Offering Circular dated 13 October 2009

Olam International Limited

(Incorporated in the Republic of Singapore)
Company Registration Number 199504676H

U.S.$400,000,000
6 per cent. Convertible Bonds due 2016

(Subject to an upsize option in respect of U.S.$100,000,000 in principal amount of 6 per cent. Convertible Bonds due 2016 granted to the Joint Lead Managers, as described below)

Issue price: 100 per cent.

The U.S.$400,000,000 6 per cent. Convertible Bonds due 2016 (the "Bonds") will be issued by Olam International Limited (the "Issuer" or "Olam"). The Issuer has granted J.P. Morgan (S.E.A.) Limited and Standard Chartered Bank (the "Joint Lead Managers") an upsize option, exercisable at any time on or before the 30th day following the Closing Date (as defined herein), to subscribe for up to an additional U.S.$100,000,000 in principal amount of the Bonds. The Joint Lead Managers have on 1 October 2009 exercised the upsize option in full in respect of U.S.$100,000,000 in principal amount of the Bonds, provided that the Option Closing Date (as defined in the Subscription Agreement) shall be postponed until such date as all relevant approvals as described herein are obtained from the shareholders of the Issuer. References to the Bonds herein include those Bonds (if any) issued pursuant to the upsize option. Interest on the Bonds will be payable semi-annually in arrear on the interest payment dates falling on 15 April and 15 October of each year. The first interest payment will be made on 15 April 2010.

The Bonds are convertible into ordinary shares of the Issuer (the "Shares") at any time on or after 25 November 2009 up to the close of business (at the place where the Bonds are deposited for conversion) on 5 October 2016, unless previously redeemed, converted, or purchased and cancelled and except during a Book Closure Period (as defined herein). The conversion price (subject to adjustment in the manner provided herein) (the "Conversion Price") will initially be S$3.0853 per Share. The Shares are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). On 9 October 2009, the closing price of the Shares on the SGX-ST was S$2.550 per Share. See Terms and Conditions of the Bonds ("Terms and Conditions") — "Conversion" and "Information Concerning the Shares".

At any time on or after 15 October 2014, and prior to the date falling seven business days (as defined herein) prior to the Maturity Date (as defined herein), the Issuer may, having given the requisite notice to the Bondholders (as defined herein), mandatorily convert all but not some only of the Bonds outstanding into Shares, provided that the Volume Weighted Average Price (as defined herein) of the Shares translated into US dollars at the then prevailing US dollar/S$ exchange rate, for each of 20 consecutive Trading Days (as defined herein), the last of which occurs not more than 10 Trading Days prior to the date upon which notice of conversion is published, was at least 130 per cent. of the applicable Conversion Price (as defined herein) then in effect translated into US dollars at the rate of S$1.44 = U.S.$1.00.

Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed on the Maturity Date at 100 per cent. of their principal amount, together with unpaid accrued interest (if any) calculated in accordance with the Terms and Conditions. The Bonds may also be redeemed in whole but not in part at any time at the option of the Issuer at 100 per cent. of their principal amount together with accrued, but unpaid, interest at the date fixed for such redemption (i) if the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including further issues) or (ii) in the event of certain changes in the laws and regulations relating to taxation in Singapore. Holders of the Bonds will have the right to require the Issuer to redeem the Bonds at a price equal to 100 per cent. of their principal amount together with accrued, but unpaid, interest, in the event that the Shares cease to be listed or admitted to trading or suspended for a period equal to or exceeding 30 days on the SGX-ST, or if applicable, the Alternative Stock Exchange (as defined herein) or upon the occurrence of a Change of Control (as defined herein). Subject to certain terms and conditions, the Issuer may, at its option, satisfy its obligation to pay the relevant redemption amount on the Maturity Date, in full or in part, by delivering Shares to the holders of the Bonds in accordance with the Terms and Conditions.

Approval in-principle has been received for the listing of the Bonds and the new Shares to be issued on conversion of the Bonds. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offering Circular. Approval in-principle for the listing of the Bonds and the new Shares to be issued on conversion of the Bonds is not to be taken as an indication of the merits of the Bonds, the Shares, the Issuer and/or its subsidiaries.

For a discussion of certain investment considerations relating to the Bonds, see "Risk Factors".

The Bonds will be represented by the Global Certificate (as defined herein) in registered form, deposited with a common depository for, and registered in the name of a nominee of a common depository for, Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on or about 15 October 2009, being the closing date (the "Closing Date"), for the accounts of their respective accountholders.

The Bonds and the Shares to be issued upon conversion of the Bonds or following exercise by the Issuer of its Stock Settlement Option (as defined herein) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States in reliance on Regulation S of the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds and the Shares to be issued upon conversion of the Bonds and the distribution of this Offering Circular, see "Subscription and Sale".

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("MAS") and the Bonds are offered by the Issuer pursuant to exemptions invoked under Sections 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Joint Lead Managers

J.P.Morgan

Standard Chartered

The Issuer accepts full responsibility for the information contained in this Offering Circular and, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Issuer, its subsidiaries and associated companies (as defined in the SGX-ST Listing Manual), the Bonds and the Shares which is material in the context of the issue and offering of the Bonds. Where information contained in this Offering Circular includes extracts from summaries of information and data from various published and private sources, the Issuer accepts responsibility for accurately reproducing such summaries and data.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Lead Managers, The Bank of New York Mellon, London Branch (the "Trustee") or the Agents (as defined herein) to subscribe for or purchase any of, the Bonds or Shares and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Bonds and distribution of this Offering Circular, see "Subscription and Sale".

None of the Joint Lead Managers, the Trustee or any of the Agents has separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers, the Trustee or the Agents as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with the Bonds or the Shares. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee, the Agents or on any person affiliated with the Joint Lead Managers, the Trustee or the Agents in connection with its investigation of the accuracy of such information or its investment decision.

This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by either the Issuer, the Joint Lead Managers, the Trustee or the Agents that any recipient of this Offering Circular should purchase the Bonds. Each potential purchaser of the Bonds should determine for himself the relevance of the information contained in this Offering Circular and his purchase of the Bonds should be based upon such independent investigations and consultations with his own tax, legal and business advisers as it deems necessary.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Joint Lead Managers, the Trustee or the Agents. The delivery of this Offering Circular at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Bonds, including the merits and risks involved. See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Singapore" are references to the Republic of Singapore, all references to the "US" and "United States" are references to the United States of America and all references to the "UK" are references to the United Kingdom. All references to "Government" herein are references to the government of the Republic of Singapore and all references to "FY" herein are to the financial year ended or ending 30 June. All references to "Group" herein are to the Issuer, its subsidiaries and associated companies, except where such references are made in the context of the financial information, whereupon the references to "Group" shall mean the Issuer and its subsidiaries only. All references to "Singapore dollars" and "S$" are to the lawful currency of Singapore, all references to "US dollars" or "U.S.$" are to the lawful currency of the United States of America and all references to "euro", "Euro" and "EUR" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. For convenience, unless otherwise specified, certain US dollar amounts have been translated into Singapore dollars based on the exchange rate of S$1.44 = U.S.$1.00. Such transactions should not be construed as representations that the US dollar amounts referred to could have been, or could be, converted into Singapore dollars at that or any other rate or at all.

Certain monetary amounts in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Issuer nor the Joint Lead Managers make any representation as to the accuracy of that information.

In connection with the issue of the Bonds, J.P. Morgan (S.E.A.) Limited as the stabilising manager (the "Stabilising Manager") or any person acting on its behalf may, to the extent permitted by applicable laws and rules, effect transactions with a view to support the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Circular constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Olam or the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Olam's and the Group's present and future business strategies and the environment in which Olam or the Group will operate in the future. Among the important factors that could cause Olam's or the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, amongst others, the following:

- conditions of and changes in the social, economic and political condition and regulatory environment in the countries/territories that the Group operates in and/or where the Group's customers and suppliers are located;
- changes in the competitive conditions in the Group's industry and the Group's ability to compete under those conditions;
- changes in the future capital needs of the Group and the availability of financing and capital to fund those needs;
- changes in commodity prices;
- risk of not being able to implement the new strategies outlined by the Group;
- risk of being unable to realise the anticipated growth opportunities;
- changes in the availability and effectiveness of futures contracts or other derivative instruments as hedging instruments, and the risks associated with such instruments;
- changes in currency exchange rates;
- changes in short-term and long-term interest rates; and
- changes in customer preferences and needs.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" and "Business". These forward-looking statements speak only as of the date of this Offering Circular. Save for its obligations under the SGX-ST Listing Manual, Olam expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Olam's or the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

TABLE OF CONTENTS

SUMMARY

This summary highlights information contained elsewhere in this Offering Circular. This summary may not contain all of the information that should be considered before deciding to invest in the Bonds. The Issuer recommends reading this entire Offering Circular carefully, including the financial statements and related notes appearing elsewhere in this Offering Circular and under "Risk Factors".

Overview

The Group is a leading globally-integrated supply chain manager of agricultural products and food ingredients. Headquartered in Singapore, the Group operates in more than 60 countries and sources and supplies 20 products to more than 10,000 customers in 60 markets and countries ("Destination Markets"). The Issuer was established in 1989 as a division of the Kewalram Chanrai Group (the "KC Group") to operate its agri-business and was duly incorporated under the laws of Singapore in July 1995. Since the establishment of the business, the Issuer has evolved from a single-country, single-product trader to a multi-country, multi-product integrated supply chain manager. The expansion of the Group has been possible as a result of pursuing growth strategies by exploiting adjacent opportunities, which it defines as developing opportunities in agricultural products and food ingredients which share customers, costs, capabilities and distribution channels with its existing operations.

As at 9 October 2009, the Group's portfolio of 20 agricultural products and food ingredients comprised of cashews, peanuts, almonds, spices and dehydrates, sesame, beans, cocoa, coffee, sheanuts, rice, sugar, wheat, barley, palm, dairy products, packaged foods, cotton, wool, wood products and rubber. The Group is engaged in the sourcing, processing, storage, transportation, shipping, distribution, trading and marketing of these agricultural products and food ingredients to customers in the Destination Markets. The Group manages the risks present at each stage of the supply chain through its risk management system. The Group's profitability is driven primarily by growth in underlying trade volumes handled and also the extent to which it can charge a premium for value-added services, and realise cost savings at various stages of the supply chain.

As at 9 October 2009, the Issuer's issued and paid-up share capital was S$1,154,305,463.27 comprising 1,992,336,183 shares. The Issuer's shares are listed on the Mainboard of the SGX-ST.

For the years ended 30 June 2008 and 2009, the Group had, on a consolidated basis, revenue of S$8.1 billion and S$8.6 billion respectively and net profit of S$167.7 million and S$252.0 million respectively. As at 30 June 2008 and as at 30 June 2009, the total assets of the Group (combining non-current and current assets) on a consolidated basis amounted to S$5.2 billion and S$5.4 billion respectively.

History and Development

Since the Issuer's establishment in 1989, and throughout its evolution from a single-country, single-product trader in 1989, to a multi-national, multi-product integrated supply chain manager it has expanded into adjacent products, geographic markets, customers and supply chain activities through organic and inorganic growth.

The Group's history and development can be categorised into four phases:

Formative Years: 1989 to 1992

The foundations of the Issuer's business date back to the KC Group which has over 140 years of trading history. The Issuer's business was first established in 1989 as a division to start the KC Group's agri-business enterprise and to generate foreign exchange.

From 1990 to 1995, the KC Group's agri-business was headquartered in London and operated under the name of Chanrai International Limited. The business began with the export of cashews and then expanded into exports of cotton, cocoa and sheanuts from Nigeria. This allowed the development of the Group's origination capabilities and expertise in sourcing, processing and marketing of agricultural products. During this phase, the Group's business was a single-country, multiple-product operation.

Business Model Development: 1993 to 1995

Between 1993 and 1995, the business grew from a single-country operation into multiple origins ("Origins" or "Origin Countries" being producing countries from which the Group procures its food ingredients and/or agricultural products), first within West Africa (including Benin, Togo, Ghana, Cote d'Ivoire, Burkina Faso, Senegal, Guinea Bissau, Cameroon and Gabon), and then to East Africa (Tanzania, Kenya, Uganda, Mozambique and Madagascar) and then India. This move into multiple Origins coincided with the deregulation of the agricultural commodity markets.

