WILMAR INTERNATIONAL LIMITED
(Incorporated in Singapore on 14 August 1999)
(Company registration No. 199904785Z)

PROPOSED MERGER OF WILMAR INTERNATIONAL LIMITED WITH PPB OIL PALMS BERHAD, KUOK OILS & GRAINS PTE LTD AND PGEO GROUP SDN BHD (COLLECTIVELY "KG ASSETS")

1. INTRODUCTION

The Board of Directors of Wilmar International Limited ("**Wilmar**" or the "**Company**") is pleased to announce that it proposes to merge with PPB Oil Palms Berhad ("**PPBOP**"), Kuok Oils & Grains Pte Ltd ("**KOG**") and PGEO Group Sdn Bhd ("**PGEO**") by way of acquiring the shares in the issued share capital of PPBOP, KOG and PGEO, from the Kuok group of companies (collectively referred to as the "**Kuok Group**" or **"KG Vendors**"), for an aggregate consideration of up to approximately S$4.1 billion to be satisfied by the allotment and issue of up to 2,403,154,004 new ordinary shares ("**Consideration Shares**") in the issued share capital of Wilmar ("**Wilmar Shares**") based on S$1.71 per Consideration Share (collectively to be termed as the "**KG Merger**") being the last traded price of Wilmar Shares on 13 December 2006. The KG Merger, together with the IPT Acquisitions mentioned below, will transform the Company into the leading agribusiness group in Asia.

On 14 December 2006, Wilmar:-

(a) through CIMB Investment Bank Berhad (formerly known as Commerce International Merchant Bankers Berhad), served a notice of take-over offer ("**Notice of Take-Over Offer**") on the board of directors of PPBOP to make a conditional voluntary take-over offer (the "**VGO**") to acquire all the voting shares of PPBOP ("**PPBOP Shares**") not owned by the Company (the "**PPBOP Offer Shares**"). PPBOP is a company listed on Bursa Malaysia with a market capitalization of approximately RM4.0 billion as at 13 December 2006 and is primarily engaged in oil palm cultivation, milling of fresh fruit bunches, refining of crude palm oil and marketing of refined palm oil, branded cooking oil and related products;

(b) offered by way of a separate letter of offer to Kuok (Singapore) Limited, Harpole Resources Limited and Greenacres Limited (the "**KOG Vendors**", which are also member companies of the Kuok Group), containing the principal terms and conditions of the acquisition contemplated therein and which is subject to the entry into of a definitive agreement by the parties thereto, to acquire their aggregate interests of 72.0% (the "**KOG Shares**") in the issued share capital of KOG ("**72% KOG Acquisition**"). KOG is the flagship company responsible for the business of processing and international trading of oils & grains products under the Kuok Group; and

(c) offered by way of separate letters of offer to FFM Berhad, a wholly owned subsidiary of PPB Group Berhad listed on the Bursa Malaysia, which is also a member of the Kuok Group, containing the principal terms and conditions of the acquisition contemplated therein and which is subject to the entry into of a definitive agreement by the parties thereto,

(i) to acquire its interest in approximately 65.8% (the "**65.8% PGEO Shares**") of the issued share capital of PGEO, a company in which PPBOP also has an interest of approximately 34.2% ("**65.8% PGEO Acquisition**"). PGEO is a major edible oils refiner and exporter in Malaysia; and

(ii) to acquire its interest in 28.0% (the "**28% KOG Shares**") of the issued share capital of KOG ("**28% KOG Acquisition**").

Each of the letters of offer for the 72% KOG Acquisition, 65.8% PGEO Acquisition and the 28% KOG Acquisition is capable of acceptance up to 14 June 2007.

In an independent and separate corporate development, on 14 December 2006, the Company has also announced that it proposes to acquire all of 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**") in companies where ADM holds shares with WHPL (the "**IPT Assets**"), together with minority interests in certain subsidiaries of Wilmar, for an aggregate consideration of approximately S$2.5 billion to be satisfied by the allotment and issue of 1,449,722,224 new Wilmar Shares ("**IPT Acquisitions**").

