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

**Unaudited Financial Statements for the Full Year Ended 31 December 2007**

**Introduction**

The Group's major merger and restructuring exercise announced in December 2006, was successfully completed in June 2007:

- The acquisitions of PGEO Group Sdn Bhd ("PGEO") and PPB Oil Palms Berhad ("PPBOP") were completed in May 2007.
- The acquisition of Kuok Oils & Grains Pte Ltd ("KOG") was completed in June 2007.
- KOG, PGEO and PPBOP shall be collectively denoted as ("KG") in this announcement.
- The acquisition of the Group's parent company's (Wilmar Holdings Pte Ltd) edible oils, grains and related businesses including interests held by Archer Daniels Midland Asia-Pacific Limited and/or its affiliated companies ("IPT Assets") were completed in June 2007.

With the exception of the IPT assets which were accounted for using the pooling-of-interest method, the rest of the acquisitions were accounted for using the purchase method.

Accordingly, the current quarter's results included the three months' results and cash flow of all the acquired subsidiaries, but the current full year's results included the following:

- seven months' (June to December 2007) results of PGEO & PPBOP;
- six months' (July to December 2007) results of KOG;
- twelve months' (January to December 2007) results of IPT Assets.

For FY2006, Group Consolidated results have been restated to include the results and cash flow of the IPT Assets.

## FINANCIAL HIGHLIGHTS

- **For Fourth Quarter ended 31 December 2007**
  - **Revenue hit a high of US$6.5 billion, almost tripling that of Q4 FY2006.**
  - **Profit soared to US$234 million, 432.7% up from US$43.9 million a year ago.**
  - **Included in the results was a non-recurring charge of US$61.5 million in respect of a share grant (shares granted by its parent company to long serving staff). Whilst this was incurred by the parent company, in accordance with FRS 102, it has to be treated as a charge for the Group with the corresponding entry going to the capital reserve, resulting in no change to the shareholders' equity.**
  - **Excluding the one time share grant charge, the Group would have reported net profit of US$296 million for the fourth quarter.**
  - **Other non-operating items included in the reported results were a charge of US$16 million relating to merger / convertible bond expenses and a net gain of US$88.5 million (after tax) from changes in the fair value of biological assets.**
  - **Excluding both the other non-operating expenses of US$16 million and the share grant charge, as well as the gain of US$88.5 million from biological assets, the Group would have reported net profit of US$223 million for the fourth quarter.**
  - **All key business segments performed strongly on the back of high commodity prices, growing demand for our products and improved operating trends.**

- **For Full Year ended 31 December 2007**
  - **Strong earnings in all four quarters, with the second half showing the positive financial effects of the merger, lifted whole year's profit to a high of US$580 million**
  - **Estimated proforma full year's profit would have been US$667 million (if the results of the acquiree companies have been recognized for the full year), a jump of 71% over FY2006 estimated proforma profit of US$390 million**
  - **Reported basic EPS rose to 12.80 US cents**
  - **Net Asset per share grew to US$1.23**
  - **Net Tangible Asset rose to a high US$3.9 billion**
  - **Investments in long term assets increased to US$4.5 billion**

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

**Unaudited Financial Statements for the Full Year Ended 31 December 2007**

### 1(a) Consolidated Profit and Loss Statement

| | Group | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| | Twelve months ended | | | | Three months ended | | | |
| | 31.12.2007 | 31.12.2006* | Inc/(Dec) | | 31.12.2007 | 31.12.2006* | Inc/(Dec) | |
| | US$'000 | US$'000 | US$'000 | % | US$'000 | US$'000 | US$'000 | % |
| Revenue | 16,466,151 | 7,016,001 | 9,450,150 | 134.7% | 6,500,526 | 2,199,225 | 4,301,301 | 195.6% |
| Cost of sales | (14,738,345) | (6,316,448) | 8,421,897 | 133.3% | (5,812,533) | (1,999,048) | 3,813,485 | 190.8% |
| **Gross profit** | **1,727,806** | **699,553** | **1,028,253** | **147.0%** | **687,993** | **200,177** | **487,816** | **243.7%** |
| Net gains from changes in fair value of biological assets (Note 1) | 123,457 | 17,352 | 106,105 | 611.5% | 123,457 | 17,352 | 106,105 | 611.5% |
| Other operating income | 135,579 | 46,250 | 89,329 | 193.1% | 61,526 | 14,790 | 46,736 | 316.0% |
| Selling and distribution costs | (797,877) | (332,055) | 465,822 | 140.3% | (320,919) | (98,656) | 222,263 | 225.3% |
| Administrative expenses | (152,973) | (62,074) | 90,899 | 146.4% | (66,127) | (22,768) | 43,359 | 190.4% |
| Other operating expenses (Note 2) | (110,828) | (30,556) | 80,272 | 262.7% | (91,703) | (12,115) | 79,588 | 656.9% |
| **Profit from operations** | **925,164** | **338,470** | **586,694** | **173.3%** | **394,227** | **98,780** | **295,447** | 299.1% |
| Finance income | 17,667 | 21,056 | (3,389) | -16.1% | 8,635 | 3,305 | 5,330 | 161.3% |
| Finance expenses | (172,836) | (108,759) | 64,077 | 58.9% | (59,542) | (35,075) | 24,467 | 69.8% |
| Share of results of associates | 59,798 | 37,935 | 21,863 | 57.6% | 22,434 | 10,259 | 12,175 | 118.7% |
| **Profit before taxation** | **829,793** | **288,702** | **541,091** | **187.4%** | **365,754** | **77,269** | **288,485** | **373.4%** |
| Income tax expense | (154,557) | (32,256) | 122,301 | 379.2% | (78,728) | (14,412) | 64,316 | 446.3% |
| **Profit after taxation** | **675,236** | **256,446** | **418,790** | **163.3%** | **287,026** | **62,857** | **224,169** | **356.6%** |
| **Attributable to:** | | | | | | | | |
| Equity holders of the parent | **580,405** | **215,940** | **364,465** | **168.8%** | **233,985** | **43,924** | **190,061** | **432.7%** |
| Minority interests | 94,831 | 40,506 | 54,325 | 134.1% | 53,041 | 18,933 | 34,108 | 180.2% |
| | **675,236** | **256,446** | **418,790** | **163.3%** | **287,026** | **62,857** | **224,169** | **356.6%** |

*Note:*

***Note 1 – Net gains from changes in fair value of biological assets***
*In accordance with FRS 41, biological assets are measured at each balance sheet date at its fair value less estimated point-of-sale costs.*

| ***Note 2 - Other operating expenses*** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Group | | | | Group | | | |
| | Twelve months ended | | | | Three months ended | | | |
| | 31.12.2007 | 31.12.2006* | Inc/(Dec) | | 31.12.2007 | 31.12.2006* | Inc/(Dec) | |
| | US$'000 | US$'000 | US$'000 | % | US$'000 | US$'000 | US$'000 | % |
| **Non-operating expenses** | | | | | | | | |
| - Shares grant expenses | (61,525) | - | 61,525 | 100.0% | (61,525) | - | 61,525 | 100.0% |
| - Expenses relating to merger/convertible bonds | (16,000) | - | 16,000 | 100.0% | (16,000) | - | 16,000 | 100.0% |
| **Operating expenses** | (33,303) | (30,556) | 2,747 | 9.0% | (14,178) | (12,115) | 2,063 | 17.0% |
| **Total** | **(110,828)** | **(30,556)** | **80,272** | **262.7%** | **(91,703)** | **(12,115)** | **79,588** | **656.9%** |

* Year 2006 consolidated figures have been restated to include full 12 months and 3 months results of the IPT Assets.

**Unaudited Financial Statements for the Full Year Ended 31 December 2007**

## 1(b)(i) Balance Sheets

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2007 US$'000** | **31.12.2006* US$'000** | **31.12.2007 US$'000** | **31.12.2006 US$'000** |
| Biological assets | 940,014 | 223,542 | - | - |
| Property, plant and equipment | 2,556,820 | 1,154,186 | - | - |
| Investment in associates | 451,950 | 184,426 | 140,152 | - |
| Investment in subsidiaries | - | - | 7,782,603 | 552,244 |
| Plasma investments | 5,742 | 11,109 | - | - |
| Intangible assets | 3,933,295 | 38,007 | - | - |
| Deferred tax assets | 28,038 | 5,423 | - | - |
| Other receivables | 20,627 | 45,441 | 275,407 | 16,000 |
| Other assets | 451,602 | 33,991 | 403,635 | - |
| Derivative financial instruments | 6,726 | 587 | - | - |
| Available-for-sale financial assets | 856 | 95 | - | - |
| **Total non-current assets** | **8,395,670** | **1,696,807** | **8,601,797** | **568,244** |
| Cash and bank balances | 967,572 | 298,601 | 2,829 | 6,465 |
| Trade receivables | 1,501,204 | 467,418 | - | - |
| Inventories | 3,614,066 | 968,440 | - | - |
| Tax recoverable | 18,500 | 7,004 | - | - |
| Other receivables | 681,420 | 343,714 | 1,111,129 | 402,277 |
| Other assets | 198,971 | 53,809 | 1,276 | 938 |
| Derivative financial instruments | 122,805 | 17,034 | 26,883 | - |
| Available-for-sale financial assets | 6,845 | 129 | - | - |
| **Total current assets** | **7,111,383** | **2,156,149** | **1,142,117** | **409,680** |

* Year 2006 consolidated figures have been restated to include IPT Assets as at 31 December 2006.