Global Expansion: 1996 to 2002

The Issuer was incorporated in Singapore on 4 July 1995 under the Companies Act, Chapter 50 of Singapore (the "Act") as a public limited company. Subsequently, in 1996, the Issuer relocated its entire operations from London to Singapore at the invitation of the Singapore Trade Development Board (now International Enterprise Singapore).

Upon relocation to Singapore, the KC Group's agri-business was reorganised to be wholly-owned by the Issuer.

During this phase, the Group applied its business model to capitalise on growth opportunities present in its various businesses. Singapore became the corporate headquarters and the key marketing and trading centre for all its operations. To focus further on quality customer service, marketing offices were opened in Poland, the Netherlands, France, the UK, Italy and the US. The Group also successfully established sourcing and marketing operations in Indonesia, Vietnam, Thailand, China, Papua New Guinea, Middle East, Central Asia and Brazil.

Raising Capital for Future Growth: 2003 to 2005

By 2002, the Group had expanded to nine products and 30 countries with total revenues of approximately U.S.$1.6 billion and profit after tax of approximately U.S.$25 million for FY2002. At this stage, the Group approached various established institutional investors, including Russell AIF Singapore Investments Limited (managed by AIF Capital Limited), Seletar Investments Pte Ltd (a wholly-owned subsidiary of Temasek Holdings (Private) Ltd ("Temasek Holdings")) and International Finance Corporation (a member of the World Bank Group) to raise funds for future growth.

Over this period, the Group consolidated its global leadership positions in most of its products and expanded into new products such as peanuts, beans, dairy products and packaged foods.

On 31 January 2005, the Issuer launched its initial public offering ("IPO") of 375 million shares at S$0.62 per share. Measured against the market capitalisation of companies then listed on the Main Board of the SGX-ST, the Issuer ranked among the 50 largest listed companies with a market capitalisation of S$929 million at the invitation price. The Issuer's placement tranche of 345 million shares (from its 375 million shares) attracted strong interest from local and global institutional investors as well as leading institutional fund managers. The Issuer completed the IPO of its shares, and was admitted to the Official List of the SGX-ST on 11 February 2005.

Building a Global Leader: 2006 to Present

In FY2006, the Group developed and communicated to investors a merger and acquisitions ("M&A") framework, so that going forward, acquisitions will form an integral part of the Group's growth strategy alongside organic growth.

The Group intends to pursue acquisitions in three areas, namely:

- new product adjacency — entailing planned expansion into nine new product adjacencies closely linked to the Group's core business over the next six years;

- new value chain adjacency — in several individual business strategic plans, there are initiatives envisaged for primary or secondary processing, where an acquisition would be a better entry strategy, for example, soluble coffee manufacturing, origin cocoa processing, sugar milling and refining. Organic initiatives in this area could mean significant gestation, as well as extended time required to acquire the necessary technical know-how and insight; and

- bolt-on acquisitions in key geographic areas where the Group intends to accelerate or ramp up growth, for example, in markets like China, Brazil, India and the US.

Employing a disciplined, "string of pearls" approach, no individual transaction is expected to exceed 10 per cent. of the Group's market capitalisation, with an expected focus on transactions that are closer to 5 per cent. of the Group's market capitalisation. On aggregate, the Group does not envisage spending more than 15 per cent. of its market capitalisation on acquisitions in any given year.

Below is a description of major growth and capital raising milestones in respect of the Group from 2006 to 2007.

On 10 April 2006, the Issuer announced that it has established a joint venture company in Indonesia known as PT Agronesia Bumi Persada ("Agronesia"), jointly with PT Prinavin Lestari Pratama ("Prinavin"), to be engaged in expanding further opportunities of sourcing and distribution of agricultural commodities from and into Indonesia.

On 18 August 2006, the Issuer signed a letter of intent with Taloca and Cia Limitada ("Taloca"), a subsidiary of Kraft Foods International, to acquire its green coffee processing unit in Colombia. This acquisition of Taloca's Colombian processing facility, which has since been completed, is a significant step in the Issuer's ambition to become a leading global player in the Arabica coffee business and accelerates its entry into this space.

On 25 August 2006, the Issuer announced its acquisition of the peanut shelling and processing unit from Senwes, a company based in South Africa. The acquisition is in line with the Issuer's overall strategy within the peanuts segment and overall edible nuts segment to set up direct procurement, shelling and blanching operations in all major production centres. The Group is now able to offer the entire range of in-shell, blanched and kernel grade peanuts, from Origins that account for a majority of the world's peanuts trade flow.

On 27 October 2006, the Issuer and Archer Daniels Midland Company ("ADM") concluded a joint acquisition of Usicam, Cameroon ("Usicam") from SAGA SA, France, a Groupe Bolloré company. In addition, Usicam had acquired the cocoa processing assets of SDV, Cameroon — another Groupe Bolloré company. The Issuer and ADM each owns 50.0 per cent. of Usicam, and have partnered to ensure that cost economies and usage efficiencies may be offered to the cocoa suppliers in Cameroon before they export the beans.

On 7 March 2007, the Issuer announced an off-market takeover offer to acquire all of the shares in Queensland Cotton Holdings Limited ("QCH"). The proposed combination of the cotton business of the Issuer and QCH was expected to create the third largest and most diversified global cotton company with substantial sourcing operations in Africa, Australia, Brazil, Commonwealth of Independent States, India, China and the United States along with a strong presence in all major world markets.

On 13 July 2007, the Issuer announced the receipt of acceptances for more than 90.0 per cent. of the shares outstanding in QCH, and that it has a relevant aggregate interest in approximately 90.8 per cent.

of QCH, providing the Issuer the right to compulsorily acquire all the remaining shares outstanding. The acquisition of 100.0 per cent. shares in QCH was completed in October 2007.

On 22 April 2007, the Issuer announced its intention to acquire 100.0 per cent. of the world's largest independent peanut blancher and ingredient processor, Universal Blanchers L.L.C. ("UB") for a total cash consideration of U.S.$77.0 million. The Issuer acquired UB in June 2007. This acquisition has enabled the Issuer to expand into peanut blanching and ingredient manufacturing in the United States.

On 14 June 2007, the Issuer announced the acquisition of approximately 17.0 per cent. of the total outstanding shares of Open Country Cheese Company Limited ("OCC"), a fast growing dairy processing company in New Zealand. This strategic stake acquisition has enabled the Group to gain valuable exposure to the dairy business in New Zealand. The Group acquired further shares of OCC on 15 June 2007, bringing its shareholding in OCC to 19.9 per cent.

On 27 August 2007, the Issuer announced its intention to acquire 100.0 per cent. equity interest in Key Foods Ingredients LLC and its subsidiaries ("KFI"), a processor and global supplier of dehydrates to the food processing industry for a total consideration of approximately U.S.$16 million. The acquisition of KFI was expected to enhance the Group's presence in the overall spice value chain, helping the Group move from being primarily a whole spices supplier, to offering a basket of spice ingredients to its customers. The acquisition of KFI was completed on 12 November 2007.

On 12 September 2007, the Issuer announced its intention to acquire 100.0 per cent. equity interest in Naarden Agro Products B.V. ("NAP"), an international supply chain manager of industrial caseins, for a total consideration of approximately Euro 3.3 million. Entry into the casein business is a one-step product adjacency for the Group as sourcing the raw casein for NAP shares the same sourcing channels as the Group's existing dairy business in the countries it operates in, providing significant synergies in cross-sourcing with only marginal additional investment. The acquisition of NAP was completed on 12 November 2007.

On 2 October 2007, the Issuer announced its intention to acquire 100.0 per cent. equity interest in PT Dharmapala Usaha Sukses ("PT DUS"), a sugar refinery based in Indonesia for a total cash investment of U.S.$12.6 million. Of this amount, U.S.$5.0 million was paid to shareholders of PT DUS while the balance amount of U.S.$7.6 million was utilised to purchase outstanding debt obligations from PT Bank Danamon Indonesia Tbk. The acquisition is an all-cash transaction and was funded by a combination of borrowings and internal accruals. The Group will further invest an estimated U.S.$12.0 million to (a) upgrade and raise PT DUS' production and (b) install a boiler to enable switching to coal, a lower cost feedstock. The acquisition of PT DUS provides the Group the opportunity to participate in the growing sugar refining sector in Indonesia. On 13 December 2007, the Issuer announced the completion of the acquisition of PT DUS.

On 9 October 2007, the Issuer announced that it will invest approximately U.S.$45.0 million in a green field integrated soluble (instant) coffee manufacturing facility in Vietnam, that produces and supplies bulk spray-dried coffee powder, freeze-dried coffee granules and coffee extracts to the unbranded and private coffee label segment. The expansion into soluble coffee manufacturing is a one-step adjacency move for the Group into a higher value-added activity in the coffee supply chain, where there is a sharing of customers, costs and channels. The investment is currently progressing as scheduled.

On 15 November 2007, the Issuer announced the establishment of a 50:50 joint venture, Nauvu Investments ("Nauvu"), with Wilmar International Limited ("Wilmar"), a company listed on the SGX-ST. Nauvu will invest in integrated palm oil, natural rubber and sugar assets in Africa, including upstream plantations, midstream processing and downstream merchandising and distribution operations and will be making initial investments into the SIFCA Group, one of Africa's largest agro-industrial groups with diversified interests across palm oil, cotton seed oil, natural rubber and sugar sectors in Africa. Nauvu was incorporated on 19 November 2007. Establishment of the joint venture was completed in December 2008.

On 9 January 2008, the Issuer announced the incorporation of Outspan Café Vietnam Limited ("Outspan"), a company incorporated in Vietnam. The principal activities of Outspan are those of sourcing, processing and supply chain management of agricultural products and food ingredients.

On 22 April 2008, the Issuer issued 155,628,689 new Shares pursuant to a non-renounceable and non-transferable preferential offering, raising net proceeds of S$303 million.

On 20 June 2008, the Issuer announced that it had won an international bid to acquire a cotton gin in the Ouangolo region of Cote d'Ivoire from La Compagnie Cotonniere Ivoirenne for U.S.$5.0 million. The acquisition comprises of one cotton gin with an annual ginning capacity of 35,000 tonnes of seed cotton and its related infrastructure, as well as a catchment area of nearly 35,000 hectares that can produce up to 20,000 tonnes of cotton lint annually. This investment is in line with the Group's growth strategy for cotton in Africa which is to seek growth opportunities in ginning and in building integrated cotton supply chain operations in the major exporting countries such as Cote d'Ivoire.

On 1 July 2008, the Issuer announced the formation of Olam Wilmar Investment Holdings, a 50:50 joint venture company established with Wilmar, to acquire a 20.0 per cent. interest in PureCircle Limited ("PureCircle") from existing shareholders for an aggregate consideration of U.S.$106.2 million. As a producer of natural zero-calorie high-intensity sweeteners from the stevia plant, PureCircle operates an integrated supply chain for natural high-intensity sweeteners with activities ranging from sourcing of dry stevia leaves and extraction in China, refining of crude extracts into sweeteners in Malaysia and marketing of these sweeteners to food and beverage manufacturers worldwide. The Issuer believes that this joint investment is consistent with the Group's growth strategies of diversifying and entering into new adjacent products and extending its global supply chain selectively into adjacent value-chain segments.

On 3 July 2008, the Issuer issued an aggregate of U.S.$300,000,000 1 per cent. Convertible Bonds due 2013 (the "Existing Bonds"), which are convertible into ordinary shares of the Issuer.

On 8 July 2008, the Issuer announced the acquisition of a 24.99 per cent. stake in Dairy Trust Limited.

On 22 September 2008, the Issuer announced the successful completion of a 3-year U.S.$115 million Islamic syndicated commodity Murabaha facility.

On 3 November 2008, the Issuer announced the acquisition of a sugar milling complex from Giridharilal Sugar and Allied Industries Ltd in India for a total consideration of U.S.$9.9 million.

On 18 December 2008, the Issuer announced the acquisition of a dehydration facility located in Firebaugh, California from De Francesco and Sons, Inc.

On 19 December 2008, the Issuer completed a tender offer of the Existing Bonds pursuant to which the Issuer repurchased from the holders of the Existing Bonds an aggregate principal amount of U.S.$117,600,000 of Existing Bonds.

On 22 December 2008 and 29 December 2008, the Issuer completed further on-market repurchases of an aggregate principal amount of U.S.$1,000,000 and U.S.$5,000,000 respectively (all Existing Bonds repurchased pursuant to the tender offer and the on-market repurchases are collectively referred to herein as the "Repurchased Bonds"). The Issuer cancelled the Repurchased Bonds. The aggregate principal amount of Existing Bonds remaining outstanding following cancellation of the Repurchased Bonds was U.S.$176,400,000.

