People's Republic of China	Rice milling, rice bran oils processing and sunflower seed crushing	**88**	–
Yihai Kerry (Zhengzhou) Foodstuffs Industries Co., Ltd (6)	People's Republic of China	Flour milling	**100**	–
Yihai Kerry (Nanchang) Oils, Grains & Foodstuffs Co., Ltd (6)	People's Republic of China	Rice milling	**100**	–
Yihai Kerry (Kunshan) Foodstuffs Industries Co., Ltd (6)	People's Republic of China	Flour milling	**100**	–
Yihai Kerry Investments Co., Ltd.(2)	People's Republic of China	Investment holding	**100**	100
Yijiang (Zhangjiagang) Oils & Grains Industries Co., Ltd (2)	People's Republic of China	Edible oils refining, fractionation and packaging	**80**	80
Yizheng Yijiang Oils & Grains Industries Co., Ltd (3)	People's Republic of China	Bulk installations	**80**	80
Yihai (Guangzhou) Oils & Grains Industries Co., Ltd (2)	People's Republic of China	Edible oils refining, fractionation and packaging and specialty fats processing	**100**	100
Yihai (Zhoukou) Property Co., Ltd (3)	People's Republic of China	Property developments	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Shanghai Yihai Commercial Co., Ltd (2)	People's Republic of China	Trading	**100**	100
Qinhuangdao Yihai Regenerative Resources Development Co., Ltd (3)	People's Republic of China	Further processing of by products/ wastes	**70**	70
Hengyang Yihai Oils and Grains Co., Ltd (3)	People's Republic of China	Trading	**80**	80
Hebei Yihai Lifeng Oils & Grains Co., Ltd (3)	People's Republic of China	Trading	**100**	100
Yihai Kerry (Heilongjiang) Oils & Grains Co., Ltd (formerly known as Heilongjiang Yihai Lifeng Oils & Grains Co., Ltd) (3)	People's Republic of China	Trading	**100**	100
Wilmar (Jiamusi) Foodstuffs Industries Co., Ltd (6)	People's Republic of China	Soya bean flour and vegetable protein drink processing	**100**	–
Yihai Kerry (Beijing) Oils, Grains & Foodstuffs Industries Co., Ltd (6)	People's Republic of China	Flour milling	**100**	–
Grand Silver (Laiyang) Co. Limited (3)	Hong Kong	Investment holding	**51**	51 @
Kerry Oils & Grains (Tianjin) Ltd (2)	People's Republic of China	Edible oils refining, fractionation and packaging and specialty fats processing	**100**	100
Kerry Industrial Services (Shanghai) Co., Ltd (3)	People's Republic of China	Provision of supporting industrial services to group companies	**100**	100
Kerry Oils & Grains (Fangcheng) Ltd (3)	People's Republic of China	Edible oils refining and packaging	**100**	100
Kerry Oils & Grains (Qingdao) Ltd (2)	People's Republic of China	Edible oils refining, fractionation and packaging	**70**	70
Kerry Oleochemical Industrial (Shanghai) Co., Ltd (2)	People's Republic of China	Fatty acid and glycerine processing	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Kerry Speciality Fats (Shanghai) Ltd (2)	People's Republic of China	Specialty fats processing	**100**	100
Qingdao Kerry Peanut Oil Co., Ltd (2)	People's Republic of China	Peanut crushing and edible oils packaging	**70**	70
Shanghai Kerry Oils & Grains Industrial Co., Ltd (3)	People's Republic of China	Edible oils refining and packaging	**93.08**	93.08
Shenzhen Nantian Oilmills Co., Ltd (3)	People's Republic of China	Oilseeds crushing	**60**	60
Xi'an Kerry Oils & Fats Industrial Ltd (3)	People's Republic of China	Edible oils refining and packaging	**51**	51
Yihai Kerry Oils & Grains (Shenzhen) Co., Ltd (3)	People's Republic of China	Provision of management and marketing services	**100**	100
Yingkou Kerry Grains Industries Ltd (3)	People's Republic of China	Dormant	**100**	100
Kerry Oils & Grains (China) Private Limited (1)	Singapore	Investment holding	**100**	100
Kerry Fine Chemical Industrial (Shanghai) Co., Ltd (3)	People's Republic of China	Oleochemical products (amide) processing	**100**	100
Kerry Speciality Chemical Industrial (Shanghai) Co., Ltd (3)	People's Republic of China	Oleochemical products (fatty alcohol) processing (under construction)	**100**	100
Kerry Oils & Grains (Yingkou) Ltd (2)	People's Republic of China	Oilseeds crushing, edible oils refining and packaging	**100**	100
Kerry Oleochemical Industrial (Tianjin) Co., Ltd (3)	People's Republic of China	Oleochemical products processing (under construction)	**100**	100
Hop Yick Packaging & Manufacturing (Shenzhen) Co., Ltd (3)	People's Republic of China	Dormant	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Southseas Oils & Fats Industrial (Chiwan) Ltd (2)	People's Republic of China	Edible oils refining, fractionation and packaging and specialty fats processing	**100**	100
Shenzhen Kerry Oils & Grains Trading Co., Ltd (3)	People's Republic of China	Trading	**100**	100
Fuzhiyuan Feedstuff Protein Development Co., Ltd Dongguan (3)	People's Republic of China	Oilseeds crushing	**100**	100
Kerry Oils & Grains (China) Limited (3)	Samoa	Investment holding	**100**	100
Shanghai Kerry Food Industries Co., Ltd (2)	People's Republic of China	Edible oils refining and packaging	**100**	100
Kerry Oils & Grains (Sichuan) Ltd (3)	People's Republic of China	Edible oils and lard refining and packaging	**77.52**	77.52
Shenzhen Southseas Grains Industries Limited (3)	People's Republic of China	Flour milling	**31.49***	31.49*
Southsea Oils & Fats (H.K.) Limited (3)	Hong Kong	Dormant	**100**	100
Space Coaster Investments Limited (3)	Hong Kong	Investment holding	**100**	100
Kerry Oils & Grains Trading Company Limited (3)	Hong Kong	Trading of oils, grains and other agricultural products	**100**	100
Bathos Company Limited (3)	Hong Kong	Investment holding	**100**	100
Lassiter Limited (3)	Samoa	Investment holding	**51**	51
Landmark Commodities Limited	Hong Kong	Dissolved	**–**	75
Kuok Oils & Grains Pte Ltd (1)	Singapore	Investment holding	**100**	100
KOG Investments Pte Ltd (1)	Singapore	Investment holding	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Leverian Holdings Pte Ltd (1)	Singapore	Investment holding	**60**	60
Bangladesh Edible Oil Limited (3)	Bangladesh	Refining, packaging and selling of edible oil products	**60**	60
Intertrade (Bangladesh) Private Limited (3)	Bangladesh	Dormant	**60**	60
Soldonella Company Limited (3)	Hong Kong	Investment holding	**75**	75
Jimenez Oil Mills, Inc. (5)	Philippines	In liquidation	**75**	75
Myanmar Kuok Oils & Grains Limited (3)	Myanmar	Trading in commodities	**100**	100
Risicare Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
KOG-KTV Food Products (India) Private Limited (3)	India	Refining/Manufacture and sale of edible oils and other products	**60**	60
Kerry (New Zealand) Limited (3)	New Zealand	Trading and retailing in sugar	**100**	100
Warlan Services Limited (3)	New Zealand	Investment holding	**100**	100
KNZ Australia Pty Limited (3)	Australia	Trading and retailing in sugar	**100**	100
Kerry (Australia) Pty Ltd (3)	Australia	Dormant	**100**	100
Siteki Investments Pte Ltd (1)	Singapore	Investment holding	**100**	100
Cai Lan Oils & Fats Industries Company Ltd (3)	Vietnam	Manufacture and sale of vegetables oils and related products	**68**	68
KOG Food Products (Vietnam) Company Limited (3)	Vietnam	Manufacture and sale of cashew nuts (Company has ceased business operations)	**100**	100
Cam Vang Company Limited (3)	Vietnam	Processing of vegetable oils, agricultural produce and foodstuff	**100**	–