The IPT Assets are engaged in the business of processing, branding and/or distribution of a wide range of edible oils and oilseeds (such as soya bean, grains, palm oil, peanut, rapeseed, groundnut and cotton seed). The IPT Assets primarily focus on products based on soya bean and grains. Its principal operations are located mainly in China, India and Africa and it has established brands and extensive network infrastructure to distribute these brands in China and India.

2. DETAILS OF THE KG MERGER

2.1 VGO

The consideration for the VGO will be satisfied by the issuance of 2.3 Consideration Shares ("**PPBOP Exchange Ratio**") for each PPBOP Offer Share tendered pursuant to the VGO. Based on the total number of shares issued in the share capital of PPBOP of 445,424,206 as at 30 September 2006, the Company will be issuing up to 1,024,475,674 Consideration Shares ("**PPBOP Consideration Shares**"). Based on the last transacted price of S$1.71 per Wilmar Share as at 13 December 2006 and an exchange rate of S$1.00 : RM 2.30 (source: Bank Negara Malaysia), the PPBOP Exchange Ratio effectively represents an offer price of approximately RM9.046 for each PPBOP Offer Share. As such, the implied purchase consideration for the entire issued share capital of PPBOP, based on the PPBOP Exchange Ratio, is approximately S$1.8 billion. The PPBOP Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing Wilmar Shares.

The VGO is subject to, *inter alia*, the following:-

(a) the Company having received valid acceptances (on or before the close of the VGO) which would result in the Company holding, in aggregate, with PPBOP Shares that are already acquired, held or entitled to be acquired or held by the Company, more than 50% of the voting shares of PPBOP;

(b) approval of the Securities Commission ("**SC**") (on behalf of the Foreign Investment Committee) in Malaysia;

(c) approval of the Ministry of International Trade and Industry in Malaysia;

(d) approval of the shareholders of Wilmar for the acquisition of the PPBOP Shares and the allotment and issue of the new PPBOP Consideration Shares under the VGO or any other acquisition of PPBOP Shares (including the compulsory acquisition under any applicable law);

(e) the approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of and quotation for the new PPBOP Consideration Shares to be issued under the VGO or any other acquisition of PPBOP Shares (including the compulsory acquisition under any applicable law); and

(f) approval of Bank Negara Malaysia, if required.

If the Company receives acceptances of not less than nine-tenths in the nominal value of those PPBOP Offer Shares (other than those PPBOP Offer Shares already held at the date of the VGO by the Company or by a nominee or a related corporation of the Company), the Company intends to invoke Section 34 of the Securities Commission Act, 1993 to compulsorily acquire any outstanding PPBOP Offer Shares for which acceptances have not been received pursuant to the VGO.

Separately, Wilmar is exploring with the CIMB for a possible arrangement to allow shareholders of PPBOP to receive cash in respect of their PPBOP Shares at a price to be determined and announced no later than the date of despatch of the Offer Document. This will provide shareholders of PPBOP with the opportunity to receive cash for their PPBOP Shares as opposed to Wilmar Shares.

A copy of the above Notice of Take-Over Offer is attached to this Announcement.

2.2 72% KOG Acquisition

The purchase consideration for the 72% KOG Acquisition is approximately S$1.3 billion and will be satisfied by the issue and allotment to the KOG Vendors of an aggregate of 785,920,002 Wilmar Shares ("**72% KOG Consideration Shares**"). The 72% KOG Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing Wilmar Shares.

The 72% KOG Acquisition is subject to, *inter alia*, the satisfaction of all applicable conditions precedent, including any requisite regulatory approvals in Singapore, the details of which can be found in Appendix 1 of this Announcement.