On 2 February 2009, the Issuer announced the acquisition by its subsidiary, Olam Argentina, of a leading peanut shelling and blanching company Industria Martin Cubero for a total consideration of approximately U.S.$7.0 million. The acquisition was an all-cash transaction and was funded by a combination of existing loans and internal accruals.

On 12 February 2009, the Issuer announced the completion of a U.S.$33 million export credit loan facility.

On 4 March 2009, the Issuer completed an exchange offer of the Existing Bonds (the "Exchange Offer") pursuant to which the Issuer had accepted for exchange U.S.$136,000,000 in aggregate principal amount of the Existing Bonds (the "Exchanged Bonds") and issued U.S.$106,080,000 in aggregate principal amount of 1.2821 per cent. Convertible Bonds due 2013 of the Issuer convertible into ordinary shares of the Issuer (the "Issued New Bonds"). The Issuer had cancelled the Exchanged Bonds. The aggregate principal amount of Existing Bonds remaining outstanding following cancellation of the Repurchased Bonds and the Exchanged Bonds was U.S.$40,400,000 (the "Remaining Existing Bonds").

On 17 March 2009, the Issuer announced that it had renewed and upsized a U.S.$170 million 1-year revolving multicurrency trade facility (the "Facility") from Standard Chartered Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd, Singapore Branch, ING Bank N.V, Singapore Branch and Sumitomo Mitsui Banking Corporation, Singapore Branch. The Issuer will use the Facility to finance its cocoa and coffee operations and working capital requirements in Nigeria and the Ivory Coast.

On 23 March 2009, the Issuer entered into exchange agreements with certain holders of some of the Remaining Existing Bonds, pursuant to which the Issuer agreed to accept for exchange U.S.$21,200,000 in aggregate principal amount of the Remaining Existing Bonds (the "Further Exchanged Bonds") and issue U.S.$16,536,000 in aggregate principal amount of 1.2821 per cent. Convertible Bonds due 2013 of the Issuer convertible into ordinary shares of the Issuer (the "Additional New Bonds", and both Issued New Bonds and Additional New Bonds are collectively referred to herein as the "New Bonds") on terms identical to that of the Exchange Offer (the "Further Bond Exchange").

On 27 March 2009, the Issuer announced that settlement of the Further Bond Exchange had taken place. Following the completion of the Further Bond Exchange:

(a) the aggregate principal amount of New Bonds issued by the Issuer pursuant to the Exchange Offer and the Further Bond Exchange was U.S.$122,616,000; and

(b) the Issuer has cancelled the Further Exchanged Bonds. The aggregate principal amount of Existing Bonds remaining outstanding following cancellation of the Exchanged Bonds and the Further Exchanged Bonds is U.S.$19,200,000.

On 15 May 2009, the Issuer announced that it had acquired the remaining 60 per cent. interest in Lamco Srl ("Lamco"), a 40 per cent. owned associate company of the Issuer by an injection of S$199,400 in the capital of Lamco. The remaining 60 per cent. interest held by Cosco Cafimport Srl, the joint venture partner in Lamco was cancelled with Lamco becoming a 100 per cent. owned subsidiary of the Issuer. Lamco is a limited liability company incorporated in Italy and is principally involved in the trading of agricultural commodities.

On 26 June 2009, the Issuer announced that the agreement by its wholly-owned subsidiary Olam Tomato Processors Inc. to purchase selected assets of major U.S. tomato processor, SK Foods, L.P. and its wholly-owned subsidiary RHM Industrial/Specialty Foods, Inc. in California has been approved by the United States Bankruptcy Court in Sacramento. The purchase value was U.S.$39 million.

On 15 July 2009, the Issuer announced that it had issued 273.46 million new shares at S$1.60 per share to raise gross proceeds of S$437.5 million, representing 13.76 per cent. of the enlarged issued and paid-up capital of the Issuer to Breedens Investments Pte Ltd and Aranda Investments Pte Ltd, both indirect wholly-owned subsidiaries of Temasek Holdings.

On 20 July 2009, the Issuer announced that it had completed the divestment of its entire 51 per cent. stake, which comprised of 51,000 shares, in Agronesia pursuant to the sale and purchase agreements entered into with Prinavin and Liestyana Rizal Gusman. Agronesia is a 51:49 joint venture company in Indonesia formed with the intention of exploring further opportunities of sourcing and distribution of agricultural commodities from/into Indonesia for the products in Olam's portfolio. Since its formation in 2006, Agronesia remained a dormant company and the intended activities did not materialise.

On 27 August 2009, the Issuer announced that it received commitments from a group of banks for a fully underwritten U.S.$540 million syndicated transferable term loan facility comprising two tranches, namely (i) a three-year term loan of U.S.$324 million and (ii) a five-year term loan of U.S.$216 million. The proceeds of that facility will be used towards refinancing of existing debt, as well as for working capital and for general corporate funding requirements of the Issuer, including capital expenditure and expansion of its supply chain management business.

On 27 August 2009, the Issuer also announced that it had successfully closed a 12-month U.S.$100 million Islamic revolving trade finance facility arranged by the Islamic Bank of Asia Limited. The syndication is a further expansion by the Issuer into the Islamic financing market after successfully closing a 3-year syndication in September 2008.

On 1 September 2009, the Issuer announced the acquisition of a 14.35 per cent. stake in New Zealand Farming Systems Uruguay ("NZFSU"), an operator of large scale New Zealand-style dairy farming operations in Uruguay. The Issuer had purchased this stake for a cash consideration of NZ$14.37 million.

Listed on the New Zealand stock exchange, NZFSU was established in 2006 by PGG Wrightson Ltd, New Zealand's leading rural services company, with the aim of providing an opportunity to New Zealand farmers and investors to benefit from the export of their world-leading dairy farming practices. NZFSU was formed for the purpose of applying New Zealand's high performing pastoral based farming systems to extensive areas of high quality, low cost and under-utilised Uruguayan farm land for dairy farming. The acquisition is in line with the Group's strategy, which includes participation in dairy farming in low cost origins that will strengthen its market position in the dairy industry and significantly raise its margin profile.

On 16 September 2009, the Issuer announced that it was proposing a scrip dividend scheme. Under the scheme, shareholders of the Issuer entitled to dividends may elect to receive either cash or an allotment of ordinary shares in the capital of the Issuer credited as fully paid, in lieu of the whole or such part of the cash amount of the dividend to which the scheme applies, as determined by the directors of the Issuer. This scheme received the in-principle approval of the SGX-ST on 15 September 2009.

On 16 September 2009, the Issuer announced that it was proposing a share buyback mandate authorising the Issuer to purchase or acquire its Shares.

On 18 September 2009, the Issuer announced the signing of a definitive agreement to acquire 8,096 hectares of planted almond orchards and 40,825 mega litres of permanent water rights from Timbercorp Limited and its associated entities, through its liquidation process. The total cash consideration is A$128 million in cash, which will be funded from a combination of internal accruals and existing credit facilities. The transaction is subject to certain regulatory approvals and other customary closing conditions. The acquisition is in line with the Issuer's recently announced corporate strategy which outlined a thrust towards upstream initiatives in plantations and farming, as well as midstream initiatives in value-added processing. Successful completion of this acquisition would make the Issuer Australia's largest almond grower and place it amongst the top three almond growers globally. The transaction is expected to be earnings and value accretive from FY2010.

As at 9 October 2009, the Group operates in over 60 countries as indicated in the diagram set out on the next page.

Our Global Presence

- Marketing and Origination Offices
- Processing Factories
- Plantations / Farms / Forestry Concessions

Competitive Strengths

The Group is a leading global supplier to multi-national food companies

In all of the Group's operations, it has established strong relationships with end-customers including multi-national corporations, which own internationally recognised brands such as Cadbury, Nestlé, Lavazza, Mars, Tchibo and Planters. The Group believes that these strong relationships are built on its leading global market positions. For example, the Group is:

- one of the largest suppliers by market share in the global trade of raw cashew nuts;
- one of the largest suppliers by market share in the global trade of Robusta coffee;
- one of the top three suppliers by market share in the global trade of cocoa;
- one of the largest suppliers by market share in the global trade of teak wood;
- one of the largest suppliers by market share in the global trade of cotton;
- the largest almond orchard owner in Australia once the acquisition from Timbercorp Limited and its associated entities as announced on 18 September 2009 is completed;
- one of the top three global suppliers by market share in the global trade of rice; and
- one of the top five global suppliers by market share in the global trade of peanuts.

As a market leader, the Group has a detailed understanding of its customers' product requirements, which enables it to offer differentiated products, supply chain solutions and value-added services including organic certification, product traceability, customised quality, vendor-managed inventory systems ("VMI") and risk management solutions. The Group believes that its customers value it as a reliable counterparty and a long-term business partner.

The Group has a proven business model

The Group has a proven and flexible business model which enables it to achieve rapid and cost-effective organic and inorganic growth. This business model is scalable and replicable across diversified products, geographic markets, customers and supply chain activities. Since its establishment, the Group has evolved from a single-country, single-product trader to a multi-country, multi-product integrated supply chain manager. The Group's expansion has been possible as a result of pursuing growth strategies by exploiting adjacent opportunities which it defines as developing opportunities in agricultural products and food ingredients which share customers, costs, capabilities and distribution channels with its existing operations.

The Group operates across the entire supply chain in almost all of its 20 products. The Group sources and exports out of approximately 60 countries across Africa, Asia and the Middle East, North and South America, and operates trading and marketing operations out of approximately 60 countries. The Group's business model enables it to have the following competitive advantages:

Rapid Organic and Inorganic Growth

The Group's business model allows it to explore multiple growth opportunities based on common geographic markets, products, customers and channels shared with its existing operations and as such, it believes it is able to grow rapidly both organically and through strategic acquisitions. At the same time, because the Group's expansion initiatives are based on existing competencies, infrastructure, resources and/or customers, it is able to reduce the execution risks of expanding into new areas and thereby scale up its operations more effectively and efficiently.

Cost Sharing

In any given Origin, the Group utilises the same infrastructure and people across multiple products. The Group sources products with complementary crop seasons such that its infrastructure is utilised all year round. Functions such as audit, accounting, treasury and risk control systems become more cost effective when commonly employed by all of the Group's operations. The Group seeks to optimise its product mix, which helps it share costs more effectively and makes it more cost competitive.

Diversification

The Group integrates its knowledge and expertise across products, geographic markets and supply chain activities to create a diversified portfolio of products and services. In any given product segment, the Group consciously selects a mixture of northern and southern hemisphere Origins so that its trading and marketing infrastructure is constantly utilised and that sourcing activities for such products can be conducted throughout the year. The Group is present in key producing countries, which allows it to service its customers better in terms of quality, quantity and timeliness. The Group's geographical diversity results in it not being over-exposed to any single Origin for any given product. The Group seeks to export out of countries that it also imports into in order to help hedge against currency risks. This is particularly relevant where the currencies in question are not traded on foreign exchange markets as this process allows the Group to create a natural hedge against currency movements.

The Group has integrated end-to-end supply chain capabilities

The Group has integrated end-to-end capabilities across the supply chain in each of its products, which allows it to control its supply chain, provide value-added services and potentially increase its margins.

Control of the supply chain

End-to-end integration capabilities provide the Group with greater control over its supply chain, which in turn enables it to provide quality and timely services with greater certainty than if it was relying on third parties. Operating presence over the entire supply chain provides the Group with comprehensive information relating to demand and supply, which allows it to react quickly to volatile market conditions.

Provision of value-added services

Being integrated across the entire supply chain ensures that the Group has an unbroken chain of custody over its products from the point of collection from a supplier in a producing country (the "Farm Gate") to the point of delivery to a customer (the "Factory Gate"). This allows the Group to provide value-added services such as traceability, hygiene certification, VMI and special grades of products to meet the Group's customers' requirements. Offering such value-added services enhances customer loyalty and improves supply chain margins.

Potential to increase the Group's margins

End-to-end integration capabilities allow the Group to potentially increase its margins by reducing the role of third party intermediaries, including agricultural raw material processors and logistics service providers. Participation across the entire supply chain also helps the Group to secure a minimum level of margin.