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Yangon Oils & Grains Limited [3]	Myanmar	Dormant	**100**	100
Richemont Pte. Ltd. [1]	Singapore	Investment holding	**100**	100
K.O.G. Pflanzenöle GmbH [3]	Germany	Production and trading of food and intermediary products (Dormant)	**100**	100
Wilmar Edible Oils GmbH (formerly known as Fettraffinerie Brake GmbH) [3]	Germany	Production and trading of edible oils and fats for food, feed and technical use	**100**	100
Larnia Pte Ltd [1]	Singapore	Investment holding	**100**	100
PT Usaha Inti Padang [3]	Indonesia	Edible oils refining	**–**	50 *
PT Kaltim Bulking Terminal [3]	Indonesia	Bulk storage terminal; trading in palm oils, palm kernel oils and other related products (Not commenced operations)	**70**	70
PT Teluk Bayur Bulk Terminal [2]	Indonesia	Bulk storage terminal; trading in palm oils, palm kernel oils and other related products	**100**	100
Cheviot Pte Ltd [5]	Singapore	In liquidation	**100**	100
Everbright Services Company Limited [5]	Myanmar	In liquidation	**100**	100
Kuok Oils & Grains Philippines, Inc. [3]	Philippines	Service company	**100**	100
Kuok Oils & Grains Trading Pte Ltd [1]	Singapore	Investment holding	**100**	100
Orisatin Sdn. Bhd. [5]	Malaysia	In liquidation	**100**	100
Liberty Agri Products Private Limited [3]	India	Trading in edible oils and grains	**51**	51
PPB Oil Palms Berhad [2]	Malaysia	Investment holding and provision of agricultural advisory services	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2008	2007
			%	%
Sapi Plantations Sdn Bhd (2)	Malaysia	Investment holding, oil palm cultivation and palm oil milling	**100**	100
Alam Palm Plantations Sdn Bhd (2)	Malaysia	Ownership of aircraft	**70**	70
Reka Halus Sdn Bhd (2)	Malaysia	Oil palm cultivation and palm oil milling	**70**	70
Sabahmas Plantations Sdn Bhd (2)	Malaysia	Investment holding, oil palm cultivation and palm oil milling	**100**	100
Gepa Lumber Sdn Bhd (2)	Malaysia	Oil palm cultivation	**100**	100
Page Development Sdn Bhd (2)	Malaysia	Oil palm cultivation	**100**	100
Red Logging Sdn Bhd (2)	Malaysia	Oil palm cultivation	**100**	100
Logmerc Sdn Bhd (2)	Malaysia	Oil palm cultivation	**100**	100
Kiabau Plantations Sdn Bhd (2)	Malaysia	Oil palm cultivation	**100**	100
Ribubonus Sdn Bhd (2)	Malaysia	Oil palm cultivation	**100**	100
Sri Kamusan Sdn Bhd (2)	Malaysia	Oil palm cultivation and palm oil milling	**100**	100
Sekar Imej Sdn Bhd (2)	Malaysia	Oil palm cultivation	**100**	100
Ceramilek Sdn Bhd (2)	Malaysia	Investment holding	**89.80**	89.80
Hibumas Sdn Bhd (2)	Malaysia	Investment holding and oil palm cultivation	**89.80**	89.80
Jebawang Sdn Bhd (2)	Malaysia	Oil palm cultivation	**89.80**	89.80
Saremas Sdn Bhd (3)	Malaysia	Oil palm cultivation and palm oil milling	**100**	100
Segarmas Plantations Sdn Bhd (3)	Malaysia	Oil palm cultivation	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Kaminsky Sdn Bhd (3)	Malaysia	Oil palm cultivation	**100**	100
Suai Plantations Sdn Bhd (5)	Malaysia	In liquidation	**100**	100
Clonal Palms Sdn Bhd (3)	Malaysia	Cultivation and sale of clonal plantlets	**100**	100
Suburmas Plantations Sdn Bhd (3)	Malaysia	Investment holding and oil palm cultivation	**70**	70
Suburmas Palm Oil Mill Sdn Bhd (3)	Malaysia	Palm oil milling	**37.10***	37.10*
PT Kencana Sawit Indonesia (2)	Indonesia	Oil palm cultivation and palm oil milling	**100**	100
PT Mustika Sembuluh (2)	Indonesia	Oil palm cultivation and palm oil milling	**90**	90
PT Dermaga Sungai Mentaya (5)	Indonesia	In liquidation	**99.95**	99.95
PT Guna Karya Lestari (2)	Indonesia	Dormant	**99.95**	99.95
Kalimantan Palm Industries Sdn Bhd (2)	Malaysia	Investment holding	**100**	100
PT Kerry Sawit Indonesia (2)	Indonesia	Oil palm cultivation and palm oil milling	**90**	90
Fontille Overseas Ltd (5)	British Virgin Islands	In liquidation	**100**	100
Frissor Limited (5)	British Virgin Islands	In liquidation	**100**	100
Trilliton Holdings Ltd (5)	British Virgin Islands	In liquidation	**100**	100
Trade Alpha Limited (5)	British Virgin Islands	In liquidation	**100**	100
Fullsight Holdings Limited (5)	British Virgin Islands	In liquidation	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Topassist Investments Limited (5)	British Virgin Islands	In liquidation	**100**	100
Certainworld Limited (5)	British Virgin Islands	In liquidation	**100**	100
Suremoment Limited (5)	British Virgin Islands	In liquidation	**100**	100
Firm Step Investments Limited (5)	British Virgin Islands	In liquidation	**100**	100
Rise High Investments Limited (5)	British Virgin Islands	In liquidation	**100**	100
Kornhill Assets Limited (5)	British Virgin Islands	In liquidation	**100**	100
Fit Best Holdings Limited (5)	British Virgin Islands	In liquidation	**100**	100
Joy Victory Pte. Ltd. (5)	Singapore	In liquidation	**100**	100
Max Wealth Group Limited (5)	British Virgin Islands	In liquidation	**100**	100
Fine Concept Holdings Limited (5)	British Virgin Islands	In liquidation	**100**	100
Coudrey Pte. Ltd. (5)	Singapore	In liquidation	**100**	100
Wealth Anchor Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
PT Guna Karya Mandirijaya (2)	Indonesia	Dormant	**98**	98
PT Kerry Agro Management (2)	Indonesia	Dormant	**99**	99
Newday Holdings Limited (2)	Malaysia	Investment holding	**100**	100
Aktif Kukuh Sdn Bhd	Malaysia	Dissolved	**–**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Penumilek Sdn Bhd	Malaysia	Oil palm cultivation	–	89.80
PGEO Group Sdn Bhd [2]	Malaysia	Investment holding	**100**	100
Bintulu Edible Oils Sdn Bhd [2]	Malaysia	Edible oils refining and palm kernel crushing	**100**	100
Sandakan Edible Oils Sdn Bhd [2]	Malaysia	Edible oils refining and palm kernel crushing	**100**	100
Volac Ingredients Sdn Bhd [2]	Malaysia	Manufacturing of animal feed ingredients	**51**	51
PGEO Energy Sdn Bhd [2]	Malaysia	Steam and power generation	**100**	100
SEO Energy Sdn Bhd [2]	Malaysia	Steam and power generation	**100**	100
Bintulu Oleochemicals Sdn Bhd [2]	Malaysia	Dormant	**100**	100
PGEO Bioproducts Sdn Bhd [2]	Malaysia	Palm methylester manufacturing	**100**	100
PGEO Marketing Sdn Bhd [2]	Malaysia	Edible oils trading	**100**	100
Sandakan Specialty Fats Sdn Bhd [2]	Malaysia	Production of specialty fats	**100**	100
PGEO Edible Oils Sdn Bhd [2]	Malaysia	Edible oils refining, soyabean crushing and specialty fats and drums manufacturing	**100**	100
Fedrums Sdn Bhd [2]	Malaysia	Commodity futures broker	**100**	100
Maytown Sdn Bhd [2]	Malaysia	Investment holding	**100**	100
Wilmar Resources Pte Ltd [1]	Singapore	Investment holding	**100**	100
Wilmar Tani Investments (Mauritius) Limited [3]	Mauritius	Investment holding	**100**	100
Wilmar Pakistan (Private) Limited [4]	Pakistan	Dormant	**100**	100