2.3 28% KOG Acquisition

The purchase consideration for the 28% KOG Acquisition is approximately S$522.6 million and will be satisfied by the issue and allotment to FFM Berhad 305,635,556 Wilmar Shares ("**28% KOG Consideration Shares**"). The 28% KOG Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing Wilmar Shares.

The 28% KOG Acquisition is subject to, *inter alia*, the satisfaction of all applicable conditions precedent, including any requisite regulatory approvals in Singapore and Malaysia, the details of which can be found in Appendix 1 of this Announcement.

2.4 65.8% PGEO Acquisition

The purchase consideration for the 65.8% PGEO Acquisition is approximately S$491.0 million and will be satisfied by the issue and allotment to FFM Berhad 287,122,772 Wilmar Shares ("**65.8% PGEO Consideration Shares**"). The 65.8% PGEO Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing Wilmar Shares.

The 65.8% PGEO Acquisition is subject to, *inter alia*, the satisfaction of all applicable conditions precedent, including any requisite regulatory approvals in Singapore and Malaysia. The completion of the 65.8% PGEO Acquisition is also conditional upon the VGO having become unconditional in all respects and that all the PPBOP Offer Shares accepted under the VGO having been transferred to the Company, thereby resulting in the Company holding more than 50% of PPBOP. Details of the conditions precedent can be found in Appendix 1 of this Announcement.

The Exchange Ratio for the VGO is arrived at after taking into account the market price of the respective listed companies.

The purchase consideration for the 72% KOG Acquisition, the 28% KOG Acquisition and the 65.8% PGEO Acquisition were arrived at after taking into account, *inter alia*, the respective current and prospective earnings, operations and financial conditions of KOG and PGEO. The purchase consideration in respect of the said acquisitions was arrived at based on the last traded price of S$1.71 per Wilmar Share on 13 December 2006.

3. RATIONALE FOR THE KG MERGER

The Directors believe that Wilmar would be able to derive significant synergistic benefits arising from the merger with KG Assets and the IPT Assets. The merged entity would be the leading agribusiness group in Asia. This exercise, when completed, will facilitate Wilmar to achieve its corporate objectives in three key areas:-

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

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

(b) A significant oil palm plantation owner

Wilmar intends to expand its oil palm acreage aggressively given the favourable outlook for palm oil prices due to growing strong demand for food and energy globally. With the merger with PPBOP, Wilmar will more than double its plantation landbank from 210,000 to 573,405 hectares.

Going forward, the directors believe that, with the additional expertise of PPBOP in the cultivation of oil palm plantations, Wilmar will be able to expand its oil palm acreage even more aggressively, enabling it to become one of the largest plantation owners in 10 years.

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

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

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

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

The rationale for the KG Merger described above should be read together with the announcement of the IPT Acquisitions announced on 14 December 2006.

4. BRIEF INFORMATION ON KOG, PPBOP AND PGEO

PPBOP

PPBOP is engaged in oil palm cultivation, milling of fresh fruit bunches ("**FFB**"), refining of crude palm oil ("**CPO**") and marketing of refined palm oil, branded cooking oil and related products. PPBOP is also engaged in the production of elite clonal plantlets. PPBOP currently owns a total land bank of 363,405 hectares and 10 palm oil mills in East Malaysia and Indonesia. The combined total capacity of PPBOP's mills is approximately 2.3 million tonnes of FFB per annum. An 11th plant is scheduled for commissioning in January 2007 which will increase PPBOP's milling capacity to 2.4 million tonnes per annum.