The Group has successfully combined origination capabilities with capabilities in the Destination Markets

Origin management is one of the Group's key competencies. The Group has a track record of identifying origination opportunities, setting up and managing procurement and distribution infrastructure and institutionalising field operating systems effectively. The Group sources its various products using a common infrastructure and employs field staff who are skilled in dealing with multiple products.

The Group is well established across key points of origination of its products. Agricultural production bases are dependent on local climates and soil conditions which make them difficult to relocate. In addition, the production bases of most of the Group's products are located in developing countries, which require deep knowledge of local working conditions. The Group believes these characteristics of the Origins present significant barriers to entry for its competitors.

The Group's business has evolved from the point of origination, which is why it is well suited to handle the challenges of supply chain management from difficult emerging countries. The Group has developed business systems and networks, which enables it to function efficiently in these Origins. The Group believes that its knowledge of global supply conditions and its infrastructure and understanding of all its Origins, provides it with a significant advantage over its competitors at the point of origination in delivering its products to its customers.

At the same time, the Group has developed strong relationships with its customers in the Destination Markets, many of whom are well known food multi-nationals, by providing them with timely, consistent and reliable supplies of their raw material requirements. The strength of the Group's market capabilities in the Destination Markets is a result of the various value-added services it provides its customers including VMI services, grades and quality customisation, traceability, organic raw materials supply capacity, Fair Trade Practice ("FTP") products supply capacity and tailor-made risk management solutions. The Group believes that it is one of the few industry participants who have successfully combined the market skills of a global trade house and the origination skills of an origin trade house. This combination has allowed the Group to develop privileged relationships with its key customers and to offer them its distribution and logistics capabilities, as well as its hedging, risk management and risk arbitrage skills.

The Group has a professional and experienced management team

The Group has consistently attracted high quality professionals to work in the challenging emerging market conditions in which it operates. The Issuer's Executive Directors and Executive Officers have an average of 13 years of experience in the industry. The Group has more than 400 managers in its global talent pool, most of whom have spent a certain minimum number of years working in an Origin Country. Through extensive on-the-ground experience and rigorous training and promotion systems, the Group's managers have developed a common vision and understanding of its values and goals. These help to foster better intra-business communications, disciplined operational management and an entrepreneurial spirit.

The Group's management team consists of a mix of industry experts. The Group has a structured and formalised training programme and a career development programme designed to provide its managers with the opportunity to manage a mix of businesses and locations. This is to provide them with broad knowledge and experience, and also to enhance the Group's ability to operate as a globally integrated organisation. Most of the Group's core management team have had extensive field experience and are therefore adept at managing issues that may arise from operating in developing countries.

The Group is able to retain its personnel by making an effort to promote internally. As at 9 October 2009, a total of 578,208,956 shares (direct and deemed) were held by directors of the Issuer and there were a total of 20,250,000 unissued Shares comprised of options granted to directors of the Issuer under the Olam Employee Share Option Scheme — see "Principal Shareholders — Directors' Shareholdings". This has helped to align their interests with those of the Issuer and foster a sense of commitment.

The Issuer has a diversified base of well-established and reputable investors

The Issuer raised net proceeds of approximately S$185 million in its IPO in 2005. In April 2008, the Issuer successfully raised approximately S$303 million through a preferential offering of new shares to existing investors. On 15 July 2009, the Issuer raised S$437.5 million through an issue of new shares to Breedens Investments Pte Ltd and Aranda Investments Pte Ltd, both indirect wholly-owned subsidiaries of Temasek Holdings. The Group's ability to raise equity financing has provided it with funds to finance its investments and M&A activities and also contributed to the Group's ability to obtain narrower spreads on its bank borrowings.

Strategies

The Group's strategic intent and vision is to be the leading global supply chain manager and processor of agri-commodities by:

(i) serving growers and customers globally;

(ii) pursuing select scalable and attractive niches in upstream and value-added midstream processing; and

(iii) capitalising on the Group's emerging markets expertise.

In August 2009, consistent with historical strategy reviews conducted once every three years, the Group reviewed its business strategy for the forthcoming two three-year cycles (FY2010 to FY2015) as set out more fully in the Group's annual report for FY2009. The current economic crisis is an appropriate juncture to assess opportunities and risks posed by the structural changes in the agri-business industry and has provided an additional impetus to the review process. At the forefront of the Group's strategy is a desire to establish sustainable and profitable growth (both organically and inorganically through acquisitions) that helps build fundamental intrinsic value. In light of this aim and following a detailed analysis of the Group's current competitive position and prospects, five key strategic thrusts have been identified, namely to:

- pursue integrated global value chain leadership;
- selectively expand into value chain adjacencies;
- optimise and extract full value from core activities;
- leverage latent assets and capabilities to grow into new adjacent businesses; and
- downsize, exit or prune unattractive businesses, origins, profit centres and activities.

The Group's governing objective will continue to remain as before, namely, to maximise intrinsic shareholder value for its long-term or continuing shareholders in an ethical, socially responsible and environmentally sustainable way. The specific drivers and goals to achieve its governing objective include to:

(i) double intrinsic shareholder value every three years or quadrupling it over the six-year time frame;

(ii) increase equity spread by at least 10% (Return on equity ("ROE") minus cost of equity (K_e): 20% minus 10%);

(iii) increase capital spread by at least 5% (Return on invested capital (“ROIC”) minus Weighted average cost of capital (“WACC”): 12% minus 7%);

(iv) target profit before tax (“PBT”) margin of at least 5%;

(v) target profit after tax (“PAT”) margin of at least 4%;

(vi) reducing earnings volatility (in Business Units (“BUs”) and Portfolio);

(vii) achieve strategic and financial flexibility; and

(viii) be widely recognised as a responsible and sustainable value creator.

The Group’s Strategy-on-a-page

The Group’s governing objective is to maximise intrinsic value for its long-term shareholders

Vision

To be the leading global supply chain manager and processor of agri-commodities by:

- Serving growers and customers globally
- Pursuing select scalable and attractive niches in upstream and value-added processing; and
- Capitalising on emerging markets expertise

Goals

- Increase Intrinsic Value by 3-4x over the next two 3-year cycles
- Equity spread ≥ 10% (ROE - K_e :20% - 10%)
- Capital spread ≥ 5% (ROIC - WACC :12% - 7%)
- PBT Margin ≥ 5%
- PAT Margin ≥ 4%
- Reduction in earnings volatility (BU & Portfolio)
- Achieve strategic and financial flexibility
- Be widely recognised as a responsible and sustainable value creator

Strategic thrusts

Invest to achieve integrated value chain leadership	Selectively expand into attractive value chain adjacencies	Optimise and extract full value from core	Leverage latent assets	Downsize/ exit/prune unattractive activities
Coffee, Edible Nuts, West Africa Palm	Cocoa, Sugar, Rice, Dairy, Spices & Dehydrates, Grains, West Africa Rubber	Cotton, Sesame, Pulses, Timber	Packaged food in West Africa, Agri-financial services, Agri-inputs	Select profit centres

Enablers

Excellence in execution
- Programme management
- Value-added processing and upstream adjacencies set-up
- Complexity management
- IT, risk and compliance systems

M&A effectiveness
- M&A pipeline
- Due-diligence capabilities
- Best-in-class integration

Capital efficacy
- Capital structure
- Overhead and capital productivity

People & Values
- Global talent pool
- Entrepreneurial culture

The Group has mapped and prioritised its various businesses based on their historical performance, current competitive position and addressable profit pool to determine their fit in the abovementioned strategies. It has also identified a number of new business areas which would leverage on the Group’s latent assets and capabilities namely packaged food distribution in Africa, fertiliser distribution in Africa and commodity financial services business.

Based on the five strategic thrusts developed and the mapping of the various BUs along these five strategic thrusts, the Group developed a prioritisation matrix to screen the 57 growth initiatives submitted by all the BUs for consideration. The Group screened these initiatives based on their strategic value (assessing whether the proposed initiative will help the BU to develop a competitive advantage as well as assessing the Group’s ability to win in terms of execution) and their profitability index. On this basis, the Group deprioritised 11 initiatives not meeting its minimum requirements on the strategic index/profitability index. The remaining 46 are prioritised into two categories, tier one and tier two based on how highly they scored on both dimensions.

Integrated value chain leadership

The Group has identified three businesses, namely coffee, edible nuts and West Africa palm for significant investment in order to achieve integrated global value chain leadership. These businesses already have strong existing market positions and significant potential for profit and the Group will seek to realise this with additional growth initiatives. These include major inorganic growth in certain midstream nut businesses and expansion throughout the coffee value chain, namely into plantations and value-added services in speciality/certified coffee.

Selective value chain expansion

Six other businesses have been chosen for selective value chain expansion including cocoa, dairy, sugar, rice, grains and spices and dehydrates. These areas have moderate historical and competitive positions and untapped potential profitability. Initiatives to further this strategy include expansion in the midstream areas of dairy processing, grain milling and sugar refining.

Core optimisation

For businesses with strong current market positions but lower relative potential profit, the focus will be on the optimisation of core activities. The Group's core activities encompass sourcing/origination, primary processing, logistics and trading/marketing. The Group's businesses such as cotton, pulses, wood products and sesame meet these criteria and future focus in these areas will thus centre around optimising and extracting the full potential of investments already made.

Leverage latent assets

As previously mentioned, the Group has also identified three new businesses that would leverage and build on the latent assets and capabilities it has already developed over the 20 years of operations. These three new businesses include packaged food distribution in Africa, fertiliser distribution in Africa and the provision of commodity financial services. The packaged food distribution business will leverage the Group's distribution franchise and network in 24 African countries and in Russia. The fertiliser distribution business will leverage its grower and supplier relationships that have already been established and supply them with the fertiliser inputs they need and provide off-take for their commodities at the back-end. Under the umbrella of commodity financial services the Group hopes to undertake three activities: (i) market making and volatility arbitrage trading; (ii) risk solutions; and (iii) fund management. In this business, the Group will leverage its understanding of commodity markets, derivative markets and risk management to enter this new arena.

Downsize, prune or exit unattractive activities

Certain profit centres which have been generating negative economic profit with limited prospects for recovery have been selected for downsizing or divestment. This will streamline the Group, releasing capital and people bandwidth which can then be focused on the first four strategic thrusts.

THE OFFERING

The following is a general summary of the offering of the Bonds. This summary is partly derived from and should be read in conjunction with the full text of the terms and conditions of the Bonds ("Terms and Conditions"), the Trust Deed and the Agency Agreement relating to the Bonds. The Terms and Conditions, the Trust Deed and the Agency Agreement will prevail to the extent of any inconsistency with the terms set out in this summary. Capitalised terms used herein and not otherwise defined have the respective meanings given to such terms in the Terms and Conditions.

Issuer	Olam International Limited.
Issue	U.S.$400,000,000 6 per cent. Convertible Bonds due 2016. The Issuer has granted to the Joint Lead Managers an upsize option exercisable at any time on or before the 30th day following the Closing Date, to subscribe for up to an additional U.S.$100,000,000 in aggregate principal amount of the Bonds. The Joint Lead Managers have on 1 October 2009 exercised the upsize option in full in respect of U.S.$100,000,000 in principal amount of the Bonds on the condition, *inter alia*, that shareholders of the Issuer approve: (A) the placement of the Optional Bonds by the Joint Lead Managers to Breedens Investments Pte. Ltd., an indirect wholly-owned subsidiary of Temasek Holdings, pursuant to Rule 812(2) of the SGX-ST Listing Manual; (B) the issue of the Optional Bonds and the new Shares arising from the conversion of the Optional Bonds; and (C) the possible transfer of a controlling interest to Temasek Holdings, under the circumstances to be further elaborated in the circular to be dispatched to the shareholders of the Issuer to seek their specific approval in respect of the matters set out in paragraphs (A) and (B) above and this paragraph (C). The Option Closing Date shall be postponed to such later date as the Issuer may require, in order to permit the Issuer to obtain all the relevant approvals, being the approvals of the Issuer's shareholders for the placement of the Optional Bonds to persons falling within Rule 812(1) of the Listing Manual and/or for the issue of the new Shares issuable upon conversion of any Optional Bonds and/or for the transfer of a controlling interest to Temasek Holdings. The Issuer shall notify the Joint Lead Managers of the Option Closing Date as soon as practicable, but in any case at least three business days prior to the Option Closing Date.
Issue Price	The Bonds will be issued at 100 per cent. of their principal amount.
Closing Date	15 October 2009.
Maturity Date	15 October 2016.
Rate of Interest	The Bonds will bear interest at the rate of 6 per cent. per annum.
Interest Payment Dates	Interest will be payable semi-annually in arrear on 15 April and 15 October in each year commencing 15 April 2010.