**Unaudited Financial Statements for the Full Year Ended 31 December 2007**

## 1(b)(i) Balance Sheets *(continued)*

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2007 US$'000** | **31.12.2006* US$'000** | **31.12.2007 US$'000** | **31.12.2006 US$'000** |
| Trade payables | 1,001,912 | 391,687 | - | - |
| Interest-bearing loans and borrowings | 4,209,148 | 1,510,466 | 16,000 | 12,000 |
| Other payables | 780,261 | 187,481 | 36,160 | 206,712 |
| Tax payable | 69,498 | 13,621 | 120 | 35 |
| Derivative financial instruments | 108,030 | 17,504 | - | - |
| **Total current liabilities** | **6,168,849** | **2,120,759** | **52,280** | **218,747** |
| Interest-bearing loans and borrowings | 818,761 | 114,754 | 542,363 | 16,000 |
| Deferred taxation liabilities | 296,078 | 59,393 | - | - |
| Other payables | 41,863 | 576,002 | - | - |
| Derivative financial instruments | - | 46 | - | - |
| **Total non-current liabilities** | **1,156,702** | **750,195** | **542,363** | **16,000** |
| **Total Net Assets** | **8,181,502** | **982,002** | **9,149,271** | **743,177** |
| Share capital | 8,402,547 | 280,278 | 8,838,686 | 716,417 |
| Capital Reserve | 194,045 | - | 194,045 | - |
| Merger Reserves | (1,960,906) | - | - | - |
| Foreign currency translation reserve | 84,579 | 14,448 | - | - |
| General reserve | 26,544 | 15,344 | - | - |
| Asset valuation reserve | 2,581 | - | - | - |
| Revenue reserve | 1,095,808 | 547,245 | 116,540 | 26,760 |
| | 7,845,198 | 857,315 | 9,149,271 | 743,177 |
| Minority interests | 336,304 | 124,687 | - | - |
| **Total Equity** | **8,181,502** | **982,002** | **9,149,271** | **743,177** |

* Year 2006 consolidated figures have been restated to include IPT Assets as at 31 December 2006.

## 1(b)(ii) Group's borrowings and debt securities

| | Group | | Group | |
|---|---|---|---|---|
| | 31.12.2007 | | 31.12.2006* | |
| | Secured US$'000 | Unsecured US$'000 | Secured US$'000 | Unsecured US$'000 |
| **(a) Amount repayable in one year or less, or on demand** | 2,754,753 | 1,454,395 | 1,054,321 | 456,145 |
| **(b) Amount repayable after one year** | 253,109 | 565,652 | 83,511 | 31,243 |
| | 3,007,862 | 2,020,047 # | 1,137,832 | 487,388 |

* Year 2006 consolidated figures have been restated to include IPT Assets as at 31 December 2006.

**#** On 18 December 2007, the Company issued a zero coupon convertible bond denominated in USD Dollars with a nominal value of US$600 million. The bond will mature 5 years from the issue date at their nominal value of US$600 million 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 "Terms and Conditions of Bonds – Conversion" in the circular dated 17 December 2007. Based on the conversion price, and assuming the bonds are fully converted, the number of new ordinary shares to be issued would be 161,163,569, representing a 2.5% increase over the total number of issued shares of the Company as at 31 December 2007.

**Details of any collateral**

(1) Bank term loans are secured by:
- (i) a charge over property, plant and equipment of certain subsidiaries
- (ii) a pledge over inventories and accounts receivable of certain subsidiaries
- (iii) corporate guarantees from the Company and certain subsidiaries
- (iv) Personal guarantees from certain directors and/or shareholders of subsidiaries

(2) Bank term loans for Plasma investments are secured by a charge over the property, plant and equipment in certain subsidiaries which are involved in the Plasma investments.

(3) Short term bank loans, trust receipts, bills discounts are secured by a charge over property, plant and equipment, fixed deposits, accounts receivable, inventories, corporate guarantees from the Company and certain subsidiaries and personal guarantee from a director of a subsidiary.

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

**Unaudited Financial Statements for the Full Year Ended 31 December 2007**

## 1(c) Consolidated Cash Flow

| | Group | | Group | |
|---|---|---|---|---|
| | Twelve months ended | | Three months ended | |
| | 31.12.2007 | 31.12.2006* | 31.12.2007 | 31.12.2006* |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **Cash flows from operating activities** | | | | |
| Profit before tax but after share of results of associated companies | 829,793 | 288,702 | 365,754 | 77,269 |
| **Adjustments for:** | | | | |
| Net gains from changes in fair value of biological assets | (123,457) | (17,352) | (123,457) | (17,352) |
| Depreciation of property, plant and equipment | 133,692 | 73,334 | 44,069 | 17,367 |
| Amortisation of trademarks and licenses | 78 | 12 | 24 | 12 |
| Negative goodwill taken to income statement | (1,382) | (4,288) | (122) | (4,288) |
| Positive goodwill written off to income statement | 2,544 | 14,812 | 848 | 14,812 |
| Loss/(profit) on disposal of property, plant and equipment | 632 | (722) | (138) | 476 |
| (Profit)/loss on disposal/liquidation of investment in subsidiaries | (26) | 1,332 | - | 1,332 |
| (Profit)/loss on disposal of available-for-sale financial assets | (1,049) | - | (1,048) | 123 |
| Shares grant to employees | 61,525 | - | 61,525 | - |
| Net loss/(gain) on the fair value of derivative financial instruments | 6,962 | 5,894 | (18,851) | 1,073 |
| Foreign exchange arising from translation | 26,610 | 17,496 | 28,083 | 18,097 |
| Interest expense | 172,836 | 108,759 | 59,542 | 35,075 |
| Interest income | (17,667) | (21,056) | (8,635) | (3,305) |
| Share of profit of associates | (59,798) | (37,935) | (22,434) | (10,259) |
| Operating cash flow before working capital changes | 1,031,293 | 429,988 | 385,160 | 130,432 |
| Changes in working capital: | | | | |
| Increase in inventories | (1,727,068) | (307,479) | (884,776) | (211,343) |
| Increase in receivables and other assets | (624,774) | (152,279) | (242,007) | (132,464) |
| Increase in payables | 515,318 | 254,325 | 225,050 | 165,755 |
| Cash (used in)/generated from operations | (805,231) | 223,555 | (516,573) | (47,620) |
| Interest paid | (156,390) | (48,928) | (63,606) | (13,193) |
| Interest received | 17,667 | 21,056 | 8,635 | 3,305 |
| Income taxes paid | (81,542) | (22,145) | (37,213) | (5,489) |
| **Net cash (used in)/generated from operating activities** | **(1,025,496)** | **173,538** | **(608,757)** | **(62,997)** |
| **Cash flows from investing activities** | | | | |
| Payments for investments in subsidiaries - net cash acquired | 122,019 | (35,995) | 3,022 | (35,995) |
| Payments for investments in subsidiaries | (12,557) | 3,865 | 310 | 6,653 |
| Decrease/(increase) in plasma investments | 7,203 | (382) | (574) | 377 |
| Payments for available-for-sale financial assets | (313,414) | (132,580) | (148,467) | (15,140) |
| Payments for investment in associates | (14,501) | (23,521) | (13,799) | 50 |
| Payments for biological assets | (65,212) | (11,115) | (29,755) | (3,124) |
| Payments for property, plant and equipment | (544,468) | (356,575) | (186,004) | (139,477) |
| Dividends received from associates | 16,001 | 1,569 | 8,472 | 1,569 |
| Proceeds from disposal of available-for-sale financial assets | 265,681 | 132,512 | 139,123 | 29,643 |
| Proceeds from disposal existing business to Nucourt Media | - | 3,128 | - | 2,024 |
| Proceeds from disposal of biological assets | - | 30 | - | 30 |
| Proceeds from disposal of property, plant and equipment | 8,881 | 63,441 | 672 | 44,135 |
| Proceeds from disposal of subsidiaries | - | 169 | - | 169 |
| **Net cash outflow from investing activities** | **(530,367)** | **(355,454)** | **(227,000)** | **(109,086)** |