The financial highlights of PPBOP for the last financial year ended 31 December 2005 ("**FY2005**") and the nine months ended 30 September 2006 ("**FP2006**") is as follows:-

	FY2005 US$'000	**FP2006 US$'000**
Revenue	154,224	125,656
Profit before tax	51,213	42,390
Profit after tax and minority interest	36,889	30,928
Net Asset Value	366,481	392,665
Net Tangible Assets	339,506	364,053

KOG

KOG is the flagship company responsible for the business of processing and international trading of oils & grains products under the Kuok Group of Companies. KOG's oils and grains processing facilities are located in China, Malaysia, Indonesia, Vietnam, New Zealand, Netherlands and Germany. Over the years, KOG has invested in over 20 enterprises in coastal port cities as well as inland cities in China, and formed a comprehensive nation-wide network of processing plants with Shenzhen, Shanghai and Tianjin as major processing centres. The three key areas of KOG's business in China are consumer packs oil, specialty fats and oleo chemicals with a significant market share in China's major cities. KOG is one of the largest producer and supplier of specialty fat in China with distribution network that covers 150 cities in China, and its sales volume in 2005 was 240,000MT, accounting for a substantial share in China's specialty fats market. KOG is also the leading edible oil consumer packs manufacturer and distributor where its "Arawana" brand is the market leader in China. The "Arawana" brand has been appointed the official cooking oil supplier to the Beijing Olympics 2008.

The financial highlights of KOG for FY2005 and FP2006 is as follows:-

	FY2005 US$'000	**FP2006 US$'000**
Revenue	5,946,520	4,278,261
Profit before tax	23,213	75,651
Profit after tax and minority interest	15,072	62,572
Net Asset Value	294,640	371,499
Net Tangible Assets	205,177	293,312

PGEO

PGEO is a major edible oils refiner and exporter in Malaysia, processing over 3 million metric tonnes of edible oils per year. PGEO and its associates operate refineries in six locations with a combined production capacity of close to 4.7 million metric tonnes per annum. About 90% of PGEO's production is exported to China, certain countries in the European Union, India, Korea, Japan, United States of America, certain countries in the Middle East, and Russia whilst the balance is sold in Malaysia. PGEO's activities are vertically integrated from the conversion of crude oils into refined oil products to production of shortening and hydrogenated products, cocoa butter replacers and other specialty fats which are marketed in bulk, drums and consumer packs.

The financial highlights of PGEO for FY2005 and FP2006 is as follows:-

	FY2005 US$'000	**FP2006 US$'000**
Revenue	2,164,302	1,727,740
Profit before tax	32,606	32,472
Profit after tax and minority interest	24,758	24,786
Net Asset Value	146,555	171,540
Net Tangible Assets	146,231	171,113

5. FINANCIAL EFFECTS OF THE KG MERGER

The proforma financial effects of the KG Merger on the share capital, earnings, net tangible assets ("**NTA**"), and gearing of the Company and its subsidiaries and associated companies (the "**Wilmar Group**") in respect of FY2005 have been prepared based on the unaudited proforma consolidated financial statements of the Wilmar Group and the audited financial statements of the KG Assets for FY2005, and in respect of FP2006, the unaudited proforma consolidated financial statements of the Wilmar Group and the unaudited financial statements of the KG Assets for FP2006. For the purpose of illustrating the financial effects of the KG Merger, the financial effects are based on, *inter alia*, the following assumptions:-

(a) The Wilmar Group's earnings and earnings per share, are computed assuming that the KG Merger was completed on 1 January 2005 and in relation to the Wilmar Group's NTA and gearing as at 31 December 2005, computed assuming that the KG Merger was completed on 31 December 2005 and the Wilmar Group's NTA and gearing as at 30 September 2006, computed assuming that the KG Merger was completed on 30 September 2006;

(b) The financial statements of the KG Assets are reported in US$. They have been translated where necessary, in respect of profit and loss items using the average exchange rate of RM3.785 and RM3.676 per US$ for the 12 months ended 31 December 2005 and 9 months ended 30 September 2006 respectively. In respect of balance sheet items, they have been translated using the closing exchange rate of RM3.774 and RM3.690 per US$ as at 31 December 2005 and 30 September 2006 respectively;

(c) As the purchase price allocation to goodwill, intangible assets and other assets has not been finalised, the carrying values of the net assets acquired of the KG Assets in connection with the KG Merger have been assumed to approximate fair values. In addition, no impairment assessment of the resultant goodwill has been performed;

(d) An aggregate of 1,948,286,805 Consideration Shares (assuming no acceptance of the VGO by the shareholders of PPBOP) and 2,403,154,004 Consideration Shares (assuming 100% acceptance of the VGO by the shareholders of PPBOP) were issued on 1 January 2005.