Status of the Bonds	The Bonds will constitute direct, unsubordinated, unconditional and (subject to the negative pledge discussed below) unsecured obligations of the Issuer and will at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge discussed below, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.
Negative Pledge	So long as any Bond remains outstanding, the Issuer will not create or permit to subsist, and the Issuer will procure that no Subsidiary will, create or permit to subsist, any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any Investment Securities or to secure any guarantee or indemnity in respect of, any Investment Securities unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (a) are secured equally and rateably therewith to the satisfaction of the Trustee or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.
Conversion Right	The Bonds are convertible by holders into Shares at any time on or after 25 November 2009 up to the close of business (at the place where the Certificate evidencing the Bond is deposited for conversion) on 5 October 2016, unless previously redeemed, converted, or purchased and cancelled and except during a Book Closure Period. The Conversion Price (subject to adjustment in the manner provided herein) will initially be S$3.0853 per Share.
Mandatory Conversion	At any time on or after 15 October 2014 and prior to the date following seven business days prior to the Maturity Date, the Issuer may, having given not less than 10 Trading Days notice of mandatory conversion (the "Mandatory Conversion Notice"), mandatorily convert all but not some only of the Bonds outstanding into Shares (the "Mandatory Conversion"), provided that the Volume Weighted Average Price of the Shares translated into US dollars at the then prevailing US dollar/S$ exchange rate, for each of 20 consecutive Trading Days, the last of which occurs not more than 10 Trading Days prior to the date upon which notice of conversion is published, was at least 130 per cent. of the applicable Conversion Price then in effect translated into US dollars at the rate of S$1.44 = US$1.00.
Stock Settlement Option	Subject to certain conditions, the Issuer may, at its option, satisfy its obligation to pay the relevant redemption amount on the Maturity Date, in full or in part, by delivering Shares to the Bondholders. The number of Shares to be delivered shall be calculated in accordance with the Terms and Conditions and shall not exceed an amount equal to 10 per cent. of the total number of Shares outstanding on the 20th Trading Day preceding the relevant Stock Settlement Redemption Date.

Final Redemption	Unless previously redeemed, converted, or purchased and cancelled in the circumstances referred to in the Terms and Conditions, the Issuer will redeem each Bond at 100 per cent. of its principal amount, together with unpaid accrued interest (if any) on the Maturity Date.
Redemption at the Option of the Issuer	The Issuer may redeem the Bonds in whole but not in part at 100 per cent. of their principal amount together with accrued, but unpaid, interest at the date fixed for such redemption at any time if the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including further issues). See "Terms and Conditions — Redemption, Purchase and Cancellation — Redemption at the Option of the Issuer".
Redemption for Taxation Reasons	In the event of certain changes in the laws and regulations relating to taxation in Singapore, the Issuer may, subject to certain conditions being satisfied, give notice to redeem the Bonds in whole but not in part at 100 per cent. of their principal amount, together with accrued, but unpaid, interest at the date fixed for redemption. See "Terms and Conditions — Redemption, Purchase and Cancellation — Redemption for Taxation Reasons".
Redemption for Delisting or Change of Control	A Bondholder shall have the right, at such Bondholder's option, to require the Issuer to redeem all or some only of such Bondholder's Bonds at 100 per cent. of their principal amount together with accrued, but unpaid, interest on the Relevant Event Redemption Date (as defined below) upon (i) the Shares ceasing to be listed or admitted to trading or suspended for a period equal to or exceeding 30 days on the SGX-ST or, if applicable, the Alternative Stock Exchange or (ii) the occurrence of a Change of Control with respect to the Issuer. See "Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption for Delisting or Change of Control".
Form and Denomination of the Bonds	The Bonds will be issued in registered form in denominations of U.S.$100,000 each or integral multiples thereof without coupons attached. The Bonds will be represented by the Global Certificate which will be deposited on or about the Closing Date with a common depository on behalf of Euroclear and Clearstream, Luxembourg (together, the "Clearing Systems") and registered in the name of a nominee for the common depository. The Global Certificate will be exchangeable for definitive Certificates only in the limited circumstances described in "Summary of Provisions relating to the Bonds while in Global Form".
Further Issues	The Issuer may, from time to time, without the consent of Bondholders, create and issue additional Bonds having the same terms and conditions as the Bonds in all respects (save for the date of issue) so that such additional Bonds shall be consolidated and form a single series with the Bonds.

Clearance	The Bonds will be cleared through the Clearing Systems. Each of the Clearing Systems holds securities for their customers and facilitates the clearance and settlement of securities transactions through electronic book-entry changes in the accounts of their respective accountholders.
Global Certificate	For as long as the Bonds are represented by the Global Certificate and the Global Certificate is held by a nominee for the Clearing Systems, payments of principal, premium and interest in respect of the Bonds represented by the Global Certificate will be made without presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to or to the order of the Principal Agent or such other paying agent for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System.
Cross-Default	The Bonds may be accelerated in the event of, *inter alia*, a default relating to the Issuer or any of its Subsidiaries in respect of indebtedness which equals or exceeds U.S.$20 million or its equivalent in aggregate. For a description of certain other events that will permit acceleration of repayment of principal and accrued interest of the Bonds, see "Terms and Conditions — Events of Default".
Taxation	All payments made by the Issuer under or in respect of the Bonds, the Trust Deed or the Agency Agreement will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Singapore or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required, except in the circumstances specified in "Terms and Conditions — Taxation".
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Bonds in, among others, Hong Kong, Singapore, Japan, the United Kingdom and the United States. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see "Subscription and Sale".
Listing and Trading of the Bonds	Approval in-principle has been received for the listing of the Bonds on the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of U.S.$200,000 for so long as the Bonds are listed on the SGX-ST.
Trustee	The Bank of New York Mellon, London Branch.
Principal Paying, Conversion and Transfer Agent	The Bank of New York Mellon, London Branch.
Registrar	The Bank of New York Mellon.

Governing Law . . . . The Bonds will be governed by, and construed in accordance with, the laws of England.

Lock-up in relation to the Issuer and its Subsidiaries . . . . The Issuer and its subsidiaries have agreed in the Subscription Agreement (as defined herein) to a lock-up in relation to the Shares for a period of 90 days after the Closing Date (and if the upsize option is exercised, after the last Option Closing Date (as defined in the Subscription Agreement)). See "Subscription and Sale".

Use of Proceeds . . . . The net proceeds from the issue of the Bonds (excluding the Optional Bonds) (after the deduction of fees, commission and certain expenses but assuming the upsize option referred to above is not exercised) are expected to be approximately U.S.$392,500,000. The upsize option has been exercised in full on 1 October 2009. Assuming that all relevant approvals as described herein are obtained from the shareholders of the Issuer, an additional U.S.$100,000,000 in principal amount of Bonds, being the Optional Bonds will be issued. The net proceeds from the issue of the Bonds (including the Optional Bonds) are expected to total approximately U.S.$490,750,000. Such net proceeds will be used by the Issuer for general corporate purposes and to finance potential acquisition opportunities which the Issuer may pursue in the future as part of its strategic objectives.

The Issuer intends to allocate the net proceeds in the following manner:

(a) approximately 40–60% for general corporate purposes; and

(b) approximately 40–60% for potential acquisitions in the future.

See "Use of Proceeds".

SUMMARY FINANCIAL INFORMATION

The following tables set forth selected financial information of the Group (i) as at and for the years ended 30 June 2008 and 2009. This selected financial information should be read in conjunction with the Group's audited consolidated financial statements including notes thereto for the years ended 30 June 2008 and 2009 which are included elsewhere in this Offering Circular.

For the year ended 30 June 2009, the Group made certain changes to the methods of computation of certain items in its profit and loss account and balance sheet. The Issuer is of the view that these changes were made to better reflect the Group's activities and to provide a more appropriate presentation of its profit and loss account and balance sheet.

In particular, for the year ended 30 June 2009, net gains or losses of unexpired derivatives for each terminal month and broker are shown as fair value of derivative financial instruments under current assets and current liabilities respectively, as opposed to showing gross gains and losses as current assets and current liabilities in earlier periods. Since the accounts of brokers are settled monthly on a net basis the Issuer is of the opinion that such change in computation is more appropriate. Changes in computation of certain other profit and loss account and balance sheet entries have also been made.

Financial information for the year ended 30 June 2008 have been reclassified accordingly. Bondholders should refer to note 41 to the Group's audited consolidated financial statements for the year ended 30 June 2009 for details of the line items for the year ended 30 June 2008 which have been reclassified as a result of these changes in the methods of computation.

Olam International Limited
Consolidated Profit and Loss Account

	Financial year ended 30 June	
	Audited	
	2009	2008
	(S$'000)	
Revenue — Sale of Goods	8,587,932	8,111,910
Other income	138,452	40,525
	8,726,384	8,152,435
Costs and expenses		
Cost of goods sold	(6,980,032)	(6,504,908)
Shipping and logistics	(825,720)	(879,506)
Commission and claims	(74,812)	(61,014)
Employee benefits expense	(184,603)	(169,163)
Depreciation	(40,532)	(33,771)
Net measurement of derivative instruments	61,114	11,023
(Loss)/gain on foreign exchange	(39,423)	7,145
Other operating expenses	(186,287)	(155,714)
Finance costs	(239,179)	(201,395)
	(8,509,474)	(7,987,303)

	Financial year ended 30 June	
	Audited	
	2009	2008
	(S$'000)	
Share of results from jointly controlled entities	40,411	(163)
Share of results from associate	703	—
Profit before taxation	258,024	164,969
Taxation	(5,995)	2,708
Profit for the financial year	252,029	167,677
Attributable to:		
Equity holders of the Issuer	252,029	167,704
Minority interest	—	(27)
	252,029	167,677
	(Singapore cents)	
Earnings per Share (Singapore cents)		
Basic	14.71	10.28
Diluted	12.38	10.08

Olam International Limited
Consolidated Balance Sheet

	As at 30 June	
	Audited	
	2009	2008
	(S$'000)	
Non-current assets		
Property, plant and equipment	533,963	403,391
Intangible assets	127,538	130,259
Deferred tax assets	74,704	36,709
Interests in jointly controlled entities	294,407	2,422
Investment in associate	106,520	—
Long-term investment	—	24,475
Other non-current assets	11,154	23,750
	1,148,286	621,006

	As at 30 June	
	Audited	
	2009	2008
	(S$'000)	
Current assets		
Trade receivables	732,500	724,352
Margin accounts with brokers	64,839	254,273
Inventories	1,966,419	1,790,236
Advance payments to suppliers	277,683	380,047
Other current assets	342,075	292,648
Fixed deposits	239,688	163,580
Cash and bank balances	294,130	175,544
Fair value of derivative financial instruments	349,796	837,557
	4,267,130	4,618,237
Current liabilities		
Trade payables and accruals	(658,988)	(519,853)
Other current liabilities	(58,595)	(51,863)
Amounts due to bankers	(1,869,640)	(1,789,582)
Medium term notes	(128,005)	(70,000)
Provision for taxation	(11,410)	(24,578)
Fair value of derivative financial instruments	(403,528)	(1,015,796)
	(3,130,166)	(3,471,672)
Net current assets	1,136,964	1,146,565
Non-current liabilities		
Deferred tax liabilities	(62,812)	(4,175)
Amounts due to bankers	(1,008,312)	(935,125)
Medium term notes	—	(189,857)
Convertible Bonds	(168,234)	—
	(1,239,358)	(1,129,157)
Net assets	1,045,892	638,414
Equity attributable to equity holders of the Issuer		
Share capital	708,586	704,870
Reserves	337,260	(66,456)
	1,045,846	638,414
Minority interest	46	—
Total equity	1,045,892	638,414

USE OF PROCEEDS

The net proceeds from the issue of the Bonds (excluding the Option Bonds) (after the deduction of fees, commission and certain expenses but assuming the upsize option referred to above is not exercised) are expected to be approximately U.S.$392,500,000. The upsize option has been exercised in full on 1 October 2009. Assuming that all relevant approvals as described herein are obtained from the shareholders of the Issuer, an additional U.S.$100,000,000 in principal amount of Bonds, being the Optional Bonds will be issued. The net proceeds from the issue of the Bonds (including the Optional Bonds) are expected to total approximately U.S.$490,750,000. Such net proceeds will be used by the Issuer for general corporate purposes and to finance potential acquisition opportunities which the Issuer may pursue in the future as part of its strategic objectives.