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Wilmar Japan Co., Ltd (3)	Japan	Trading	**100**	100
Wilmar Edible Oils Philippines, Inc. (3)	Philippines	Edible oils refining	**100**	100
Wii Pte. Ltd. (1)	Singapore	Investment holding	**100**	100
Wilmar Europe Holdings B.V. (6)	The Netherlands	Investment holding	**100**	–
Wilmar Edible Oils B.V. (formerly known as KOG Edible Oils B.V.) (3)	The Netherlands	Manufacture and sale of edible oil products	**100**	100
Wilmar Iberia S.L. (6)	Spain	Import, process and distribution of vegetable oils and derivatives	**100**	–
Wilmar Oleo Pte. Ltd. (formerly known as KemOleo Pte. Ltd.) (1)	Singapore	Trading in oleochemical and biodiesel	**70**	70
Wilmar Oleo North America LLC (formerly known as kemOleo North America LLC) (4)	United States of America	Trading of biodiesel, vegetable oils and oleochemicals (Dormant)	**70**	–
Wilmar Oleo B.V. (6)	The Netherlands	Trading in oleochemical and biodiesel	**70**	–
Wilmar Investments (Mauritius) Limited (3)	Mauritius	Investment holding	**100**	100
Pyramid Lanka (Private) Limited (2)	Sri Lanka	Manufacturing and distribution of edible oils	**55**	55
Pyramid Wilmar (Private) Limited (2)	Sri Lanka	Trading	**50***	50*
Pyramid Wilmar Oils & Fats (Private) Limited (2)	Sri Lanka	Manufacture and sale of margarine and bakery shortening	**55**	55
Wilmar-Delta Holdings Pte. Ltd. (1)	Singapore	Investment holding	**75**	–
DelMar Pte. Ltd (1)	Singapore	Investment holding	**–**	50*
Delta Wilmar CIS (3)	Ukraine	Edible oils refining	**–**	50*

40. SUBSIDIARIES OF THE GROUP (CONTINUED)

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firms of Ernst & Young Global in the respective countries
(3) Audited by other auditors
(4) Not required to be audited by the law of its country of incorporation
(5) Company is in the process of liquidation
(6) Company newly incorporated and not audited during the financial year
** The investment holding companies have the power to govern the financial and operating policies of these companies. Consequently, the Group consolidates its investments in these companies as subsidiaries of the Group.*
@ Shares transferred from Wilmar Holdings Pte Ltd to the Company has not yet completed as at the balance sheet date

41. ASSOCIATES OF THE GROUP

The following is the list of associates of the Group.