Given that the proforma financial effects presented below are proforma in nature and only for illustrative purposes, they do not represent the actual financial position and/or results of the Wilmar Group immediately after the completion of the KG Merger.

5.1 Share Capital

	Before the KG Merger	Immediately after the KG Merger	
		Assuming no acceptance of the VGO by the public shareholders of PPBOP	Assuming 100% acceptance of the VGO by the public shareholders of PPBOP
As at 31 December 2005			
Number of Wilmar Shares ('000)	2,176,555	4,124,842	4,579,709
As at 30 September 2006			
Number of Wilmar Shares ('000)	2,532,805	4,481,092	4,935,959

5.2 NTA

	Before the KG Merger	Immediately after the KG Merger	
		Assuming no acceptance of the VGO by the public shareholders of PPBOP	Assuming 100% acceptance of the VGO by the public shareholders of PPBOP
As at 31 December 2005			
Consolidated NTA (US$'000) [(1)]	231,828	721,991	872,731
Number of issued Wilmar Shares ('000)	2,176,555[(2)]	4,124,842	4,579,709
NTA per Wilmar Share (US cents)	10.65	17.50	19.06
As at 30 September 2006			
Consolidated NTA (US$'000) [(1)]	473,374	1,081,692	1,243,332
Number of issued Wilmar Shares ('000)	2,532,805[(2)]	4,481,092	4,935,959
NTA per Wilmar Share (US cents)	18.69	24.14	25.19

Notes:

(1) The NTA used in the table above does not take into account minority interests.

(2) The number of shares before the KG Merger represents the number of shares before the issue of the Consideration Shares.

5.3 Earnings

	Before the KG Merger	Immediately after the KG Merger	
		Assuming no acceptance of the VGO by the public shareholders of PPBOP	Assuming 100% acceptance of the VGO by the public shareholders of PPBOP
For FY2005			
Earnings (S$'000) [(1)]	58,048	109,921	126,300
Number of issued Wilmar Shares ('000)	2,176,555[(2)]	4,124,842	4,579,709
Earnings per Wilmar Share (cents)	2.67	2.66	2.76
For FP2006			
Earnings (S$'000) [(1)]	68,263	164,340	178,072
Number of issued Wilmar Shares ('000)	2,532,805[(2)]	4,481,092	4,935,959
Earnings per Wilmar Share (cents)	2.70	3.67	3.61

Notes:

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

(2) The number of shares before the KG Merger represents the number of shares before the issue of the Consideration Shares.

5.4 Gearing ratios

	Before the KG Merger	Immediately After the KG Merger	
		Assuming no acceptance of the VGO by the public shareholders of PPBOP	Assuming 100% acceptance of the VGO by the public shareholders of PPBOP
As at FY2005			
Total borrowings (US$'000) [(1)]	689,718	1,580,304	1,580,304
Cash and cash equivalents (US$'000)	19,512	105,990	105,990
Shareholders' fund (US$'000) [(1)]	266,415	2,488,688	3,011,867

Gross Gearing (times) [(1)]	2.59	0.63	0.52
Net Gearing (times) [(1)]	2.52	0.59	0.49
As at FP2006			
Total borrowings (US$'000) [(1)]	702,405	1,458,307	1,458,307
Cash and cash equivalents (US$'000)	79,480	233,892	233,892
Shareholders' fund (US$'000) [(1)]	522,265	2,788,742	3,309,274
Gross Gearing (times) [(1)]	1.34	0.52	0.44
Net Gearing (times) [(1)]	1.19	0.44	0.37

Notes:

(1) The expression "total borrowings" means the aggregate of liabilities arising out of borrowings from banks and financial institutions. The expression "Shareholders' funds" refers to the aggregate of the issued and paid-up share capital, capital and other reserves of the Group and excludes minority interests. "Gross gearing" is computed based on the ratio of total borrowings to Shareholders' funds and "net gearing" is computed based on the ratio of total borrowings less Cash and cash equivalent to Shareholders' funds.