* Year 2006 consolidated cash flow figures have been restated to include IPT Assets

## 1(c) Consolidated Cash Flow Statement *(continued)*

| | Group | | Group | |
|---|---|---|---|---|
| | Twelve months ended | | Three months ended | |
| | 31.12.2007 | 31.12.2006* | 31.12.2007 | 31.12.2006* |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **Cash flows from financing activities** | | | | |
| (Increase)/decrease in receivables | (740) | - | 44,132 | (2,768) |
| Decrease/(increase) in net amount due from related party corporations | 41,962 | 4,121 | (21,712) | 11,013 |
| Increase in net amount due from associates | (54,180) | (24,289) | (48,232) | (22,947) |
| (Decrease)/increase in loans from ultimate holding corporation | (7,818) | 27,582 | 14,377 | 27,582 |
| (Decrease)/increase in advances from minority shareholders | (5,085) | 1,900 | (7,398) | (2,588) |
| Proceeds from bank loans | 2,245,768 | 91,854 | 1,091,284 | 139,686 |
| Repayments of finance lease liabilities | (19) | (18) | 56 | (9) |
| (Increase)/decrease in fixed deposits pledged with financial institutions for bank facilities | (142,745) | (29,834) | 11,503 | (54,087) |
| Interest paid | (23,498) | (60,469) | 994 | (22,093) |
| Proceeds from rights issue of shares by the Company | - | 172,590 | - | - |
| Dividends paid by the Company | (21,556) | (6,000) | - | - |
| Dividends paid to minority shareholders by subsidiaries | (30,207) | (2,361) | (26,193) | (2,361) |
| Proceeds from issue of shares by subsidiaries to minority shareholders | 25 | - | - | - |
| **Net cash inflow from financing activities** | **2,001,907** | **175,076** | **1,058,811** | **71,428** |
| | | | | |
| Net increase/(decrease) in cash held | 446,044 | (6,840) | 223,054 | (100,655) |
| Cash at the beginning of the financial year | (1,158) | 5,682 | 221,832 | 99,497 |
| **Cash at the end of the financial year** | **444,886** | **(1,158)** | **444,886** | **(1,158)** |
| | | | | |
| Represented by: | | | | |
| Bank and cash balances | 967,572 | 298,601 | 967,572 | 298,601 |
| Less: Fixed deposits pledged with financial institutions for bank facilities | (302,034) | (159,289) | (302,034) | (159,289) |
| Bank overdrafts | (220,652) | (140,470) | (220,652) | (140,470) |
| **Total Cash and Cash Equivalents** | **444,886** | **(1,158)** | **444,886** | **(1,158)** |

* Year 2006 consolidated cash flow figures have been restated to include IPT Assets.

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

**Unaudited Financial Statements for the Full Year Ended 31 December 2007**

## 1(d)(i) Statement of Changes in Equity

| | Group | | | |
|---|---|---|---|---|
| | For the period ended | | For the period ended | |
| From | 01.01.2007 | 01.01.2006 | 01.10.2007 | 01.10.2006 |
| To | 31.12.2007 | 31.12.2006* | 31.12.2007 | 31.12.2006* |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **Issued Capital** | | | | |
| Balance at beginning | 280,278 | 62,585 | 8,402,547 | 254,600 |
| Issue of shares pursuant to the acquisition of subsidiaries | 8,122,269 | - | - | - |
| Issue of shares pursuant to reverse acquisition | - | 43,310 | - | 26,000 |
| Issue of shares pursuant to share placement and over-allotment | - | 180,678 | - | - |
| Expenses on issue of ordinary shares | - | (8,087) | - | (322) |
| Transfer from Share Premium | - | 1,792 | - | - |
| **Balance at end** | **8,402,547** | **280,278** | **8,402,547** | **280,278** |
| **Share Premium** | | | | |
| Balance at beginning | - | 1,792 | - | - |
| Transfer to Share Capital | - | (1,792) | - | - |
| **Balance at end** | **-** | **-** | **-** | **-** |
| **Capital reserve** | | | | |
| Balance at beginning | - | - | - | - |
| Convertible bond - equity component | 132,520 | - | 132,520 | - |
| Shares grant to employees | 61,525 | - | 61,525 | - |
| **Balance at end** | **194,045** | **-** | **194,045** | **-** |
| **Merger reserve** | | | | |
| Balance at beginning | - | - | - | - |
| Reserve arising from the merger of the IPT Assets | (1,960,906) | - | (1,960,906) | - |
| **Balance at end** | **(1,960,906)** | **-** | **(1,960,906)** | **-** |
| **Foreign currency translation reserve** | | | | |
| Balance at beginning | 14,448 | 11,608 | 43,269 | 15,709 |
| Net effect of exchange differences | 89,794 | 11,485 | 55,369 | 8,869 |
| Minority interests | (19,663) | (8,645) | (14,059) | (10,130) |
| **Balance at end** | **84,579** | **14,448** | **84,579** | **14,448** |
| **General reserve** | | | | |
| Balance at beginning | 15,344 | 6,344 | 20,068 | 6,344 |
| Transfer from retained earnings | 10,286 | 9,000 | 5,562 | 9,000 |
| Share of associates on government grant received | 914 | - | 914 | - |
| **Balance at end** | **26,544** | **15,344** | **26,544** | **15,344** |

* Year 2006 consolidated figures have been restated to include IPT Assets.

## 1(d)(i) Statement of Changes in Equity *(continued)*

| | Group | | | |
|---|---|---|---|---|
| | For the period ended | | For the period ended | |
| From | 01.01.2007 | 01.01.2006 | 01.10.2007 | 01.10.2006 |
| To | 31.12.2007 | 31.12.2006* | 31.12.2007 | 31.12.2006* |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **Asset valuation reserve** | | | | |
| Balance at beginning | - | - | (607) | - |
| Revaluation of land and buildings | 2,581 | - | 2,581 | - |
| Transfer to revenue reserve | - | - | 607 | - |
| **Balance at end** | **2,581** | **-** | **2,581** | **-** |
| | | | | |
| **Revenue Reserve** | | | | |
| Balance at beginning | 547,245 | 346,305 | 867,992 | 512,321 |
| Transfer distributable reserves on realisation of revaluation reserve | - | - | (607) | - |
| Net profit for the period | 580,405 | 215,940 | 233,985 | 43,924 |
| Dividends paid | (21,556) | (6,000) | - | - |
| Transfer to general reserve | (10,286) | (9,000) | (5,562) | (9,000) |
| **Balance at end** | **1,095,808** | **547,245** | **1,095,808** | **547,245** |
| | | | | |
| **Minority Interests** | | | | |
| Balance at beginning | 124,687 | 75,816 | 288,738 | 97,007 |
| Acquisition of subsidiaries | 130,468 | 9,475 | 8,917 | 7,459 |
| Disposal of subsidiaries | (3,138) | (7,394) | (2,258) | (6,481) |
| Foreign currency translation | 19,663 | 8,645 | 14,059 | 10,130 |
| Dividends paid | (30,207) | (2,361) | (26,193) | (2,361) |
| Net profit for the year | 94,831 | 40,506 | 53,041 | 18,933 |
| **Balance at end** | **336,304** | **124,687** | **336,304** | **124,687** |

* Year 2006 consolidated figures have been restated to include IPT Assets.

| | Company | | | |
|---|---|---|---|---|
| | For the period ended | | For the period ended | |
| From | 01.01.2007 | 01.01.2006 | 01.10.2007 | 01.10.2006 |
| To | 31.12.2007 | 31.12.2006 | 31.12.2007 | 31.12.2006 |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **Issued Capital** | | | | |
| Balance at beginning | 716,417 | 7,868 | 8,838,686 | 716,739 |
| Issue of shares pursuant to the acquisition of subsidiaries | 8,122,269 | - | - | - |
| Issue of shares pursuant to exercise share options | - | 121 | - | - |
| Issue of shares pursuant to the Acquisition | - | 517,121 | - | - |
| Issue of shares pursuant to Share Placement | - | 180,678 | - | - |
| Reverse takeover expenses | - | (8,087) | - | (322) |
| Transfer from Share Premium | - | 18,716 | - | - |
| **Balance at end** | **8,838,686** | **716,417** | **8,838,686** | **716,417** |