Name of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	Proportion of ownership interest 2007 %
TSH-Wilmar Sdn. Bhd. (2)	Malaysia	Palm oil refining	**50**	50
TSH-Wilmar (BF) Sdn. Bhd. (2)	Malaysia	Production of power supply (electricity and steam)	**50**	50
Josovina Commodities Sdn. Bhd. (3)	Malaysia	Commodities trading	**50**	50
PT Tri Persada Mulia (6)	Indonesia	Manufacture, market, distribute and sell polypropylene bags (plastic bags) and other related products	**30**	–
Sheringham International Limited (4)	British Virgin Islands	Investment holding	**38.10**	38.10
PT Bumipratama Khatulistiwa (2)	Indonesia	Oil palm cultivation and palm oil milling	**44.29**	44.29
PT Ciputra Multivision (6)	Indonesia	Construct, develop and manage office building	**33.30**	–
PT Bumi Karyatama Raharja (2)	Indonesia	Bleaching earth industry	**40**	40
PT Metha Persada (2)	Indonesia	Methanol trading	**50**	50
Galaxy Shipping Ltd (4)	British Virgin Islands	Ship-owning and chartering	**50**	50
Cosmos Shipping Ltd (4)	British Virgin Islands	Ship-owning and chartering	**50**	50

41. ASSOCIATES OF THE GROUP (CONTINUED)

Name of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Raffles Bunkering Pte. Ltd. (3)	Singapore	Ship bunkering and commission agent	**30**	–
Raffles Offshore Marine Services Sdn. Bhd.(3)	Malaysia	Provision of tug boat services	**27**	–
Laiyang Luhua Fengyi Plastics Industry Co., Ltd (3)	People's Republic of China	Plastics processing	**50**	45
Laiyang Luhua Mineral Water Co., Ltd (3)	People's Republic of China	Mineral water processing	**49**	49
Shandong Luhua Group Commerce Co., Ltd (3)	People's Republic of China	Marketing	**32.89**	32.89
Inner Mongolia Luhua Sunflower Seed Oils Co., Ltd (3)	People's Republic of China	Sunflower seeds crushing and edible oils packaging	**33**	33
Changshu Luhua Edible Oil Co., Ltd (3)	People's Republic of China	Edible oil packaging	**32.89**	32.89
COFCO East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd (formerly known as East Ocean Oils & Grains Industries (Zhangjiagang) Co., Ltd) (3)	People's Republic of China	Oilseeds crushing, edible oils refining, fractionation and packaging; flour and rice milling	**44**	22^
Zhoukou Luhua Fragrant Peanut Oil Co., Ltd (3)	People's Republic of China	Peanut crushing and edible oils packaging	**49**	49
Zhoukou Luhua Sesame Industries Co., Ltd (3)	People's Republic of China	Sesame crushing	**49**	49
Sasol Yihai (Lianyungang) Alcohol Industries Co., Ltd (3)	People's Republic of China	Alcohol based oleochemical products processing	**40**	40
ShanDong Xinxinhai Oils & Grains Industry Co., Ltd (3)	People's Republic of China	Oilseeds crushing and edible oils refining	**45**	45
Sethal Holdings Limited (3)	Cyprus	Investment holding	**37.50**	–
DelMar Pte. Ltd. (1)	Singapore	Investment holding	**37.50**	–

41. ASSOCIATES OF THE GROUP (CONTINUED)

Name of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Xiang Yang Luhua Fragrant Peanut Oil Co., Ltd (3)	People's Republic of China	Peanut crushing and edible oils packaging	**33**	33
Yihai Kerry (Beijing) Seed Science & Technology Co., Ltd (3)	People's Republic of China	Development and research of crops seeds and oils plants and related technical consultation	**49**	49
Yihai (Heilongjiang) Seed Co., Ltd (5)	People's Republic of China	In liquidation	**49**	49
Hengyang Yihai Wharf Co., Ltd (3)	People's Republic of China	Port management	**40**	–
Laiyang Luhua Fragrant Peanut Oil Co., Ltd (3)	People's Republic of China	Peanut crushing and edible oils packaging	**24.99**	24.99@
Laiyang Luhua Seasoning Co., Ltd (3)	People's Republic of China	Seasoning processing	**24.99**	24.99@
Shandong Luhua Fragrant Peanut Oil Co., Ltd (3)	People's Republic of China	Peanut crushing and edible oils packaging	**24.99**	24.99@
Laiyang Luhua Vinegar Industry Food Co., Ltd (3)	People's Republic of China	Vinegar processing	**24.99**	24.99@
Laiyang Luhua Foodstuff Co., Ltd (3)	People's Republic of China	Food processing	**24.99**	24.99@
Grand Silver International Management Limited (3)	Hong Kong	Investment holding	**66**	33 ^ @
Grand Silver International Limited (3)	Hong Kong	Investment holding	**69.067**	31.067
Grand Silver (Lanshan) Limited (3)	Hong Kong	Investment holding	**45**	20.40
Olam Wilmar Investment Holdings Pte. Ltd. (1)	Singapore	Investment holding	**50**	–
Acalpo Wilmar Pte Ltd (3)	Singapore	Investment holding and international trading	**50**	50