6. RESULTING SHAREHOLDINGS FOLLOWING THE KG MERGER

The Company's shareholdings before the KG Merger, immediately after the KG Merger, and immediately after the KG Merger and IPT Acquisitions are tabulated below:-

Name of Shareholders	**Before KG Merger**		**Immediately after the KG Merger**		**Immediately after the KG Merger and the IPT Acquisitions**	
	Number of Shares (million)	**%**	**Number of Shares (million)**	**%**	**Number of Shares (million)**	**%**
WHPL	2,075.0	81.9	2,075.0	42.0	3,097.5	48.5
Affiliates of ADM	-	-	-	-	427.2	6.7
Kuok Group [(1)]	29.0	1.1	1,977.3	40.1	1,977.3	31.0
Public (in Singapore)	428.8	16.9	428.8	8.7	428.8	6.7
Public (in Malaysia) [(2)]	-	-	454.9	9.2	454.9	7.1
Total	2,532.8	100.0	4,936.0	100.0	6,385.7	100.0

Notes:

(1) This refers to the respective KG Vendors pursuant to the KG Merger.

(2) This refers to the public shareholders of PPBOP pursuant to the VGO and assuming 100% acceptance by the PPBOP shareholders.

Assuming 100% acceptance of the VGO and after the KG Merger and the IPT Acquisitions, WHPL and ADM Group of companies will own an aggregate of approximately 55.2% of the issued share capital of the Company. The Kuok Group will own, directly and indirectly, approximately 31.0% of the issued share capital of the Company. Under these circumstances, pursuant to Rule 14 of the Singapore Code on Takeovers and Mergers, the Kuok Group and its concert parties will trigger an obligation to make a mandatory take-over offer to acquire all the voting shares of the Company not owned by them. However, Wilmar understands that the Kuok Group intends to seek a waiver from the Securities Industry Council to make any such mandatory take-over offer.

The public float of Wilmar is dependent on the acceptance level of the VGO. In the event that the eventual public float of Wilmar falls below 10% after the KG Merger and the IPT Acquisitions, Wilmar intends to maintain its listing status and will undertake a compliance placement to satisfy the requisite free float requirements of the SGX-ST.

7. MAJOR TRANSACTION

The relative figures for the KG Merge computed on the bases set out in Rule 1006(a) to (d) ("**Rule 1006**") of the Listing Manual are as follows:-

(a)	Net asset value of the KG Assets as compared with the Wilmar's net asset value as at 31 December 2006.	Not applicable
(b)	Net profits attributable to the KG Assets as compared with Wilmar's net profits for FY2005.	See Note 1 below
(c)	Aggregate value of the Consideration given as compared with the Wilmar's market capitalisation as at 13 December 2006, being the market day preceding the date of this Announcement.	93.1%
(d)	The number of equity securities to be issued by the Company as consideration for the KG Merger, compared with the number of equity securities previously in issue.	94.9%

Note:

(1) Rule 1006(b) is breached but will not apply in the case of an acquisition of profitable assets if the only breach is Rule 1006(b) according to Rule 1015(7) of the SGX-ST Listing Manual.

As the relative figures under Rules 1006 (c) and (d) have exceeded 20% but have not exceeded 100%, the KG Merger constitutes a major transaction pursuant to Chapter 10 of the SGX-ST Listing Manual and accordingly requires the approval of Wilmar's shareholders at an extraordinary general meeting to be convened at a later date.