## 1(d)(i) Statement of Changes in Equity *(continued)*

| | Company | | | |
|---|---|---|---|---|
| | For the period ended | | For the period ended | |
| From | 01.01.2007 | 01.01.2006 | 01.10.2007 | 01.10.2006 |
| To | 31.12.2007 | 31.12.2006 | 31.12.2007 | 31.12.2006 |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **Share Premium** | | | | |
| Balance at beginning | - | 18,716 | - | - |
| Transfer to Share Capital | - | (18,716) | - | - |
| **Balance at end** | **-** | **-** | **-** | **-** |
| **Capital reserve** | | | | |
| Balance at beginning | - | - | - | - |
| Convertible bond - equity component | 132,520 | - | 132,520 | - |
| Shares grant to employees | 61,525 | - | 61,525 | - |
| **Balance at end** | **194,045** | **-** | **194,045** | **-** |
| **Revenue Reserve** | | | | |
| Balance at beginning | 26,760 | (23,578) | 21,262 | (22,885) |
| Net profit for the year | 111,336 | 50,338 | 95,278 | 49,645 |
| Dividends paid | (21,556) | - | - | - |
| **Balance at end** | **116,540** | **26,760** | **116,540** | **26,760** |

## 1(d)(ii) Company's Share Capital

| | Company | |
|---|---|---|
| | 31.12.2007 | 31.12.2006 |
| | ('000) | ('000) |
| Number of shares at beginning | 2,532,805 | 2,176,555 |
| Shares arising from Share Placement | - | 300,000 |
| Shares arising from Over-allotment | - | 56,250 |
| Shares arising from Acquisition of PGEO | 287,123 | - |
| Shares arising from Acquisition of PPBOP | 1,024,475 | - |
| Shares arising from Acquisition of IPT Assets | 1,449,722 | - |
| Shares arising from Acquisition of KOG | 1,091,556 | - |
| **Number of shares at end** | **6,385,681** | **2,532,805** |

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The financial statements presented above have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2006 except for the adoption of the Financial Reporting Standards (FRS) and INT FRS that are mandatory for financial years beginning on or after 1 January 2007. The adoption of these FRS and INT FRS has no significant impact to the Group, other than those noted below.

a) Convertible Bonds
The company issued its first convertible bond during the period. The fair value of the derivative financial instrument component embedded in the convertible bonds and the bond liability are determined at issuance of the convertible bonds with the residual amount being allocated to the equity component. The derivative financial instrument component is remeasured at each accounting date. Resulting gains or losses arising from subsequent fair value remeasurements of the derivative financial instruments are taken to the income statement. The fair value of derivative financial instruments is determined by using valuation techniques with assumption mainly based upon market conditions at each balance sheet date. The bond liability component is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds whilst the equity component is recorded as a capital reserve and held at cost.

b) Share Grant
Its, parent company, Wilmar Holdings Pte Ltd granted shares in the Company to long serving employees of the Group during the period. Such shares are granted to employees as part of their remuneration package. In accordance with FRS102, the cost of such share-based payment, computed as the difference between the market price and the settlement price is to be recorded as an expense in the income statement. The corresponding entry was taken up as credit to the capital reserve. There is thus no change to the shareholders' equity.

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

Not applicable, except for those noted in Note 4 above.

## 6. Earnings Per Ordinary Share (EPS)

| | Group | | | |
|---|---|---|---|---|
| | Twelve months ended | | Three months ended | |
| | 31.12.2007 | 31.12.2006* | 31.12.2007 | 31.12.2006* |
| (a) Based on weighted average number of shares (US cents/share) | 12.80 | 9.31 | 5.16 | 1.89 |
| (b) Based on fully diluted basis (US cents/share) | 12.78 | 9.31 | 5.15 | 1.89 |
| Weighted average number of shares applicable to basic earnings per share ('000) | 4,534,892 | 2,318,336 | 4,534,892 | 2,318,336 |
| Weighted average number of shares based on fully diluted basis ('000) | 4,541,073 | 2,318,336 | 4,541,073 | 2,318,336 |

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

| | Group | |
|---|---|---|
| | Year ended | |
| | 31.12.2007 | 31.12.2006 * |
| Net asset value per ordinary share based on issued share capital as at end of the period (US cents per share) | 122.86 | 33.86 |

* Year 2006 consolidated figures have been restated to include IPT Assets.

## 8. Review of Group Performance

### Income Statements

**Three Months Period Ended 31 Dec 2007**

| | Q4 FY2007 | | Q4 FY2006* | | Variance | |
|---|---|---|---|---|---|---|
| | **US$'000** | **%** | **US$'000** | **%** | **US$'000** | **%** |
| **Revenue** | | | | | | |
| - Merchandising & Processing | 5,672,305 | 87.2% | 2,119,285 | 96.4% | 3,553,020 | 167.7% |
| *Palm and laurics (Note 1)* | *3,907,545* | *60.1%* | *1,180,221* | *53.7%* | *2,727,324* | *231.1%* |
| *Oilseeds and grains (Note 2)* | *1,764,760* | *27.1%* | *939,064* | *42.7%* | *825,696* | *87.9%* |
| - Consumer products (Note 3) | 1,437,581 | 22.1% | 56,218 | 2.5% | 1,381,363 | 2457.2% |
| - Plantation and Palm Oil Mills (Note 4) | 291,944 | 4.5% | 110,045 | 5.0% | 181,899 | 165.3% |
| - Others (Note 5) | 124,199 | 1.9% | 50,590 | 2.3% | 73,609 | 145.5% |
| Elimination | (1,025,503) | -15.7% | (136,913) | -6.2% | (888,590) | 649.0% |
| **Total revenue** | **6,500,526** | **100.0%** | **2,199,225** | **100.0%** | **4,301,301** | **195.6%** |
| **Profit from operations** | | | | | | |
| - Merchandising & Refinery | 227,557 | 57.7% | 79,919 | 80.9% | 147,638 | 184.7% |
| - Consumer products | 51,568 | 13.1% | 3,534 | 3.6% | 48,034 | 1359.2% |
| - Plantation & Palm Oil Mills | 184,686 | 46.8% | 26,066 | 26.4% | 158,620 | 608.5% |
| - Others | 7,873 | 2.0% | 3,565 | 3.6% | 4,308 | 120.8 % |
| - Unallocated expenses # | (77,457) | -19.6% | (14,304) | -14.5% | 63,153 | 441.5% |
| **Total profit from operations** | **394,227** | **100.0%** | **98,780** | **100.0%** | **295,447** | **299.1%** |

**Twelve Months Period Ended 31 Dec 2007**

| | 12M FY2007 | | 12M FY2006* | | Variance | |
|---|---|---|---|---|---|---|
| | **US$'000** | **%** | **US$'000** | **%** | **US$'000** | **%** |
| **Revenue** | | | | | | |
| - Merchandising & Processing | 15,177,439 | 92.2% | 6,691,768 | 95.4% | 8,485,671 | 126.8% |
| *Palm and laurics* | *10,010,400* | *60.8%* | *3,610,962* | *51.5%* | *6,399,438* | *177.2%* |
| *Oilseeds and grains* | *5,167,039* | *31.4%* | *3,080,806* | *43.9%* | *2,086,233* | *67.7%* |
| - Consumer products | 2,816,489 | 17.1% | 221,397 | 3.2% | 2,595,092 | 1172.1% |
| - Plantation and Palm Oil Mills | 839,707 | 5.1% | 383,005 | 5.5% | 456,702 | 119.2% |
| - Others | 467,540 | 2.8% | 208,691 | 3.0% | 258,849 | 124.0% |
| Elimination | (2,835,024) | -17.2% | (488,860) | -7.1% | (2,346,164) | 479.9% |
| **Total revenue** | **16,466,151** | **100.0%** | **7,016,001** | **100.0%** | **9,450,150** | **134.7%** |
| **Profit from operations** | | | | | | |
| - Merchandising & Processing | 578,085 | 62.5 % | 273,736 | 80.9% | 304,349 | 111.2% |
| - Consumer products | 116,136 | 12.6% | 8,161 | 2.4% | 107,975 | 1323.1% |
| - Plantation & Palm Oil Mills | 287,296 | 31.0% | 63,066 | 18.6% | 224,230 | 355.5% |
| - Others | 21,104 | 2.3% | 7,811 | 2.3% | 13,293 | 170.2% |
| - Unallocated expenses # | (77,457) | -8.4% | (14,304) | -4.2% | 63,153 | 441.5% |
| **Total profit from operations** | **925,164** | **100.0%** | **338,470** | **100.0%** | **586,694** | **173.3%** |

* Year 2006 consolidated figures have been restated to include IPT Assets.