41. ASSOCIATES OF THE GROUP (CONTINUED)

Name of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Alfa Edible Oils Pte. Ltd [5]	Singapore	In the process of striking-off	**50**	50
Equatorial Trading Limited [2]	Malaysia	Investment holding and trading in vegetable oils	**50**	50
Nauvu Investments Pte. Ltd [1]	Singapore	Investment holding	**50**	50
Sichuan Yijia Logistic Co., Ltd [3]	People's Republic of China	Provision of logistic services	**38.76**	–
Xiamen Zhong Lu Vegetable Oils Co., Ltd [3]	People's Republic of China	Edible oils refining	**37**	37
Grand Ocean International Trading Limited [3]	Hong Kong	Trading	**–**	25^ @
Shine Up Holdings Limited [3]	Samoa	Investment holding	**25**	25
Happy Day Holdings Limited [5]	Samoa	In liquidation	**25**	25
Top Tranz Limited [3]	New Zealand	Transport freight and storage	**33.33**	33.33
Bulk Storage Terminals & Co [3]	New Zealand	Bulk storage terminal	**25**	25
Saratok Palm Oil Mill Sdn Bhd [2]	Malaysia	Palm oil milling	**30**	30
Lahad Datu Edible Oils Sdn Bhd [3]	Malaysia	Edible oils refining and palm kernel crushing	**45**	45
PT Usaha Inti Padang [3]	Indonesia	Edible oils refining	**50**	–
HBI USA LLC [4]	United States of America	Product brokerage	**21.70**	21.70
HBI Energy [3]	France	Fuel / energy brokering	**35**	35
Wilmar-ADM Investments Holding Pte. Ltd. [1]	Singapore	Investment holding	**50**	50
CTG Wilmar Pty Ltd [3]	Australia	Commodity trading	**50**	50

41. ASSOCIATES OF THE GROUP (CONTINUED)

Name of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Wilmar Plantation Services Limited [(4)]	Mauritius	Plantation services	**30**	30
African Oil Palm Limited [(4)]	Mauritius	Investment holding	**39**	39
Flex Biofuels Pty Limited [(3)]	Australia	Blending and distribution of biofuels	**35**	35
Adani Wilmar Limited [(3)]	India	Manufacturing and trading of edible oils and vanaspati	**50**	50
Josovina Commodities Pte Ltd [(3)]	Singapore	Investment holding and vegetable oils trading	**50**	50
Alfa Trading Limited [(2)]	Malaysia	Trading	**#**	50
Josovina Commodities Ltd [(4)]	British Virgin Islands	Investment holding	**#**	49
Bidco Uganda Limited [(3)]	Uganda	Manufacture and sale of edible vegetable oils, fats and soaps	**#**	#
Oil Palm Uganda Limited [(3)]	Uganda	Oil palm cultivation	**#**	#
Oil Palm Mainland Limited [(3)]	Uganda	Oil palm cultivation	**#**	#
Oil Palm Bundibugyo Limited [(3)]	Uganda	Oil palm cultivation	**#**	#
African Bulk Commodities Limited [(4)]	Mauritius	Investment holding	**#**	#
East African Storage Company Limited [(3)]	Kenya	Bulk liquid storage	**#**	#
Northsea Container (Tianjin) Co., Ltd	People's Republic of China	Dissolved	**–**	#
Cheer Luck Investments Limited [(4)]	Samoa	Dormant	**#**	#
COFCO Northsea Oils and Grains Industries (Tianjin) Co., Ltd (formerly known as Northsea Oils and Grains Industries Co., Ltd) [(3)]	People's Republic of China	Edible oils refining and packaging	**#**	#

41. ASSOCIATES OF THE GROUP (CONTINUED)

Name of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Ghana Specialty Fats Industries Limited (2)	Ghana	Shea nuts processing	#	#
International Nutritionals Limited (3)	New Zealand	Merchandising and selling of palm kernel expeller and other products	#	–
LDEO Energy Sdn Bhd (3)	Malaysia	Steam and power generation	#	#
COFCO Yellowsea Oils and Grains Industries (Shandong) Co., Ltd (formerly known as Yellowsea Oils and Grains Industries (Shandong) Co., Ltd) (3)	People's Republic of China	Oilseeds crushing, edible oil refining and packaging	#	#
Vishakha Polyfab Private Limited (3)	India	Manufacturing of multilayer plastic extruded film (plain and printed)	#	#
Acalmar Oils & Fats Limited (3)	India	Edible oils refining and trading	#	#
Southcomm East Africa Limited (3)	Tanzania	Managing bulk storage installation	#	#
South Island Trading Limited (2)	Mauritius	Trading in vegetable oils	#	#
ETL (Mauritius) Limited (2)	Mauritius	Trading in vegetable oils	#	#
African Tank Terminals Limited (2)	Mauritius	Investment holding	#	#
Tanzania Liquids Storage Company Limited (3)	Tanzania	Bulk storage installation	#	#
VOT (Tanzania) Limited (3)	Tanzania	Bulk storage installation	#	#
Maputo Liquids Storage Company, LDA (3)	Mozambique	Bulk storage installation	#	#
Savannah Commodities (Pty) Ltd (2)	South Africa	Trading in vegetable oils and agricultural commodities	#	#
Feb 13 Properties (Proprietary) Limited (2)	South Africa	Property company	#	#

41. ASSOCIATES OF THE GROUP (CONTINUED)

Name of associates	Country of incorporation	Principal activities	Proportion of ownership interest 2008 %	2007 %
Savannah Commodities Tanzania Limited [3]	Tanzania	Trading in vegetable oils	#	#
Savannah Commodities (DBN) (Pty) Limited [3]	South Africa	Trading in vegetable oils and agricultural commodities	#	–
100 On Ridge (Pty) Limited [3]	South Africa	Property company	#	–
Equatorial Oils & Fats Trading Limited [6]	Mauritius	Trading in vegetable oils	#	–
SIFCA SA [3]	Cote d'Ivoire	Investment holding	#	–
PALM-CI SA [3]	Cote d'Ivoire	Plantation of palm trees and manufacturing of palm oil	#	–
SANIA SA [3]	Cote d'Ivoire	Purchase, manufacturing and sale of oil products	#	–
PureCircle Limited [3]	Bermuda	Producer and marketer of Reb-A, the natural high intensity sweetener with enhanced health benefits	#	–
Delta Wilmar CIS [3]	Ukraine	Edible oils refining	#	–
Proizvodstvenno-kommercheskaya firma Profit [3]	Russian Federation	Investment holding	#	–

