



## **NEWS RELEASE**

### **WILMAR EMBARKS ON RAPID EXPANSION PLANS**

- **Quadruples Biodiesel Capacity to 1,050,000 MT per annum in 2007**
- **Acquires 110,000 hectares of plantation land**

*Singapore, 28 August 2006* - Wilmar International Limited ("Wilmar" or "the Group"), one of Asia's largest integrated agribusiness groups, is set to become one of the world's largest producers of palm biodiesel by quadrupling its biodiesel capacity from 250,000 metric tonnes ("MT") per annum to 1,050,000 MT per annum in 2007.

The Group has decided to increase the production capacity of its first biodiesel plant, under construction in Riau, Indonesia, from 250,000 MT to 350,000 MT per annum. Costing about US\$20 million, it is expected to be commissioned in January 2007. The plant's first year production has been fully committed while the second year production has been substantially committed.

The Indonesian Government has given strong support and encouragement towards the production of alternative energy such as biodiesel. With the strong potential demand from domestic and overseas markets for biodiesel, Wilmar has decided to set up another two biodiesel plants of 350,000 MT per annum each, at the same site, at a total cost of about US\$35 million. The second and third plants are expected to be completed in the second and third quarters of 2007 respectively.

Mr Kuok Khoon Hong, Wilmar's Chairman and CEO said, "By locating the biodiesel plants in our integrated manufacturing complex with our own port facility, Wilmar will be able to enjoy low cost of production from economies of scale and integration. As an early mover in biodiesel, we believe we are well-placed to become a significant global player."

Wilmar also announced the proposed acquisition of five plantation companies with a combined land bank of about 85,000 hectares, in Kalimantan, Indonesia, suitable for development into oil palm plantations. The acquisition will cost a total of US\$5.8 million. Wilmar will hold controlling stakes in these companies, which are jointly owned with its business partners, including ADM Asia Pacific Limited ("ADM").

In addition, two of its existing plantation subsidiaries have also acquired plantation land amounting to 25,000 hectares. These acquisitions will increase the Group's total plantation land bank by 110,000 hectares to approximately 180,000 hectares.

The Group plans to plant at least 15,000 hectares per annum and to complete its planting programme for the newly acquired land bank within seven years.

These expansion plans will be funded by internal resources and are not expected to have any material impact on the Group for the financial year ended 31 December 2006.

CIMB-GK Securities Pte. Ltd. was the financial adviser to the Group in relation to the acquisition of the Wilmar Group.

*Please refer to the Group's results announcement for the half-year/second quarter ended 30 June 2006 and news release "WILMAR'S NET PROFIT FOR 1HFY06 IMPROVES 38.8% TO US\$32M" issued on the same day (28 August 2006).*

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