# Unallocated expenses includes shares grant expenses of US$61.5 million, expenses pertaining to convertible bonds US$12.5 million and US$3.5 million legal and other expenses on the IPT merger. FY2006's figure of US$14.3 million relates to goodwill write-off on the reverse acquisition.

**Unaudited Financial Statements for the Full Year Ended 31 December 2007**

Note:

(1) *Palm and laurics – comprises revenue from the Merchandising and Processing segment on palm and laurics. (same as pre-merger, except that it now extends beyond Indonesia and Malaysia)*

(2) *Oilseeds and grains – this segment replaces the pre-merger Merchandising and Refinery, soyabean and soyabean meal sub-segment. It comprises revenue from the sales of soyabean meals, soyabean oils and other oilseeds and grains from the crushing and merchandising operations of soyabeans, as well as other oilseeds and grains (mainly in China).*

(3) *Consumer products – comprises revenue from the consumer products bottled oil business mainly in China, Vietnam and Indonesia.*

(4) *Plantation and Palm Oil Mills – comprises revenue from the Plantation and Palm Oil Mills in Indonesia (same segment as pre-merger), except it extends to Malaysia.*

(5) *Others – comprises revenue from fertilizer, shipping, etc.*

**Overview**

*Q4 FY2006 and 12M FY2006 figures have been restated to include the results of the IPT Assets.*

*The key business of the original WIL Group includes merchandising and refinery, mainly in palm & laurics, and Plantations and Oil Mills operations. IPT Assets' main business is that of crushing of soybeans and the sales of soya meals, including soyabean oils. Also included in the IPT Assets' business is the merchandising and further processing of palm and laurics in destination markets such as China, India, Africa and Europe.*

The reported 12 FY2007 results included the full twelve months results of the IPT Assets, the six months' (July to December 2007) results of KOG and the seven months' (June to December 2007) results of PGEO and PPBOP.

Net Profit (US$' million)

| | FY 2007 | | FY 2006 | | |
|---|---|---|---|---|---|
| | Reported | Proforma | Restated | Previously Reported (Pre-merger) | Proforma |
| Q4 | 234 | 234 | 43.9 | 36.3 | N.A. |
| 12 M | 580.4 | 667.1 ^ | 215.9 | 104.6 | 390 |

^ Figure includes the 12M FY2007 results of KG.

N.A.: Not available

The Group which posted its first set of post merger results in its third quarter continued to deliver a strong set of earnings in the fourth quarter, reporting a record net profit of US$234.0 million. This was 6.4 times that of the pre-merger Group's Q4 FY2006's earnings of US$36.3 million previously reported.

Included in the results was a one time charge of US$61.5 million relating to share grant for shares awarded to long serving staff of the Group by the parent company. This charge was recognized in the books of the Group despite it being incurred by the parent company, in accordance with FRS 102 (see accounting policies on Note 4(b)). Other non-operating items included a US$16.0 million charge arising from the merger expenses and the issue of the US$600 million convertible bonds, which was offset by the net gains of US$88.5 million (after tax) from the changes in the fair value of biological assets.

Excluding the one-time share grant charges of US$61.5 million, the Group would have reported a net profit of US$296 million.

The Group would have reported a net profit of US$223 million in Q4 FY2007 if all the non-operating expenses/charges totaling US$77.5 million from the share grant and merger/convertible bonds and the gains from changes in the fair value of biological assets of US$88.5 million were excluded.

All comparisons made with FY2006 in the rest of this announcement are based on the restated FY2006 figures.

All key segments performed exceptionally well and can ascribe their performances to soaring commodity prices, particularly CPO prices, robust margins and higher production / sales volume in the light of improved operating trends and growing demand for our products.

The Group's net profit for the fourth quarter was up 432.7% to US$234.0 million from US$43.9 million a year earlier. This, combined with the strong performance in the first nine months of the year resulted in the Group posting a record net profit figure of US$580.4 million for the full financial year ended 31 December 2007, an increase of 168.8% over the previous year's profit of US$215.9 million.

***Revenue***

Group revenue surged 195.6% from US$2.2 billion in Q4 last year to US$6.5 billion for the fourth quarter this year. This was due mainly to the continued uptrend in CPO and other oils/oilseeds prices in the fourth quarter. Year-on-year, weighted average commodity prices like CPO, soyabeans and crude soyabean oil had increased by more than 60%. This together with the higher sales volume from the merged entities resulted in the high sales revenue. (Please refer to the Sales Volume table in next page.)

Profit before tax of the Group for Q4 FY2007 at US$365.8 million was 4.7 times that of US$77.3 million in the same period last year. Strong performances from all segments, together with the gains of US$123.5 million from changes in fair value of biological assets contributed to the growth in profit, which also included the fourth-quarter results of KG.

The Group's revenue for the full financial year to 31 December 2007 increased by 134.7% to US$16.5 billion, buoyed by the high commodity prices and higher sales volume from all segments.

For 12M FY2007, profit before tax was up 187.4% to US$829.8 million from US$288.7 million a year earlier, on the back of significantly higher volumes and improved margins from all business segments.

**Unaudited Financial Statements for the Full Year Ended 31 December 2007**

***Sales Volume of Key Segments***

| | Sales Volume | | | | | |
|---|---|---|---|---|---|---|
| | **31.12.2007** | **31.12.2006*** | **Inc/(Dec)** | **Q4 FY2007** | **Q4 FY2006*** | **Inc/(Dec)** |
| | MT'000 | MT'000 | % | MT'000 | MT'000 | % |
| **Merchandising & Processing** | | | | | | |
| - Palm and laurics | 13,407 | 7,915 | 69.4% | 5,896 | 2,645 | 122.9% |
| - Oilseeds and grains | 10,834 | 8,135 | 33.2% | 3,033 | 2,437 | 24.5% |
| Total | 24,241 | 16,050 | 51.0% | 8,929 | 5,082 | 75.7% |
| **Consumer products** | 1,783 | 340 | 424.4% | 721 | 106 | 580.2% |

* Year 2006 sales volume figures have been restated to include IPT Assets.

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

Compared to the same quarter last year, Q4 FY2007 sales volume increased by 122.9%, but revenue increased by 231.1% due mainly to the higher CPO prices which had jumped 75% year-on-year. For the full FY2007, sales volume and revenue rose 69.4% and 177.2% respectively from the previous year's figures. Volume increase was due to the higher bulk sales from the merged group. The higher increase in revenue was due to the overall rising commodities prices during year 2007 and demand for palm products.

***Merchandising & Processing – Oilseeds and grains***

Sales volume on oilseeds and grains increased by 24.5% in Q4 FY2007 over the same period last year whilst the full FY2007 volume increased by 33.2% from last year's volume. This was due largely to the inclusion of sales from KG. Year-on-year, revenue however rose by a higher proportion by 87.9% in Q4 FY2007 and 67.7% in 12M FY2007, due to the higher commodities prices in the financial year 2007, with beans prices up by 55% and soyabean oil prices up by 52% over the one year period.

***Consumer Products***

The bulk of consumer products volume was derived from China with the rest from Indonesia and Vietnam. The more than 400% increase in both the fourth quarter and the full year 2007 sales volume over the same period last year was attributable mainly to the inclusion of KOG's consumer products sales. Revenue however rose more than 1000% for the periods under review on the back of higher commodities prices in FY2007, in line with the general trend of the Merchandising and Processing segment.

***Revenue from Plantation and Palm Oil Mills segment***

Crude palm oil ("CPO") prices continued its upward trend into the 4th quarter of FY2007, resulting in revenue in the Plantation and Palm Oil Mills segment improving by 165.3% to US$291.9 million. Fresh fruit bunches ("FFB") production continued its growth, increasing by 234% and CPO production also rose by 83.5% as a result of increased matured hectarage and contributions from PPBOP for the current fourth quarter. Production yield for Q4 FY2007 was 6.5 metric tonne per hectare, higher than the 4.6 metric tonne per hectare in Q4 FY2006, as Q4 FY2006 production was badly affected by the dry weather condition in the last quarter.

For 12M FY2007, revenue from Plantation and Palm Oil Mills segment registered an increase of US$456.7 million, mainly attributable to rising CPO prices and increased volume from PPBOP. FFB production for 12M FY2007 grew by 185% year-on-year, and the yield also increased from 21.2 metric tonne per hectare last year to 21.9 metric tonne per hectare this year. This was due mainly to the favourable weather condition throughout FY2007. Whilst oil extraction rate remained the same at 20.9%, CPO production grew by 62.5% this year compared to the previous year.