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firms of Ernst & Young Global in the respective countries
(3) Audited by other auditors
(4) Not required to be audited by the law of its country of incorporation
(5) Company is in the process of liquidation
(6) Company newly incorporated and not audited during the financial year
 # The effective interest of the Group in associates held through associates of the Group is not required to be disclosed
^ ADM's interest not taken up in the Group's result due to shares transfer not yet completed
@ Shares transferred from Wilmar Holdings Pte Ltd to the Company has not yet completed as at the balance sheet date

43. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2008 were authorised for issue in accordance with a resolution of the directors on 27 March 2009.

STATISTICS OF SHAREHOLDINGS

SHARE CAPITAL AS AT 4 MARCH 2009

Number of Shares	: 6,385,681,185
Number of Shareholders	: 7,737
Class of shares	: Ordinary shares ("Shares")
Voting rights	: One vote per share

Analysis of Shareholdings

Range of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 to 999	894	11.56	171,299	0.00
1,000 to 10,000	5,382	69.56	19,613,555	0.31
10,001 to 1,000,000	1,419	18.34	91,663,604	1.44
1,000,001 and above	42	0.54	6,274,232,727	98.25
Total	7,737	100.00	6,385,681,185	100.00

SUBSTANTIAL SHAREHOLDERS

As at 4 March 2009
(as recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	Indirect Interest	Total Interest	%
Wilmar Holdings Pte Ltd(1) (in members' voluntary liquidation)	3,074,362,557	-	3,074,362,557	48.14
Wilmar International Holdings Limited(2) (in members' voluntary liquidation)	-	3,074,362,557	3,074,362,557	48.14
Kuok Khoon Hong(2)&(3)	-	3,076,814,017	3,076,814,017	48.18
Martua Sitorus(2)	4,338,000	3,074,362,557	3,078,700,557	48.21
Golden Parklane Limited(2)	-	3,074,362,557	3,074,362,557	48.14
Archer Daniels Midland Company(2)&(4)	-	3,501,604,224	3,501,604,224	54.84
Archer Daniels Midland Asia-Pacific Limited(2)	70,841,892	3,074,362,557	3,145,204,449	49.25
Global Cocoa Holdings Ltd	356,399,775	-	356,399,775	5.58
FFM Berhad	592,783,628	-	592,783,628	9.28
PPB Group Berhad (5)	559,077,627	604,157,128	1,163,234,755	18.22
Kuok Brothers Sdn Berhad(5)&(6)	230,000	1,164,554,955	1,164,784,955	18.24
Kerry Group Limited(7)	-	535,326,678	535,326,678	8.38

Notes:

(1) *Wilmar Holdings Pte Ltd (in members' voluntary liquidation) ("WHPL") holds 3,074,362,557 Shares.*

(2) *Wilmar International Holdings Limited (in members' voluntary liquidation) ("WIHL") is the parent company of WHPL. Pursuant to Section 7 of the Companies Act, WIHL is deemed to be interested in 3,074,362,557 Shares held by WHPL. Accordingly, Mr Kuok Khoon Hong, Mr Martua Sitorus, Golden Parklane Limited, Archer Daniels Midland Company ("ADM") and Archer Daniels Midland Asia-Pacific Limited ("ADMAP") are also deemed to be interested in aforesaid Shares via their interests in WIHL.*

(3) *Mr Kuok Khoon Hong is also deemed to be interested in 144,000 Shares held by Kuok Hock Swee & Sons Sdn Bhd; 2,182,460 Shares held by HPRY Holdings Limited and 125,000 Shares held by Pearson Investments Limited.*

(4) *ADM is also deemed to be interested in 70,841,892 Shares held by ADMAP and 356,399,775 Shares held by Global Cocoa Holdings Ltd.*

(5) *PPB Group Berhad and Kuok Brothers Sdn Berhad are deemed to be interested in 592,783,628 Shares held by FFM Berhad and 11,373,500 Shares held by Hexarich Sdn Bhd.*

(6) *Kuok Brothers Sdn Berhad is deemed to be interested in 559,077,627 Shares held by PPB Group Berhad, 1,274,200 Shares held by Gaintique Sdn Bhd, 23,000 Shares in Min Tien & Co Sdn Bhd and 23,000 Shares in Hoe Sen (Mersing) Sdn Bhd.*

(7) *Kerry Group Limited is deemed to be interested in 213,211,778 Shares held by Harpole Resources Limited, 23,000 Shares held by Chipchase Limited, 175,000 Shares held by Athena Equities Holding Limited, 32,093,900 Shares held by Dalex Investments Limited, 3,748,000 Shares held by Natalon Company Limited, 475,000 Shares held by Kerry Asset Management Limited and 285,600,000 Shares held by Noblespirit Corporation.*

STATISTICS OF SHAREHOLDINGS

TWENTY LARGEST SHAREHOLDERS

As at 4 March 2009
(as shown in the Register of Members and Depository Register)