The Issuer intends to allocate the net proceeds in the following manner:

(a) approximately 40–60% for general corporate purposes; and

(b) approximately 40–60% for potential acquisitions in the future.

RISK FACTORS

The risks described below should be carefully considered before making an investment decision. The risks described below are not the only ones relevant to the Issuer, the Group, the Bonds or the Shares. Additional risks not presently known to the Issuer or that it currently deems immaterial may also impair the Group's business operations. The Group's businesses, financial condition or results of operations could be materially and adversely affected by any of these risks, which may, as a result, affect the Issuer's ability to pay interest on, and repay the principal of, the Bonds.

This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Offering Circular.

Risks Relating to the Group's Business

The volume of products the Group trades is affected by supply and demand conditions which may be beyond the Group's control

The Group's profitability is primarily driven by the volume of products transacted as the Group's profit margins at each stage of the Group's supply chain services are relatively fixed. Under volatile or uncertain market conditions, or when there is depressed demand or oversupply, the volume of physical goods being traded or to be traded may be reduced for long periods. As such, the Group may not be able to sell the Group's products or may be forced to sell them at reduced prices which will result in the Group's profit margins being further reduced. The inability to sell the Group's products will prolong the Group's exposure to price risks. It may also cause severe cash flow problems, especially when the tenures for sale and purchase of the Group's products as agreed with the Group's bankers are exceeded. This may lead to banks recalling or refusing to extend the loans of the Group. As a result, the business, results of operations and financial position of the Group may be adversely affected.

Weather conditions have historically caused volatility in the agricultural commodity industry and consequently, in the Group's operating results, by causing crop failures or significantly reduced harvests. This can adversely affect the supply and pricing of the agricultural commodities that the Group sells and uses in its business and negatively affect the creditworthiness of its customers and suppliers. The availability and price of agricultural commodities are also subject to other unpredictable factors, such as plantings, government farm programmes and policies, demand from the biofuels industry, price volatility as a result of increased participation by non-commercial market participants in commodity markets and changes in global demand resulting from population growth and changes in standards of living. In addition, shortage and undersupply of agricultural commodities due to factors such as plant disease or conversely, excess crops due to exceptionally good weather conditions may lead to price fluctuations. These factors may cause volatility in the agricultural commodity industry and, consequently, in the Group's operating results.

The Group is vulnerable to industry cyclicality

The lead time required to build a processing plant can make it difficult to time capacity additions with market demand for the Group's products. When additional processing capacity becomes operational, a temporary imbalance between the supply and demand for processing capacity might exist, which, until the supply/demand balance is restored, negatively impacts processing margins. The Group's processing margins will continue to fluctuate following industry cycles, which could negatively impact the Group's profitability.

The Group may not be able to effectively hedge the Group's risk of price fluctuations for some of the products the Group trades

The prices of all the products that the Group trades fluctuate. For some products, such as cashews, sesame, sheanuts, rice, wood products and dairy products, there are no futures markets and as such, there are no derivative instruments available for the Group to hedge the risks of adverse price fluctuations. Under such circumstances, the Group is fully exposed to price risks until the Group has sold the products that the Group has purchased or have bought products that the Group has contracted to sell. Should the price of products the Group sells be lower than the price at which the Group procured them, the Group's profitability may be adversely affected.

The use of futures contracts or other derivative instruments may not fully hedge the risks of price fluctuations

For products such as cotton, sugar, coffee and cocoa which have established futures markets, the Group uses derivative instruments to hedge the risks of adverse price fluctuations. However, the use of such derivative instruments as hedges may not be fully effective under certain circumstances such as:

- where the prices of the physical products and the corresponding futures prices do not move in the same direction and/or by the same magnitude for periods of time which could be prolonged due, for instance, to speculative activity in the futures market;

- where the product the Group trades does not correspond exactly to the futures market in terms of grade, type, market and quantity; and/or

- where the Group's hedges have to be rolled forward due to the Group's continued possession of the Group's physical products beyond the period of the initial hedge, thereby exposing the Group to price differences between the contract periods.

If any of the above risks should materialise, the Group's business, results of operations and financial position may be adversely affected.

Margin calls on futures contracts or other derivative instruments

The Group uses derivative instruments such as commodity futures, forward currency contracts and interest rate contracts to hedge its risks associated with commodity price, foreign currency and interest rate fluctuations. Excessive movements in commodity prices, foreign currency exchange rates or interest rates could result in margin calls being made on the Group by the relevant futures exchange or calls for posting of additional cash or non-cash collateral being made on the Group by its other derivatives counterparties. Such margin calls in turn result in sudden cash flow requirements which the Group may not be able to meet. In the event that the Group fails to meet any margin calls, the relevant futures exchange or other derivatives counterparty could terminate the outstanding derivatives position, which could result in losses being suffered by the Group.

Government policies and regulations affecting the agricultural sector and related industries could adversely affect the Group's operations and profitability

Agricultural production and trade flows are significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry (such as taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products) can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed commodity products are traded and the volume and types of imports and exports. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. In recent months, rising commodity prices have prompted governments in several countries to introduce export bans on key agricultural commodities and commodity products. There is no assurance that such export bans may not become more prevalent whether across countries or products. Future government policies may adversely affect the supply, demand for and prices of the Group's products, restrict the Group's ability to do business in the Group's existing and target markets and could cause the Group's financial results to suffer.

The Group faces competition in the Group's various product and geographic markets

The Group faces competition in its various product and geographic markets. The Group's competitors range from global trade houses to local distributors and buying agents. Please refer to the section entitled "Competition" beginning on page 79 of this Offering Circular. The Group also faces additional competition from the Group's existing customers who are becoming more involved in sourcing to satisfy their own needs. In some of the developing economies where the Group operates, government controls on trade are gradually being released and trade is being opened up to new participants. As such, there are potential threats of new competitors entering the markets in which the Group operates. Increased competition may reduce the growth in customer base, reduce the profit margin and the market share that the Group currently enjoys, and result in higher selling and marketing expenses. There can be no assurance that other competitors will not surpass the Group's performance in the future. In the event that the Group fails to sustain its competitive advantages, the Group's business, results of operations and financial position may be materially and adversely affected.

In most of the countries in which the Group operates, the Group's operations are also subject to various licensing requirements. Complete deregulation or de-licensing of the countries from which the Group procures its products may lead to increased competition. This may have an adverse effect on the Group's business operations in these countries. As a result, the Group's business, results of operations and financial position may be adversely affected.

The Group is often unable to obtain accurate third-party data to corroborate the Group's market position

To meet the demands of the Group's customers in the developed world, the Group sources agricultural products and food ingredients from the point of collection from a supplier in numerous developing countries. As such, the Group is exposed to inefficient markets where the Group relies on the Group's own employees to overcome the lack of political, legal and financial infrastructure to obtain accurate, reliable and available data. The Group may not always be able to verify all aspects of how and where the agricultural products that the Group sources are produced and under what conditions they are so produced. In addition, the Group may also not be able to verify the overall presence of other market participants. Given the fragmented nature of the markets for the Group's products the Group is often therefore unable to obtain accurate third-party market data to corroborate the Group's perceived market positions.

The Group's business is dependent on its processing facilities and the Group is subject to the risks affecting operations at such facilities

The Group currently operates processing facilities in various countries. These facilities are subject to operating risks, such as industrial accidents, which could cause personal injury or loss of human life, the breakdown or failure of equipment, power supplies or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters and the need to comply with new directives of relevant government authorities. The Group needs to carry out planned shutdowns of its various plants for routine maintenance, statutory inspections and testing and may need, from time to time, to shut down its various plants for capacity expansions and equipment upgrades.

In addition, due to the nature of its business and despite compliance with requisite safety requirements and standards, the Group's production process is still subject to the operating risks, including discharges or releases of hazardous substances, exposure to particulates and the operation of mobile equipment and manufacturing machinery. These operating risks may cause personal injury or loss of human life and could result in the imposition of civil and criminal penalties. The occurrence of any of these events could have a material adverse effect on the productivity and profitability of a particular processing facility and on the Group's business, financial condition and results of operations.

Although the Group takes precautions to minimise the risk of any significant operational problems at its production facilities, there can be no assurance that its business, financial condition and results of operations would not be adversely affected by disruptions caused by operational problems at the Group's processing facilities.

The Group operates in many developing countries and the Group is subject to risks relating to conducting business in such countries

As at 9 October 2009, the Group has significant operations in emerging markets such as Africa and other developing countries. The Group believes that the Group has a significant customer and supplier base in these developing countries. In conducting the Group's business, the Group is subject to political, economic, legal, operational and other risks arising from operating in these countries. These risks may include, amongst others:

- civil unrest, military conflict, terrorism, change in political climate and general security concerns;
- default by government bodies who may be the only authorised trading counterparties in certain regulated markets;
- relatively less developed legal systems and business practices which may give rise to difficulties in enforcement of agreements entered into with counterparties;
- changes in duties payable and taxation rates;
- imposition of restrictions on currency conversion or the transfer of funds;
- fluctuation in the currency values;
- limitations and/or bans on imports and exports;
- expropriation or nationalisation of private enterprises or confiscation of private property or assets;
- reversal or change of laws, regulations or policies;
- relatively less developed business and communication infrastructure which may hamper the Group's efficiency and internal controls; and
- reinstatement of commodity boards or state monopolies for any of the Group's products.

Should any of the aforementioned risks materialise and they either exceed the coverage of, or are not covered by, the Group's insurance policies, the Group's results of operations and financial position may be adversely affected. While such events did not have a material impact on the Group's operations in the past three financial years and up to 9 October 2009, there is no guarantee that they will not have a material effect on the Group's operations in the future.

The Group may not be able to successfully implement its new six-year strategy

In August 2009, consistent with historical strategy reviews conducted once every three years, the Group reviewed its business strategy for the forthcoming two three-year cycles (FY2010 to FY2015). In light of the recent economic crisis the Group analysed the current and future prospects of each of its BUs and took a decision on whether to invest or downsize each one in order to achieve its key goals of sustainable growth and increased intrinsic value over the forthcoming six-year period. A key aspect of the Group's new strategy involves expansion of its operations into new geographic markets and products together with an increased focus on the midstream and upstream areas of the value chain. The implementation of this new strategy may involve significant initial investment in infrastructure and resources. The Group's expansion and the new strategic plans may not be successful. The Group's initiatives may not result in the increases in volumes or margins that the Group has planned. The Group may not be able to replicate its past record of success in expanding into new geographical markets and/or products. The Group may also not be able to generate a return on its initial investments in new geographical markets and products. Under such circumstances, the Group's present and future operating results and financial position may be adversely affected.

The Group may face uncertainties associated with its expansion plans

During FY2007, FY2008 and FY2009, the Group had undertaken certain expansion initiatives through the acquisition of various companies and the establishment of joint ventures. The Group's expansion initiatives involve numerous risks, including but not limited to, the financial costs of investment in machinery and equipment, construction of new facilities and working capital requirements. The success of the Group's acquisition and investment strategy depends on a number of factors, including:

- the Group's ability to identify suitable opportunities for investment or acquisition;
- whether the Group's is able to reach an acquisition or investment agreement on terms that are satisfactory;
- the extent to which the Group is able to exercise control over the acquired company or business;
- the economic, business or other strategic objectives and goals of the acquired company or business compared to those of the Group; and
- the Group's ability to successfully integrate the acquired company or business with the Group.

In addition, there is no assurance that these initiatives undertaken will result in sales commensurating with the investment costs. If the Group is unable to do so or cannot manage its costs, its business and profitability will be adversely and materially affected as the Group will not able to recover the costs of its investment.

The Group may fail to manage any of its acquisitions

The Group continuously evaluates merger and acquisition opportunities and may decide to undertake mergers or acquisitions in the future, if suitable opportunities arise. These may require significant investments which may not result in favourable returns. Acquisitions involve risks, including:

- unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or acquisition is finalised;
- potential difficulties in the integration and management of the operations and systems;
- potential difficulties in the retention of select personnel;

- potential difficulties in the co-ordination of sales and marketing efforts; and
- diversion of the Group's management's attention from other ongoing business concerns.

If the Group is unable to integrate the operations of an acquired business successfully or manage such future acquisitions profitably, the Group's growth plans may not be met and the Group's revenue and profitability may decline.