A circular containing, *inter alia,* the notice of extraordinary general meeting and the details of the KG Merger will be despatched to Wilmar's shareholders in due course.

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

Mr Kuok Khoon Hong, Wilmar's Chairman and Chief Executive Officer, has a deemed interest in 660,200 shares in PPBOP, representing approximately 0.14% of the issued share capital of PPBOP. He also has a deemed interest in 3,212,392 shares in PPB Group Berhad, the parent company of PPBOP, representing approximately 0.27% of the issued share capital of PPB Group Berhad.

Save as disclosed above, none of the directors or controlling shareholders of Wilmar has any interest, direct or indirect, in the KG Merger.

9. FINANCIAL ADVISER

Wilmar has appointed CIMB-GK Securities Pte. Ltd. and CIMB Investment Bank Berhad (collectively "**CIMB**") as its financial advisers.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Wilmar (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement, and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this announcement misleading.

BY ORDER OF THE BOARD

Colin Tan
Company Secretary
14 December 2006

Any inquires relating to the Announcement or the IPT Acquisitions should be directed to the following persons:

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APPENDIX 1

CONDITIONS PRECEDENT

Each of the acquisition of the KOG Shares, the 65.8% PGEO Shares, and the 28% KOG Shares is conditional upon, inter alia:

(a) the Company being satisfied into with its due diligence investigations into the KG Assets, its their subsidiaries and associated companies (collectively with the KG Assets, the "KG Companies" and each, including a "KG Company");

(b) the purchase by the Company of all the shares of the relevant KG Assets ("**Sale Shares**") and the Company's issue of the Consideration Shares in full payment thereof upon the terms of the relevant term sheets, being approved by the SGX-ST, where required and where approval from the SGX-ST is obtained subject to any conditions, such conditions being reasonably acceptable to the parties thereto;

(c) all resolutions as may be necessary or incidental in relation to the Company's acquisition of the Sale Shares and the issue of the Consideration Shares having been passed at a general meeting of shareholders of the Company or any adjournment thereof;

(d) approval being given and not having been withdrawn by the SGX-ST for the admission to the official list of SGX-ST and the dealing and quotation of the Consideration Shares on SGX-ST upon allotment and issue and if there are any conditions attached to such approval, such conditions being reasonably acceptable to the Company and the KG Vendors;

(e) the acceptance by the Company of the exceptions to the KG Vendors' warranties as disclosed in a letter issued by the KG Vendors for such purpose, if any;

(f) there having been no event the occurrence of which may render any of the KG Vendors' warranties untrue, inaccurate or misleading in all material respects;

(g) there being no circumstance amounting to or event of *Force Majeure* occurring that may have a material adverse effect on the businesses, operations or condition (financial or otherwise) of the Company and/or the relevant KG Company;

(h) all necessary consents or approvals being granted by third parties, bankers, financial institutions or governmental or regulatory authorities or competent authorities having jurisdiction over its purchase of all the Sale Shares and/or its allotment and issue of the Consideration Shares being obtained by the Company, and all necessary or appropriate filings having been made and all appropriate waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated, in each case for or in connection with the sale and purchase of the Sale Shares and to carry on the business of the KG Assets; and

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

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

(a) approval being given by the shareholders of PPB Group Berhad, being the holding company of the KG Vendor, to sell the its interests in the relevant KG Company by selling the Sale Shares to the Company; and

(b) approvals being given by (a) the Securities Commission of Malaysia; (b) Bank Negara Malaysia under Exchange Control of Malaysia Notices (ECM) 9 - Investments Abroad; (c) Ministry of International Trade & Industry; and (d) the Foreign Investment Committee for the relevant KG Vendor's disposal of the Sale Shares to the Company.

Further, the acquisition of the 65.8% PGEO Shares, is conditional on having become unconditional in all respects and that all the PPBOP Offer Shares accepted under the VGO having been transferred to the Company, thereby resulting in the Company holding more than 50% of voting shares of PPBOP.