No.	Name of Shareholders	No. of Shares	%
1	Wilmar Holdings Pte Ltd (in members' voluntary liquidation)	2,594,362,557	40.63
2	DBS Nominees Pte Ltd	640,190,718	10.03
3	FFM Berhad	592,783,628	9.28
4	PPB Group Berhad	568,457,627	8.90
5	Raffles Nominees Pte Ltd	416,122,224	6.52
6	Global Cocoa Holdings Ltd	356,399,775	5.58
7	Kuok (Singapore) Ltd	256,951,112	4.02
8	Harpole Resources Limited	213,211,778	3.34
9	DBSN Services Pte Ltd	119,909,323	1.88
10	Citibank Nominees Singapore Pte Ltd	97,140,140	1.52
11	HSBC (Singapore) Nominees Pte Ltd	83,801,068	1.31
12	United Overseas Bank Nominees Pte Ltd	78,353,737	1.23
13	Archer Daniels Midland Asia-Pacific Limited	70,841,892	1.11
14	Dalex Investments Limited	31,695,900	0.50
15	UOB Kay Hian Pte Ltd	26,504,963	0.42
16	DB Nominees (Singapore) Pte Ltd	15,675,978	0.25
17	Noblespirit Corporation	12,600,000	0.20
18	Hexarich Sdn Bhd	11,373,500	0.18
19	Zheng Ge Ru Foundation	10,915,556	0.17
20	CIMB Bank Nominees (Singapore) Sdn Bhd	10,000,000	0.16
	TOTAL	**6,207,291,476**	**97.23**

SHAREHOLDING HELD BY THE PUBLIC

Based on the information available to the Company as at 4 March 2009, 13.6% of the issued and paid-up ordinary shares of the Company were held by the public and therefore, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

INFORMATION ON US$600,000,000 CONVERTIBLE BONDS DUE 18 DECEMBER 2012 ("CONVERTIBLE BONDS")

According to the Register of Convertible Bonds, Citivic Nominees Limited was the sole registered holder of the Convertible Bonds and the amount of Convertible Bonds held was US$600,000,000 as at 4 March 2009. The Principal Paying Agent and Conversion Agent is Citibank, N.A. London Branch, at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Banyan Room, Lobby Level, Shangri-La Hotel, 22 Orange Grove Road, Singapore 258350 on Wednesday, 29 April 2009 at 10.00 a.m. for the following businesses:

AS ORDINARY BUSINESS

1) To receive and adopt the Audited Accounts for the year ended 31 December 2008 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2) To approve the payment of a final tax exempt (one-tier) dividend of S$0.045 per ordinary share for the year ended 31 December 2008. **(Resolution 2)**

3) To approve the payment of Directors' fees of S$360,000 for the year ended 31 December 2008 (2007: S$360,000). **(Resolution 3)**

4) To re-elect the following Directors:

   (a) Mr Kuok Khoon Hong[i] **(Resolution 4)**

   (b) Mr Yeo Teng Yang[ii] (Retiring under Article 104) **(Resolution 5)**

   (c) Mr Tay Kah Chye[iii] (Retiring under Article 104) **(Resolution 6)**

   (d) Mr Kwah Thiam Hock[iv] (Retiring under Article 104) **(Resolution 7)**

   (e) Mr Kuok Khoon Ho (Retiring under Article 108) **(Resolution 8)**

   (i) In line with Guideline 4.2 of the Singapore Code of Corporate Governance 2005, Mr Kuok wishes to submit himself for re-election notwithstanding that he is not subject to retirement by rotation or be taken into account in determining the number of Directors to retire under the current Articles of Association of the Company.

   (ii) Mr Yeo Teng Yang will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited.

   (iii) Mr Tay Kah Chye will, upon re-election as a Director of the Company, remain as a member of the Audit Committee (currently the Chairman of the Committee) and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited.

   (iv) Mr Kwah Thiam Hock will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited.

5) To re-appoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

6) **Renewal of Mandate for Interested Person Transactions**

That:

(a) approval be and is hereby given, for the renewal of the mandate for the purposes of Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies (within the meaning of the said Chapter 9) or any of them to enter into transactions falling within the categories of Interested Person Transactions as set out in the Company's Addendum to Shareholders dated 2 April 2009 (being an addendum to the Annual Report of the Company for the financial year ended 31 December 2008 (the "Addendum")), with any party who is of the class or classes of Interested Persons described in the Addendum, provided that such transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders and are in accordance with the procedures as set out in the Addendum (the "IPT Mandate");

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier; and

(c) the Directors of the Company and/or any of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.
(See Explanatory Note 1) **(Resolution 10)**

7) **Authority to allot and issue shares in the capital of the Company**

That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (including any supplemental measures thereto from time to time), approval be and is hereby given to the Directors of the Company to:

(a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued, while the authority conferred by shareholders was in force, in accordance with the terms of issue of such Instruments, (notwithstanding that such authority conferred by shareholders may have ceased to be in force);

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force or any additional Instrument referred to in (a)(iii) above

provided always that

(I) (a) (except in respect of a *pro rata* renounceable rights issue), the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution (as calculated in accordance with subparagraph (II) below), of which the aggregate number of shares issued other than on a *pro rata* basis to existing shareholders (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the Company's total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution (as calculated in accordance with subparagraph (II) below);

(b) in respect of a *pro rata* renounceable rights issue, the aggregate number of shares to be issued (including shares to be issued in pursuance of Instruments made or granted in connection with such *pro rata* renounceable rights issue) does not exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with subparagraph (II) below);

(II) (subject to such manner of calculation as prescribed by SGX-ST for the purpose of determining the aggregate number of shares that may be issued under subparagraph (I) above), the percentage of the issued shares is based on the Company's total number of issued shares excluding treasury shares at the time of the passing of this Resolution after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities that have been approved or may be approved by shareholders from time to time;

(ii) new shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares; and

(III) the authority conferred by this resolution shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
(See Explanatory Note 2) **(Resolution 11)**

8) **Authority to grant options and issue shares under the Wilmar Executives' Share Option Scheme**

That authority be and is hereby given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the Wilmar Executives' Share Option Scheme (the "Option Scheme") and, pursuant to Section 161 of the Companies Act, Chapter 50, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted (while the authority conferred by this Resolution is in force) under the Option Scheme, notwithstanding that the authority conferred by this Resolution may have ceased to be in force, provided that the aggregate number of shares to be issued pursuant to the Option Scheme and all other share-based incentive schemes of the Company (if any) shall not exceed 15% of the total number of issued shares (excluding treasury shares) of the capital of the Company from time to time, as determined in accordance with the provisions of the Option Scheme.
(See Explanatory Note 3) **(Resolution 12)**