The Group may be adversely affected by the actions of the Group's counterparties

The counterparty risks that the Group may face include, among others, the following:

Contractual risks

The Group faces the risk that the Group's counterparties, such as customers, suppliers and service providers, may fail to honour their contractual obligations to the Group. This may result in the Group not being able to net off the Group's positions and hence reduce the effectiveness of the Group's hedges. Non-execution of contracts by counterparties may lead to the Group in turn not being able to honour the Group's contractual obligations to third parties. This may subject the Group to, among others, legal claims and penalties. The Group may also be subject to legal claims and penalties if the products which the Group has contracted to sell to its customers suffer losses in weight or quality during shipment and transportation by third parties. As a result, the Group's business, results of operations and financial position may be adversely affected.

Credit risks

The Group's counterparties may default on credit which the Group may grant to them. Credit default may arise due to the failure of the Group's internal credit exposure monitoring system or mechanism, improper judgement or incomplete information on the trading risks of the Group's counterparties. In the countries from which the Group procures its products, the Group may make advances to farmers, agents, co-operatives and other suppliers. These advances may not be recoverable in the event of volatile price movements, disruptions or a sudden end to the crop season. The Group may also make advances to established suppliers or sell on credit to established customers, where it is commercially advantageous to do so. In all these situations, counterparty default on advances will adversely affect the Group's financial performance. Where loans are secured with collateral, the Group may not be able to recover the full value of the loan by liquidating the collateral. As a result, the Group's business, results of operations and financial position may be adversely affected.

The Group is exposed to foreign exchange rate risk

In general, the Group's purchases are transacted in the local currencies of the respective countries from which the Group procures its products, and the Group's sales are transacted mainly in US dollars, pounds sterling and Euros. This is with the exception of the Group's food staples and packaged foods business, where purchases are transacted in US dollars and sales are transacted in the local currencies of the markets and countries in which the Group sells its products. Where possible and as a matter of policy, the Group uses forward contracts to hedge the Group's foreign currency exchange exposures arising from purchase and sale of products in currencies other than US dollars. Where such instruments are not available, the Group will also attempt to create natural hedges by matching the value of sales and purchases to and from the same geographic market. Should the Group be unable to hedge the Group's currency exposures, the Group's results of operations and financial position may be adversely affected.

The Group's profitability may be affected by changes in tax regimes and certain special tax incentives

The Group's operations in various countries are subject to different tax regimes. Changes in local tax regulations may adversely affect the Group's profitability. As a recipient of the Global Trader Programme status awarded by International Enterprise Singapore, the Group is, among other things, entitled to a concessionary corporate tax rate of 5 per cent. which is subject to certain conditions. This concession was renewed in 2009. Should this concessionary tax rate be revised, revoked or not be renewed upon expiry, the Group will be subject to the normal corporate tax rate, which as at the date of this Offering Circular is 17 per cent., which may affect the Group's results of operations.

The Group is subject to volatility in shipping and logistics costs

Shipping and logistics expenses accounted for 10.84 per cent. and 9.61 per cent. of the Group's turnover for FY2008 and FY2009. As most of the Group's shipments are made using third-party land and sea transport providers, the Group is subject to fluctuations in the prices of shipping and logistics costs, which may in turn have an impact on the Group's results of operations. Shipping and logistics costs for commodities are usually market-driven and are highly cyclical. Shipping rates fluctuate in response to the level of demand for vessels and the availability of vessels to satisfy that demand. The level of demand is influenced by many factors, including general economic conditions, global trading volumes and port usage. Shipping rates are the most variable element of expense in relation to a particular shipment and are relevant to the Group's results to the extent that they will affect the pricing and profit margin of the services provided by the Group.

Changes in shipping rates affect the shipping industry as a whole and the Group normally mitigates the effect by passing on a proportion of such changes to its customers. However, it may not always be possible for the Group to immediately offset a contract of affreightment with a corresponding charterparty or sufficiently hedge against all changes in shipping costs. During certain periods, depending on market conditions, prevailing rates may be subject to change and should rates increase, the profitability and financial results of the Group may be adversely affected even if such rates increases have a positive effect on the profitability and financial results of the chartering division of the Group. In addition, other factors, such as port congestion, increases in fuel costs and piracy could materially adversely affect the ability of the Group to carry on its operations in a timely or cost-effective manner.

The value of the Group's physical products may deteriorate across various stages of its supply chain

The value of the products the Group delivers may differ from the Group's assessment for the following principal reasons:

Quality deterioration

The Group's products are subject to quality deterioration during storage and transit. Each of the Group's products has different physical characteristics and requires different kinds of storage, handling and transportation. For example, some products are sensitive to the external environment and their quality may deteriorate considerably during storage. The realisable value of the Group's products falls with quality deterioration through bad or inadequate quality management.

Weight loss

Weight loss constitutes a major operational risk. All the Group's products tend to lose some weight or volume due to natural causes. Pilferage and theft also contribute to weight loss during storage or transit. The Issuer's financial performance will be adversely affected if there are weight or volume losses to products, which are not otherwise assumed and factored into the pricing of such products.

Variation in yield

Some of the Group's products undergo processing operations, which affect their input and/or output ratio and their value. Such processing output is estimated at the time of buying the various products. Actual output may, however, deviate from the estimate.

Should any of the above occur, the Group's results of operations may be adversely affected.

The Group's insurance may not adequately cover all potential losses

The Group's insurance policies cover various risks, including but not limited to, fire, theft, civil disturbance, riots, inland transit and marine risks. The Group's insurance policies may not adequately compensate for any and every type of loss that the Group may incur. Any such loss not otherwise compensated may adversely affect the Group's results of operations and the Group's financial position.

The Group is subject to regulation by various regulatory bodies

The Group is subject to the rules of various trade associations and regulatory bodies, which regulate the terms and conditions of trade in some of the Group's products. Such associations include the Commodity Futures Trading Commission, the Liverpool Cotton Association (now known as the International Cotton Association), the European Coffee Contract, the Federation of Cocoa Commerce Limited and the Combined Edible Nuts Association. While membership in such associations is not material to the business of the Group, these associations help to facilitate dispute resolution through a recognised forum and allow trade participants to regulate, promote and develop best practices as an industry. If the Group is found to be in breach of any rules or regulations of such trade associations or regulatory bodies, the Group may be subject to fines, penalties or other sanctions. This may have an adverse impact on the Group's business, results of operations and financial position.

The Group is dependent on the Group's internal systems for the Group's operations

The Group's operations rely on its ability to process a substantial number of complex transactions involving different markets, countries and currencies. Consequently, the Group is dependent on the Group's risk management systems, operational systems, other data processing systems and the Group's financial accounting systems. If any of these systems do not operate properly or are disabled, the Group may suffer disruption to the Group's business operations, financial loss and/or damage to the Group's reputation. In addition, the Group's systems may not detect illegal, unauthorised or fraudulent activities by the Group's employees. The Group's present systems may not be able to cope with the Group's growth and expansion. As a result, the Group's business, results of operations and financial position may be adversely affected.

The Group's operations are highly dependent on debt financing

The Group is highly dependent on debt financing in the form of highly leveraged short-term debt to fund the Group's working capital requirements. The Group may not be able to grow the Group's volumes if the Group is unable to obtain additional debt financing. This may have an adverse effect on the Group's profitability.

Since all of the Group's loans have a limited tenure, the Group needs sufficient liquidity to meet the Group's loan repayment obligations. Adverse market conditions which hamper the liquidation of stocks or delay the recovery of credit may affect the Group's loan repayment schedules and this may in turn result in the banks withdrawing or requiring early repayment of the facilities granted to the Group. This will pose a solvency risk for the Group even though the Group may be profitable. As the Group may also obtain loans of longer tenures, the Group may be exposed to risk of interest rate fluctuations. These may adversely affect the Group's business and results of operations. Please refer to the section entitled "Capitalisation and Indebtedness" beginning on page 42 of this Offering Circular for further details.

The Group may experience limited availability of funds

The Group may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group or that any additional financing will not be dilutive to its shareholders. Factors that could affect the Group's ability to procure financing include the cyclicality of the agricultural products and food ingredients market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. In addition, consolidation in the banking industry in any market in which the Group procures financing may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector.

In recent months, credit markets worldwide have experienced significant volatility, including a reduction in liquidity levels, increasing costs for credit protection and a general decline in lending activity between financial institutions and in commercial lending markets worldwide. These developments may result in the Group incurring increasing financing costs associated with the Group's significant levels of debt. Furthermore, there can be no assurance that the Group will be able to raise financing on favourable terms or at all, which could have a material adverse effect on the Group. Moreover, the Group's future credit facilities may contain covenants that limit its operating and financing activities and require the creation of security interests over its assets. The Group's ability to meet its payment obligations and to fund planned capital expenditures will depend on the success of the Group's business strategy and the Group's ability to generate sufficient revenues to satisfy its obligations, which are subject to many uncertainties and contingencies beyond the Group's control.

The Group is dependent on key personnel for the Group's operations and profitability

One of the key reasons for the Group's growth and success has been the Group's ability to retain a talented and motivated team of senior professional managers. The Group's continued success will depend on the Group's ability to retain key management staff and train new employees. If members of the Group's senior management team are unable or unwilling to continue in their present positions, the Group's business may be adversely affected. Moreover, the process of hiring employees with the required combination of skills and attributes may be time-consuming and competitive. The Group may not be able to attract additional qualified persons for overseas postings in developing economies. This will further constrain the Group's growth in those places. As a result, the Group's business and results of operations may be adversely affected.

The Group includes a holding company structure

Virtually all of the Issuer's assets are shareholdings in its subsidiaries and associated companies. In order to satisfy its payment obligations, including obligations under the Bonds, the Issuer will rely on dividends and other payments received from its subsidiaries and associated companies. Both the timing and ability of certain subsidiaries and associated companies to pay dividends is limited by applicable laws and may be limited by conditions contained in certain of their agreements.

The Group enters into interested person transactions

The Group has ongoing contractual arrangements with interested persons. See "Principal Shareholders — Interested Person Transactions". Such transactions are entered into on normal commercial terms and in accordance with the laws and regulations of the regulatory authorities in the jurisdiction to which the parties to such transactions are subject. Transactions with interested persons may give rise to conflicts of interest, which could lead to transactions being entered into and decisions made which are based on factors other than commercial factors. The Issuer reports all transactions with interested persons to the Audit and Compliance Committee.

The Issuer's substantial shareholders may change

There is no assurance that the Issuer's substantial shareholders, Kewalram Singapore Limited, Temasek Holdings, UBS AG and Bank of America Corporation, will not sell all or part of their stake in the Issuer. There is no guarantee that any change in controlling ownership arising from such sale (if any) will not adversely affect the performance of the Group. The Issuer's share price may also be adversely affected by the negative publicity generated by the disposal of the Issuer's Shares by the Issuer's substantial shareholders.

Substantial shareholders could significantly influence the outcome of corporate actions in a manner which may conflict with the Group's interests and the interests of shareholders

As at 9 October 2009, the Issuer's substantial shareholders, Kewalram Singapore Limited, Temasek Holdings, UBS AG and Bank of America Corporation have beneficial interests, direct and indirect, in 23.07 per cent., 14.06 per cent., 7.93 per cent. and 6.25 per cent., respectively, of the Issuer's issued share capital.

The Issuer's substantial shareholders would be able to significantly influence most matters requiring approval by the Issuer's shareholders, including matters relating to a potential change in control of the Issuer. No assurance can be given that the Issuer's substantial shareholders' objectives will not conflict with the Issuer's business goals and activities. The Issuer's substantial shareholders may also be able to deter or delay a future takeover or change in control of the Issuer.

The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the Group's business, results of operations and financial condition

In late 2003, outbreaks of avian influenza occurred in several countries in Asia. By February 2004, these countries reported that the outbreak had been contained. However, in June 2004, new outbreaks were being reported in Asia. In 2005 and 2006, outbreaks were reported in other parts of the world including Europe, the Middle East and Africa. Some of the outbreaks noted above severely affected the poultry and related industries and resulted in the culling of large stocks of poultry. Vietnam experienced a resurgence of outbreaks in poultry and Turkey, Thailand, Indonesia and Cambodia reported cases of bird-to-human transmission of avian influenza. The World Health Organisation and other agencies continue to issue warnings of a potential avian influenza pandemic if there are sustained human-to-human transmissions. More recently, in June 2007, the World Health Organisation reported new cases of human infection of H5N1 avian influenza in each of China and Indonesia. In early 2009, outbreaks of H1N1 influenza (commonly referred to as "swine flu") occurred in Mexico. In April 2009, the first cases were detected in Asia, and in June 2009, the World Health Organisation declared a global flu pandemic.