***Revenue from Others segment***

Revenue from Others segment for Q4 FY2007 increased by US$73.6 million to US$124.2 million due mainly to the increase in sales volume and prices of fertilizers, as compared to Q4 FY2006. Prices of fertilizers were higher by 68.7% from US$198 per metric tonne in Q4 FY2006 to US$334 per metric tonne in the current 4th quarter.

Production volume for 12M FY2007 increased by 111.7% compared to 12M FY2006, due to the commencement of a new 1,000 MT/day capacity plant at the end of FY2006. This resulted in the 22.0% growth in sales volume for this year. Prices of fertilizers increased by 24.6% in FY2007 compared to last year's prices. Total revenue from this segment also increased by US$258.8 million or 124% to US$467.5 million in FY2007 compared to FY 2006, due to the higher sales volume and prices.

Besides fertilizers, this segment also covered the revenue from the Group's shipping & logistics activities and tallow trading.

***Cost of Sales***

Cost of sales increased by US$3.8 billion or 190.8% from US$2.0 billion for Q4 FY2006 to US$5.8 billion for Q4 FY2007. This was lower than the revenue increase of 195.6%, reflecting an overall higher selling price, and hence improved gross margin for the period.

For 12M FY2007, cost of sales increased by US$8.4 billion or 133.3% to US$14.7 billion. This was 1.4% lower than the increase in sales revenue for the twelve months comparative period.

***Gross Profit Margin***

Gross profit margin for Q4 FY2007 improved to 10.6% from 9.1% in Q4 FY 2006. This was due to the good margins from all segments. Gross profit includes freight and insurance which are recorded as part of revenue for those sales on CIF or C&F terms whilst the freight and insurance costs on the corresponding purchases are recorded under selling and distribution expenses. The adjusted gross profit margin improved by 1.6% to 7.8% in Q4 FY 2007, after aligning the freight and insurance charges.

For 12M FY2007, the gross profit margin also improved to 10.5% from 10.0% as in 12M FY2006. The adjusted gross profit margin increased to 7.6% compared to 6.6% for the same period last year.

***Net gains from changes in fair value of biological assets***

Reflecting the high CPO prices in the year 2007 (CPO average price has increased by 75% year-on-year), the net gain from changes in fair value of biological assets was US$123.5 million in year 2007, as compared to US$17.4 million in the previous year.

This gain was recognized in accordance with FRS 41, whereby the biological assets are stated at fair value less estimated point-of-sale costs from initial recognition up to the point of harvest. The fair value of plantations is determined based on the present value of their expected net cash inflows. Any resultant gains or losses arising from changes in fair value are recognized in the income statement.

***Other Operating Income***

Other operating income increased by US$46.7 million from US$14.8 million in Q4 FY2006 to US$61.5 million in Q4 FY2007. This was due mainly to foreign exchange gains of US$52.8 million resulting from the appreciation of the Chinese RMB against the US$ by 2.7% during the fourth quarter, in respect of US$ bank borrowings and loans. Storage tanks rental and government incentive grant received by a China subsidiary also contributed to the increase in other operating income.

Similarly the strengthening of the Chinese RMB versus the US$ by 6.5% from the beginning to the end of the year 2007 resulted in foreign exchange gains of US$101 million for the year in respect of US$ loans and borrowings. Other operating income included US$7.8 million government incentive grants received by three China subsidiaries, pertaining to infrastructure investments. Storage tanks rental income, toll processing fees charged to associates and proceeds from the sales of scraps contributed to the rest of the other operating income for 2007 full year.

***Selling and Distribution Costs***

Selling and distribution costs increased by US$222.3 million or 225.3% from US$98.7 million for Q4 FY2006 to US$320.9 million for Q4 FY2007. The year-on-year steep increase in these costs was attributable mainly to the higher direct expenses such as freight, insurance, port charges incurred on the higher bulk sales volume. The steep increase in export taxes levied by the Indonesian Government on CPO and related palm products (from less than 1% last year to a high of 7.5% to 10% in Q4 FY2007) also contributed to the higher selling and distribution costs.

For 12M FY2007, total selling and distribution costs increased by 140.3% from US$332.1 million a year earlier to US$797.9 million, reflecting both freight rates increase and higher bulk sales volume. Year-on-year, the freight charges to all destinations had also increased by an average of 5%.

***Administrative expenses***

Administrative expenses which included the full three months' expenses of KG (totaling US$26.9 million) increased by US$43.4 million from US$22.8 million for Q4 FY2006 to US$66.1 million for Q4 FY2007. Other factors contributing to the higher administrative expenses were the increase in personnel expenses and headcount, higher traveling expenses, audit fee and office depreciation. Total headcount of the Group as at 31 December 2007 was 66,497 versus 31,797 at the end of December 2006.

Administrative expenses at US$153.0 million in 12M FY2007 amounted to 0.93% of turnover which was marginally higher than the 0.88% in FY2006. The increase was due mainly due to the inclusion of KG's expenses and the higher personnel expenses, as well as expenses which grew in line with the enlarged activities of the Group.

***Other operating expenses***

Q4 FY2007 other operating expenses totaling US$91.7 million included a one-off non-recurring charge of US$61.5 million share grant expenses, non-operating charges of US$12.5 million relating to convertible bond issue and US$3.5 million on the IPT merger. Excluding these non-operating charges (totaling US$77.5 million), other operating expenses in Q4 FY2007 increased by US$2.1 million from Q4 FY2006 to US$14.2 million, due mainly to the write off of pre-operating expenses and impairment loss on plant and equipment.

Other operating expenses for the 2007 full year was US$110.8 million, up 262.7% due mainly to the three non-operating charges mentioned above. Without these non-operating charges of US$77.5 million, the rest of the other operating expenses were US$33.3 million, up 9.0% from last year's figure. It included goodwill write off of US$2.5 million on assets acquired in Indonesia, US$2.9 million pre-operating expenses write-off and provision for doubtful debts of US$4.1 million (US$2.2 million on trade debts and US$1.9 million on non-trade debts). Tolling cost, inventories write-down, assets impairment and losses on disposal of fixed assets also accounted for the other costs here.

Convertible bonds expenses refer to the placement commission and other professional and underwriters' expenses on the issue of US$600 million convertible bonds. The company had on 18 December 2007 issued its first Convertible Bond. The bonds were fully subscribed.

*Share Grant Expenses*

Share grant expenses of US$61.5 million represented the difference between the market price and the settlement price on 21,168,000 ordinary shares which were transferred from Wilmar Holdings Pte Ltd, the parent company to a total of 374 employees of the Wilmar group of companies as a reward for their long services with the Group. The shares were transferred on 7 December 2007 and were deemed a payment to the staff for the services rendered. Accordingly, the cost, computed as the difference between the market price and the settlement price was recorded as an expense in WIL's books in accordance with accounting standard FRS 102.

***Finance Income***

Finance income for the fourth quarter and 2007 full year were US$8.6 million and US$17.7 million respectively, comprising mainly interest income from fixed and non fixed deposits as well as interest charged on loans to associated companies and to trade debtors on delayed payment.

***Finance Expenses***

Finance expenses increased by 69.8% and 58.9% for the fourth quarter and 12M FY2007 compared to the same corresponding period in FY2006. These were due to the higher bank borrowings utilized by the Group in view of the higher working capital required on the back of larger bulk sales volume and higher commodities prices.

***Share of Results of Associates***

Share of results of associates improved by 57.6% from US$37.9 million to US$59.8 million for the 2007 full year. These were contributed mainly by the Group's associates from the various crushing plants in China as well as from the investments in Africa and India, which is in line with the better business operating climate in these countries.

### *Minority Interests*

In line with the Group's strong performance, minority share of the Group's profit increased by 180.2% and 134.1% to US$53.0 million and US$94.8 million for the fourth quarter and 12M FY2007 from a year earlier. Minority interests were attributable mainly to minority shareholders in the China operations.