9) **Authority to undertake placements of new shares at a discount exceeding 10% but not more than 20%**

That subject to the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (including the supplemental measures thereto from time to time), the Board of Directors of the Company be and is hereby authorised to:-

(i) undertake placements of new shares on a *pro rata* basis priced at a discount exceeding 10% but not more than 20% to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed, or based on the trades done on the preceding market day up to the time the placement agreement is signed in the event that the trading in the Company's shares is not available for a full market day; and

(ii) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or 31 December 2010, whichever is the earlier.
(See Explanatory Note 4) **(Resolution 13)**

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE is also hereby given that the Transfer Register and Register of Members of the Company will be closed from 8 May 2009, 5.00 p.m. to 11 May 2009, both dates inclusive, for the purpose of determining shareholders' entitlement to the Company's final tax exempt (one-tier) dividend of S$0.045 per ordinary share for the financial year ended 31 December 2008 (the "Proposed Dividend").

Duly completed registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services of 8 Cross Street #11-00 PWC Building Singapore 048424 up to 5.00 p.m. on 8 May 2009 will be registered to determine shareholders' entitlement to the Proposed Dividend. The Proposed Dividend, if approved at the Annual General Meeting to be held on 29 April 2009, will be paid on 21 May 2009.

Depositors whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares as at 5.00 p.m. on 8 May 2009 will be entitled to the Proposed Dividend.

By Order of the Board
Colin Tan Tiang Soon
Company Secretary

Singapore
2 April 2009

Explanatory Notes:

1 The Ordinary Resolution 10 proposed in item no. 6 above, if passed, will renew effective up to the next Annual General Meeting (unless earlier revoked or varied by the Company in general meeting) the IPT Mandate for the Company, its subsidiaries and associated companies that are considered "entities at risk" to enter in the ordinary course of business into certain types of transactions with specified classes of the Company's interested persons. The IPT Mandate, the renewal of which was approved by shareholders at the last Annual General Meeting of the Company held on 29 April 2008, will be expiring at the forthcoming Annual General Meeting. Information relating to the renewal of the IPT Mandate can be found in the Addendum to the Company's Annual Report 2008.

2 The Ordinary Resolution 11 proposed in item no. 7 above, if passed, will authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the issued shares (excluding treasury shares) in the capital of the Company (or 100% of the issued shares (excluding treasury shares)) in the capital of the Company in respect of a *pro rata* renounceable rights issue) of which the total number of shares and convertible securities issued other than on a *pro rata* basis to existing shareholders shall not exceed 20% of the issued shares (excluding treasury shares) in the capital of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. The mandate for the issue of shares pursuant to a *pro rata* renounceable rights issue is conditional upon the Company making periodic announcements on the use of proceeds as and when the funds are materially disbursed and providing a status report on the use of proceeds in its annual report. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

3 The Ordinary Resolution 12 proposed in item no. 8 above, if passed, will empower the Directors of the Company to offer and grant options under the Wilmar Executives' Share Option Scheme (the "Option Scheme") and to allot and issue shares pursuant to the exercise of such options under the Option Scheme.

4 The Ordinary Resolution 13 proposed in item no. 9 above, if passed, will empower the Board of Directors of the Company, from the date of the above Meeting until the next Annual General Meeting or 31 December 2010, whichever is the earlier, to undertake placement of new shares priced at a discount exceeding 10% but not more than 20% of the weighted average price as calculated in accordance with the provisions of the Listing Manual of the SGX-ST (including the supplemental measures thereto from time to time).

Notes :

1. *A Member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one proxy or two proxies to attend and vote in his stead.*
2. *A proxy need not be a Member of the Company.*
3. *If the appointor is a corporation, the proxy must be executed under seal or the hand of its attorney.*
4. *The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company's Registrar, 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 the holding of the Annual General Meeting in order for the proxy to be entitled to attend and vote at the Annual General Meeting.*

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

Important :
1. For investors who have used their CPF monies to buy shares in **WILMAR INTERNATIONAL LIMITED**, this Annual Report 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.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

PROXY FORM

I/We ____________________ NRIC/Passport No./Company Registration No. ____________________

of ____ (Address)

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

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at Banyan Room, Lobby Level, Shangri-La Hotel, 22 Orange Grove Road, Singapore 258350 on Wednesday, 29 April 2009 at 10.00 a.m. 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 Annual General Meeting as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

No.	Ordinary Resolutions	For*	Against*
1	To receive and adopt the Audited Accounts for the year ended 31 December 2008 and the Reports of the Directors and Auditors thereon.		
2	To approve the payment of Final Dividend.		
3	To approve the payment of Directors' Fees.		
4	To re-elect Mr Kuok Khoon Hong as a Director.		
5	To re-elect Mr Yeo Teng Yang as a Director.		
6	To re-elect Mr Tay Kah Chye as a Director.		
7	To re-elect Mr Kwah Thiam Hock as a Director.		
8	To re-elect Mr Kuok Khoon Ho as a Director.		
9	To re-appoint Ernst & Young LLP as auditors and to authorise the Directors to fix their remuneration.		
10	To approve the renewal of IPT Mandate as described in the Addendum to Notice of Annual General Meeting dated 2 April 2009.		
11	To authorise Directors to allot and issue shares in the Company.		
12	To authorise Directors to offer and grant options under Wilmar Executives' Share Option Scheme (the "Option Scheme") and to allot and issue shares in accordance with the provisions of the Option Scheme.		
13	To authorise Directors to undertake placements of new shares at a discount exceeding 10% but not more than 20%		

* Please indicate your vote "For" or "Against" with a "X" within the box provided.

Dated this ____________ day of ____________________ 2009

Total Number of Shares Held	
CDP Register	
Register of Members	

____
Signature(s) of Member(s) or Common Seal

IMPORTANT – Please read notes overleaf

Notes :

1. *A member of the Company entitled to attend and vote at the Annual 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. *The 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.*

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 Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.*

5. *The 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 the Company's Registrar, 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 Annual 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 Annual 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 Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.*

Wilmar International Limited
Co. Reg. No. 199904785Z

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