### *Profit Before Tax*

**Three Months Period Ended 31 Dec 2007**

| | Q4 FY2007 | | Q4 FY2006* | | Variance | |
|---|---|---|---|---|---|---|
| | US$'000 | % | US$'000 | % | US$'000 | % |
| **Profit before tax** | | | | | | |
| - Merchandising & Processing | 183,680 | 50.2% | 51,643 | 66.8% | 132,037 | 255.7% |
| *Palm and laurics* | *116,705* | *31.9%* | *42,417* | *54.9%* | *74,288* | *175.1%* |
| *Oilseeds and grains* | *66,975* | *18.3%* | *9,226* | *11.9%* | *57,749* | *625.9%* |
| - Consumer products | 46,550 | 12.7% | 3,367 | 4.4% | 43,183 | 1282.5% |
| - Plantation and Palm Oil Mills | 184,777 | 50.5% | 23,480 | 30.4% | 161,297 | 687.0% |
| - Others | 5,770 | 1.6% | 2,824 | 3.7% | 2,946 | 104.3% |
| - Share of results of associates | 22,434 | 6.1% | 10,259 | 13.3% | 12,175 | 118.7% |
| - Unallocated expenses # | (77,457) | -21.1% | (14,304) | -18.6% | 63,153 | 441.5% |
| **Total profit before tax** | **365,754** | **100.0%** | **77,269** | **100.0%** | **288,485** | **373.4%** |

**Twelve Months Period Ended 31 Dec 2007**

| | 12M FY2007 | | 12M FY2006* | | Variance | |
|---|---|---|---|---|---|---|
| | US$'000 | % | US$'000 | % | US$'000 | % |
| **Profit before tax** | | | | | | |
| - Merchandising & Processing | 442,517 | 53.3% | 199,370 | 69.1% | 243,147 | 122.0% |
| *Palm and laurics* | *252,516* | *30.4%* | *95,122* | *33.0%* | *157,394* | *165.5%* |
| *Oilseeds and grains* | *190,001* | *22.9%* | *104,248* | *36.1%* | *85,753* | *82.3%* |
| - Consumer products | 105,299 | 12.7% | 6,849 | 2.4% | 98,450 | 1437.4% |
| - Plantation and Palm Oil Mills | 284,571 | 34.3% | 54,940 | 19.0% | 229,631 | 418.0% |
| - Others | 15,065 | 1.8% | 3,912 | 1.4% | 11,153 | 285.1% |
| - Share of results of associates | 59,798 | 7.2% | 37,935 | 13.1% | 21,863 | 57.6% |
| - Unallocated expenses # | (77,457) | -9.3% | (14,304) | -5.0% | 63,153 | 441.5% |
| **Total profit before tax** | **829,793** | **100.0%** | **288,702** | **100.0%** | **541,091** | **187.4%** |

* Year 2006 consolidated figures have been restated to include IPT Assets.

# Unallocated expenses includes shares grant expenses of US$61.5 million, expenses pertaining to convertible bonds US$12.5 million and US$3.5 million legal and other expenses on the IPT merger for FY 2007. FY 2006's figure of US$14.3 million relates to goodwill write-off on the reverse acquisition.

The Group posted a strong fourth quarter performance, with pre-tax profit up by 373.4% from US$77.3 million in Q4 FY2006 to US$365.8 million in Q4 FY2007. This together with its strong performances in the first three quarters of the year contributed to the record US$829.8 million pre-tax profit for the 2007 full year. This was 2.9 times the profit before tax of US$288.7 million recorded a year earlier.

For the fourth quarter, excluding the unallocated expenses, Merchandising & Processing segment contributed 57.5% to the Group's pre-tax profit, whilst consumer products contributed 14.6% and Plantation & Oil Mills contributed 19.2% (excluding the gain of US$123.5 million from change in fair value of biological assets) whilst the remaining contributions were from Others segment and share of results of associates.

***Profit before tax from Merchandising and Processing segment***

Q4 FY2007 pre-tax profit from this segment, at US$183.7 million was US$132.0 million or 255.7% higher than that of the same quarter in FY 2006, with the improved profit coming from both the Palm & Laurics and the Oilseeds and Grains segment.

The sub-segment of palm & laurics continued to enjoy higher pre-tax profit in Q4 FY2007 as compared to the corresponding quarter in FY2006. Pre-tax profit for the current fourth quarter was US$116.7 million, higher by 175.1% as compared to Q4 FY2006, due mainly to higher bulk volume and improved margin.

12M FY2007's pre-tax profit more than doubled from US$95.1 million a year earlier to US$252.5 million, again due to the high sales volume from the merged entities and the overall higher gross profit margin.

Oilseeds and grains' results had an extremely strong fourth quarter performance, with profit before tax surging more than 600% from an exceptionally low US$9.2 million in Q4 FY2006 to a high of US$67.0 million in Q4 FY2007. The fourth quarter results in FY2006 were badly affected by the blue ear virus outbreak in China which hit the hog industry hard resulting in poorer meal business. This was further aggravated by rising cost of soyabeans towards the end of Q4 FY2006. Good operating margins on soyabean crushing and increased sales volume for other oilseeds resulted in the much higher profit in Q4 FY2007.

Oilseeds and grains excellent results in the fourth quarter boosted the overall FY2007 full year's profit before tax to US$190.0 million, up 82.3% from the previous year's figure of US$104.2 million.

***Profit before tax from Consumer Products segment***

Both Q4 FY2007 and 12M FY2007's profit before tax from the Consumer Products segment also jumped more than 1000% to US$46.6 million and US$105.3 million respectively from the previous year's corresponding period figures. Contribution from this segment came mainly from the inclusion of KOG China's consumer products sales which were included in the Group's results from the second half of FY2007 onwards.

With continued strong demand for quality consumer products in Q4 FY2007, boosted by consumers stocking up ahead of the Chinese New Year holidays, the Group was able to report another quarter of good results in this segment.

The segment's better performance in the second half of FY2007 was due mainly to synergies of the merger, in areas such as logistics, manufacturing and distribution as well as well-timed raw material purchases. China's strong economy, growing affluence and urbanization are other factors contributing to the growing demand for packed consumer cooking oils, and hence the good performance of this segment.

***Profit before tax from Plantation and Palm Oil Mills segment***

Plantation and Palm Oil Mills segment enjoyed a steep increase of US$161.3 million in its pre-tax profit for Q4 FY2007 to US$184.8 million, as compared to the same period in FY2006. This was attributable mainly to the gains from the changes in the fair value of biological assets of US$123.5 million and the continued upsurge in CPO prices.

Excluding the biological assets fair value gain, the operating net profit before tax from this segment was US$61.3 million, reflecting strong fourth quarter performance due to the increased volume and improved margins on the back of high CPO prices. The higher production volume in the fourth quarter from 224,859 MT in Q4 FY2006 to 412,530 MT in Q4 FY2007 also helped to boost the performance in this sector.

12M FY2007's pre-tax profit from this segment was US$284.6 million, an increase of 418.0% over last year's figures of US$54.9 million. Besides the gains from the change in fair value of biological assets and high CPO prices, the substantial increase in FFB and CPO production, (which included the contributions from PPBOP), plus the improved yield also contributed to the record performance of this segment. Total CPO production increased by 62.5% to 1.35 million MT for the full FY2007.

***Profit before tax from Others segment***

Profit from this segment for the full FY2007 was US$15.0 million, up 285.1% from US$3.9 million profit reported a year earlier. This was due mainly to the improved performance from fertilizers, tallow trading and profits generated from the Group's shipping & logistics activities.

***Income Tax***

Resulting from the higher profit recorded during the FY2007, the income tax expenses were significantly higher for the periods under review in FY2007 as compared to FY2006.

The effective tax rate for the Group for 12M FY2007 was also higher at 20.1% compared with 12.9% for the same period last year. The higher effective rate period was due mainly to the lowering of tax holiday incentives granted to many of the Chinese oilseeds subsidiaries (under the IPT Assets Group). Chinese companies awarded these tax incentives are exempt from tax on the first two years' profit, and are taxed at the concessionary tax rate of 50% of the applicable tax rates between 15% and 33% from third to the fifth year. Profit of the two new subsidiaries, PGEO and PPBOP are also subject to the higher tax rate of 27% in Malaysia.

**Review of Balance Sheet and Cash Flow**

With the completion of the acquisition of KG and the merger of the IPT Assets in end June 2007, all the balance sheets and cash flow of KG and the merged IPT Assets were included in the Group Balance Sheet and Group Cash Flow Statements as at 31 December 2007. The prior year 31 December 2006 comparatives were also restated to include the IPT Assets.

Biological assets grew by US$716.5 million from 31 December 2006 mainly as a result of the addition of the plantation estates of PPBOP valued at US$572.4 million plus US$123.5 million from the net gain in the change in the fair value.

Net book value of property, plant and equipment rose by US$1,402.6 million from 31 December 2006. The increase was mainly attributed to the inclusion of fixed assets from KG, totaling US$1,032 million, which was fair valued. Other increase included the additions and expansion of the Group's crushing, refining, oleo-chemical, flour and consumer products facilities totaling US$340 million in China. Two bio-diesel plants were completed and three big vessels were purchased during the year, whilst the rest of the additions arose from expansion of the Group's facilities in the rest of the world.

Included in intangible assets is the fair value of "Arawana" Brand, which is the leading consumer pack cooking oil in China. An independent professional firm was appointed to do a fair valuation of the brand in compliance with accounting standards. Using the multi period excess earnings method approach (which measures the value of future earnings to be generated during the remaining life of the asset less the related operating costs and overheads), the fair value of the "Arawana" brand is estimated at US$1,089.2 million.

The resultant goodwill arising from acquisition of PPBOP, PGEO and KOG which were completed in May/June 2007 (after accounting for the fair value of all the acquired assets of KG) was US$2,762.2 million. The resultant goodwill arises from the excess of purchase consideration over the fair value of the assets as at 31 May 2007 of PPBOP and PGEO, and over the fair value of KOG's acquired assets as 30 June 2007 including the fair value of "Arawana" brand. Based on the present discounted cash flow of the earnings of the Group acquired, no impairment is required on the goodwill figure as at 31 December 2007.

The Group's average trade receivables turnover and trade payable turnover as at 31 December 2007 remained healthy at 21 days and 16 days as compared to 24 days and 18 days as at 31 December 2006. The Group's average inventory turnover included purchase of soyabeans imported from South America for its crushing business, requiring a longer transit time, was maintained at 56 days.

Inventory as at 31 December 2007 increased to US$3.6 billion due mainly to the higher level of stockholding required because of the Group's enlarged production capacity, as well as rising commodities prices (which rose by an average 60%) during the year under review.

Non-current assets as at 31 December 2007 included a sum of US$349.5 million being the purchase consideration for the acquisition of ADM's interest in a few associates in China. The amount will be transferred to cost of investment upon the finalization of the completion of the acquisition.

Cash and bank balances as at 31 December 2007 rose by US$669.0 million to US$967.6 million. The significantly higher balance was attributed mainly to the proceeds from the US$600 million convertible bonds issue in the second half of December which have not been utilized at year end.

Interest-bearing loans and borrowings (current) increased by US$2,698.7 million due mainly to the higher utilization of bank borrowings for working capital purpose as a result of the rising commodity prices as well as higher sales volume of the merged Group.

Net cash flow generated from the operating activities for Q4 and 12M FY2007 were negative due to the higher working capital required to fund the higher level of inventory on the back of higher commodities prices and high inventory to cater to the Group's increase sales volume. Higher funding was also utilized for the increased production volume on FFB and CPO. The Group was able to secure sufficient banking facilities, including raising US$600 million through the issue of convertible bonds in December 2007 to fund both its operating and investing activities, thereby generating a positive net cash flow of US$446.0 million for the year.

With the Group recording strong performances coupled with share capital increase by the issue of 3.8 billion shares for the merger and acquisition, its shareholders equity has increased to US$8.2 billion.

Merger Reserves arises from the merger of the IPT Assets.

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

No forecast was previously disclosed by the Group.

**10. Prospects**

Global economic growth is expected to moderate in 2008, amidst concerns about a possible US recession and credit tightening. However, outlook for agricultural commodities remains bullish. Our Palm Plantations and Edible Oils refining in Indonesia and Malaysia will benefit from the bullish palm oil prices while meal and edible oils consumption in China might be affected by high prices.

Our Group remains cautiously optimistic about its prospects for FY2008. We successfully completed the merger last year and delivered a strong set of earnings. This has further strengthened our business model and financial positions to weather any slowdown in business.

**11. Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.
Name of dividend: Final exempt (one-tier) dividend
Dividend type: Cash
Dividend amount per share: S$0.026

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.
Name of dividend: Interim dividend
Dividend type: Cash
Dividend amount per share: S$0.013

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Dividend of S$0.026 per ordinary share is tax exempt and declared in Singapore.

(d) Date Payable

21 May 2008.

**11. Dividend** *(continued)*

(e) Books Closure Date

Notice is hereby given that the Transfer Register and Register of Members of the Company will be closed on 8 May 2008 at 5.00 pm, to 9 May 2008, both dates inclusive, for the purposes of determining shareholders' entitlement to the Company's final exempt (one-tier) dividend of S$0.026 per ordinary share to be paid on 21 May 2008, subject to shareholders' approval at the forthcoming Annual General Meeting. Duly registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration, 8 Cross Street, #11-00 PWC Building, Singapore 048424 up to 8 May 2008, 5.00 pm will be registered to determine shareholders' entitlement to the final dividend. Depositors whose securities accounts with the Central Depository (Pte) Limited ("CDP") are credited with the Company's shares as at 5.00 pm on 8 May 2008 will be entitled to the final dividend.

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

Not applicable.

**Unaudited Financial Statements for the Full Year Ended 31 December 2007**

**PART II: Additional information required for Full Year announcement (This part is not applicable to Q1, Q2 and Q3 or Half Year Results)**

**13. Segmented revenue and results for business or geographical segments (of the Group) in the format presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.**

| | Merchandising and Processing | | Consumer Products | | Plantation and Palm Oil Mills | | Others | |
|---|---|---|---|---|---|---|---|---|
| | 2007<br>US$'000 | 2006<br>US$'000 | 2007<br>US$'000 | 2006<br>US$'000 | 2007<br>US$'000 | 2006<br>US$'000 | 2007<br>US$'000 | 2006<br>US$'000 |
| **Revenue** | | | | | | | | |
| Sales to external customers | 13,858,166 | 6,601,089 | 2,171,645 | 221,397 | 29,601 | 10,681 | 406,739 | 182,834 |
| Inter-segment sales | 1,319,273 | 90,679 | 644,844 | - | 810,106 | 372,324 | 60,801 | 25,857 |
| **Total revenue** | **15,177,439** | **6,691,768** | **2,816,489** | **221,397** | **839,707** | **383,005** | **467,540** | **208,691** |
| **Results** | | | | | | | | |
| Segment results | 578,085 | 273,736 | 116,136 | 8,161 | 287,296 | 63,066 | 21,104 | 7,811 |
| Unallocated (expenses)/income | | | | | | | | |
| Finance costs | | | | | | | | |
| Share of results of associates | 59,701 | 37,205 | 13 | - | (1,455) | (140) | 1,539 | 870 |
| Profit before tax | | | | | | | | |
| Income tax expense | | | | | | | | |
| Profit after tax | | | | | | | | |

| | Eliminations | | Total | |
|---|---|---|---|---|
| | 2007<br>US$'000 | 2006<br>US$'000 | 2007<br>US$'000 | 2006<br>US$'000 |
| **Revenue** | | | | |
| Sales to external customers | - | - | 16,466,151 | 7,016,001 |
| Inter-segment sales | (2,835,024) | (488,860) | - | - |
| **Total revenue** | **(2,835,024)** | **(488,860)** | **16,466,151** | **7,016,001** |
| **Results** | | | | |
| Segment results | | | 1,002,621 | 352,774 |
| Unallocated (expenses)/income | | | (59,790) | 6,752 |
| Finance costs | | | (172,836) | (108,759) |
| Share of results of associates | | | 59,798 | 37,935 |
| Profit before tax | | | 829,793 | 288,702 |
| Income tax expense | | | (154,557) | (32,256) |
| Profit after tax | | | 675,236 | 256,446 |

**14. In the view of performance, the factors leading to any materials changes in contribution to turnover and earnings by the business or geographical segments.**

Not applicable.

**15. A breakdown of sales**

| | | GROUP | | |
|---|---|---|---|---|
| | | 2007 US$'000 | 2006 US$'000 | % Increase/ (Decrease) |
| (a) | Sales reported for first half year | 4,964,942 | 3,053,147 | 63% |
| (b) | Operating profit after tax before deducting minority interests reported for first half year | 173,412 | 116,158 | 49% |
| (c) | Sales reported for second half year | 11,501,209 | 3,962,854 | 190% |
| (d) | Operating profit after tax before deducting minority interests reported for second half year | 501,824 | 140,288 | 258% |

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

| | Latest Full Year US$'000 | Previous Full Year US$'000 |
|---|---|---|
| Ordinary | 21,556 | 6,000 |
| Preference | - | - |
| **Total** | **21,556** | **6,000** |

**17. Interested Person Transactions**

| Name of Interested Person | Aggregate value of all Interested Person Transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all Interested Person Transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)* |
|---|---|---|
| | **FY2007 US$'000** | **FY2007 US$'000** |
| Archer Daniels Midland Group | 9,600 | 3,568,118 |
| Wilmar International Holdings Limited | NIL | 895 |
| Wilmar Holdings Pte Ltd Group | NIL | 1,453,791 |
| Kuok Khoon Ean's Associates | 19,278 | NIL |
| Martua Sitorus' Associates | 540 | 37,544 |
| Kuok Khoon Hong's Associates | 193 | 241 |
| PPB Group | 14,286 | NIL |

BY ORDER OF THE BOARD

…………………………..……
KUOK KHOON HONG
Chief Executive Officer

28 February 2008

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