In 2003, Hong Kong, Taiwan, China, Singapore, Malaysia and other places experienced an outbreak of Severe Acute Respiratory Syndrome, which adversely affected the Asian economies, including Singapore.

The outbreak of an infectious disease in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in Asia. This could adversely impact the revenues and results of the Group. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concern in Asia could seriously harm the Group's business.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business and results of operations of the Group

The terrorist attacks in the US on 11 September 2001, in Bali on 12 October 2002 and 1 October 2005 and in Jakarta on 5 August 2003, together with the military response by the US and its allies in Afghanistan and continuing military activities in Iraq, have resulted in substantial and continuing economic volatility and social unrest in Southeast Asia. The terrorist attacks in Thailand, and other areas of Southeast Asia, have exacerbated this volatility. Further developments stemming from these events or other similar events could cause further volatility. Any additional significant military or other response by the US and/or its allies or any further terrorist activities could also materially and adversely affect international financial markets and economies and may adversely affect the operations, revenues and profitability of the Group. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on the Group's businesses and results of operations.

A certain portion of the Group's development projects and assets is located in countries which suffered and continue to suffer from political instability and a certain proportion of its revenues is derived from its operations in these countries. Accordingly, the Group's results of operations and prospects are subject to political developments in these countries.

The continued increase in oil prices and general worldwide inflationary pressure could have an impact on the Group

Future increases in oil and food prices globally may negatively affect the economic growth and stability of certain countries which the Group operates in, and as a result, may reduce the ability of consumers to purchase the Group's products. The economic and political conditions in these countries make it difficult to predict whether oil and food will continue to be available at prices that will not negatively affect economic growth and stability. For example, in October 2005, the Indonesian government implemented a new policy that resulted in a significant increase in fuel prices. In response, several non-violent mass protests were organised in opposition to the increases in domestic fuel prices, and an increase in political tensions has resulted from the Indonesian government's decision. There can be no assurance that future increases in oil and food prices in countries where the Group operates will not lead to political, social and economic instability, which in turn could have a material adverse effect on the Group's businesses, financial condition and results of operations.

The Group may inadvertently deliver genetically modified organisms to those customers that request GMO-free products

The use of genetically modified organisms ("GMOs") in food and in animal feed has been met with varying degrees of acceptance in the different markets in which the Group operates. The United States and Argentina, for example, have approved the use of GMOs in food products and animal feed, and GMO and non-GMO grain is produced and frequently commingled during the grain origination process. However, adverse publicity about genetically modified food has led to governmental regulation that limits or prevents sales of GMO products in some of the markets in which the Group sells its products, including the European Union and its constituent nations. It is possible that new restrictions on GMO products will be imposed in major markets for the Group's products or that the Group's customers will decide to purchase lower levels of GMO products or not to buy GMO products.

In general, the Group does not test its agricultural commodities inventory for the presence of GMOs. It is possible that the Group may inadvertently deliver products that contain GMOs to those customers that request GMO-free products. As a result, the Group could lose customers and may incur liability. If the Group's current testing and segregation procedures are not effective, the Group may incur significant expenses related to upgrading its procedures and facilities. Recent events have also illustrated how GMO products that have not received regulatory approval may enter the food chain. If the Group encounters incidents of this type, they can be costly and time-consuming to rectify, may damage the Group's reputation and may subject the Group to litigation. If regulators in the countries that restrict or prohibit the sale of GMO products or customers who request GMO-free products do not have confidence in the Group's products, the Group could lose customers and could be prohibited from selling its products in those countries.

Environmental regulation imposes additional costs and may affect the results of the Group's operations

Costs and liabilities related to the compliance with applicable environmental laws and regulations are an inherent part of the Group's business. Particularly in respect of the Group's processing activities, the Group is subject to various national, provincial and municipal environmental laws and regulations, concerning issues such as damage caused by air emissions, noise emissions, waste-water discharges, solid and hazardous waste handling and disposal, and the investigation and remediation of contamination. These laws can impose liability for non-compliance with the regulations or clean up liability on generation of hazardous waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities. Other laws may require the Group to investigate and remedy contamination at its properties or where it conducts its operations, including contamination that was caused in whole or in part by previous owners of its properties. Moreover, these laws and regulations are increasingly becoming more stringent and may in future create substantial environmental legislation and regulatory requirements. It is possible that such compliance may prove restrictive and/or costly.

In addition to the clean up liability, the Group may become subject to monetary fines and penalties for violation of applicable laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on its operations. The Group may also, in future, become involved in proceedings with various regulatory authorities that may require it to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. In addition, third parties may sue the Group for damages and costs resulting from environmental contamination emanating from its properties and/or production facilities. Although there has been no claim that the Group's properties and production facilities are not in compliance in all material respects with all applicable environmental laws, unidentified environmental liabilities could arise which could have an adverse effect on the Group's business and financial condition, profitability and results of operations.

The Group may not be able to maintain or obtain statutory and regulatory licences, permits and approvals required for its business

The Group requires certain statutory and regulatory licences, permits and approvals, which may be subject to certain conditions. While the Group has been able to maintain or obtain such licences, permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any such licences, permits or approvals in a timely manner, at all or on terms that are acceptable to the Group.

Risks Associated with an Investment in the Bonds and the Shares

Securities law restrictions on the resale and conversion of the Bonds and the resale of Shares issuable upon their conversion or following exercise by the Issuer of its Stock Settlement Option may impact Bondholders' ability to sell the Bonds

The Bonds and the Shares into which the Bonds are convertible or the Shares issuable following exercise by the Issuer of its Stock Settlement Option have not been registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Bonds and the Shares issuable upon conversion or following exercise by the Issuer of its Stock Settlement Option may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Bonds are being offered and sold only to non-US persons outside the US in reliance on Regulation S under the Securities Act. The Issuer is not required to register the Bonds and the Shares into which the Bonds are convertible or the Shares issuable following exercise by the Issuer of its Stock Settlement Option under the terms of the Bonds. Hence, future resales of the Bonds and the Shares into which the Bonds are convertible or the Shares issuable following exercise by the Issuer of its Stock Settlement Option may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws.

The Issuer may be unable to redeem the Bonds

In certain circumstances, including a delisting of the Shares from the SGX-ST, the holders of the Bonds may require the Issuer to redeem all of the holders' Bonds. If such an event were to occur and subject to the Issuer's Stock Settlement Option, or at maturity of the Bonds, no assurance can be given that the Issuer will have enough funds or would be able to arrange financing to pay the redemption amount for all tendered Bonds. The Issuer's ability to redeem the Bonds in such event may be limited by law or the terms of other debt instruments. The Issuer may be required to refinance its debt in order to make such payments.

The Issuer has, and may in the future have, credit agreements or other agreements relating to its indebtedness that contain provisions that provide that a change in control constitutes an event of default or accelerates its payment obligations under that agreement. If such an event were to occur, no assurance can be given that the Issuer will have sufficient funds, or be able to raise sufficient financing, to meet its payment obligations under those agreements.

Holders of the bonds may be subject to Singapore tax

Prospective purchasers of Bonds are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition (including, in the case of convertible notes, on conversion thereof) of the Bonds or the Shares. Certain differences exist between the tax laws of Singapore and those of other jurisdictions, including in the area of estate tax. For Singapore tax laws, see "Taxation".

The trading price of the Shares has been, and may continue to be, volatile

The trading price of the Shares has been, and may continue to be, subject to large fluctuations. The price of the Shares may increase or decrease in response to a number of events and factors, including:

- quarterly variations in operating results;
- changes in financial estimates and recommendations by securities analysts;
- the operating and stock price performance of other companies in the agricultural products and food ingredients business;
- developments affecting the Group, its customers or its competitors;
- changes in government regulation;
- changes in general economic conditions;
- changes in accounting policies; and
- other events or factors described in this Offering Circular.

This volatility may adversely affect the price of the Shares regardless of the Group's operating performance.

The Singapore Code on Take-overs and Mergers may discourage or prevent certain types of transactions

The SFA and the Singapore Code on Take-overs and Mergers (the "Take-over Code") contain certain provisions that may delay, deter or prevent a future take-over or change in control of the Issuer. Any person acquiring an interest (either on his or her own or together with parties acting in concert with him or her) in 30 per cent. or more of the Issuer's voting shares must, except with the consent of the Securities Industry Council of Singapore ("Securities Industry Council"), extend a take-over offer for the remaining voting shares in accordance with the provisions of the Take-over Code. A take-over offer is also required (except where the consent of the Securities Industry Council has been obtained) to be made by a person holding (either on his or her own or together with parties acting in concert with him or her) between 30 per cent. and 50 per cent. (both inclusive) of the Issuer's voting shares after such person, or any person acting in concert with him or her, acquires additional voting shares representing more than one per cent. of the Issuer's voting shares in any six month period. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of the Issuer. Some of the holders of the Shares may, therefore, be disadvantaged as a transaction of that kind might have allowed the sale of Shares at a price above the prevailing market price. See "Description of Shares — Take-overs".

The Singapore securities market is relatively small

The SGX-ST is relatively small and is more volatile than stock exchanges in certain European and other countries. As of 30 September 2009, there were 637 companies listed on the SGX-ST and the aggregate market capitalisation of listed equity securities of these companies was approximately S$621.9 billion. As a result, the market price of the Shares may fluctuate more than that of securities listed on larger global stock exchanges.

Conversion of the Bonds will dilute the ownership interest of existing shareholders and could adversely affect the market price of the Shares

The conversion of some or all of the Bonds will dilute the ownership interests of existing shareholders. Any sales in the public market of the Shares issuable upon such conversion could adversely affect prevailing market prices for the Shares. In addition, the conversion of the Bonds may encourage short selling of the Shares by market participants.

Future issues, offers or sales of Shares may adversely affect the value of the Bonds

The market price of the Bonds is expected to be affected, among other things, by fluctuations in the market price of the Shares. The future issue of Shares by the Issuer, including the disposal of Shares by any of the substantial shareholders of the Issuer or the perception that such issues or sales may occur may significantly affect the trading price of the Bonds and the Shares. The Issuer has, subject to certain exceptions, undertaken that neither it nor any of its subsidiaries, or other affiliates over which they exercise management or voting control, nor any person acting on its or their behalf will, for a period of 90 days after the Closing Date (and subject to the issuance of any Optional Bonds, after the last Option Closing Date), without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld), issue, offer, sell, contract to sell, pledge or otherwise dispose (or publicly announce any such issuance, offer, sale or disposal) of securities issued by the Issuer and having a maturity of more than one year from the date of issue, any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, including equity swaps, forward sales and options representing the right to receive any Shares. See "Subscription and Sale".

Before conversion, Bondholders will not be entitled to any shareholder rights, but will be subject to all changes affecting the Issuer's Shares

A Bondholder will not be entitled to any rights with respect to the Issuer's Shares, including voting rights and rights to receive dividends or distributions. However, the Shares which the Bondholder will receive upon conversion of his Bonds or following exercise by the Issuer of its Stock Settlement Option will be subject to all changes affecting the Issuer's Shares. Except for limited cases under the adjustments to the conversion price, the Bondholder will be entitled only to rights that the Issuer may grant with respect to its Shares if and when it delivers Shares to the Bondholder upon its election to convert its Bonds into Shares or following exercise by the Issuer of its Stock Settlement Option. For example, should the Issuer seek approval from shareholders for a potential merger, or if an amendment is proposed to its Articles of Association which may require shareholder approval, the Bondholders will not be entitled to vote on the merger or amendment.

Bondholders will bear the risk of fluctuations in the trading price of the Issuer's Shares

The market price of the Bonds is expected to be affected by fluctuations in the market price of the Issuer's Shares. It is impossible to predict whether the price of the Issuer's Shares will rise or fall. Trading prices of its Shares will be influenced by, *inter alia*, the Issuer's financial condition, results of operations, economic, financial and other factors. Any decline in the price of the Issuer's Shares may adversely affect the market price of the Bonds.

INFORMATION CONCERNING THE SHARES

Market Price of the Shares

The Shares have been listed on the SGX-ST since 11 February 2005. The table below sets forth, for the periods indicated, the high and low prices and the average daily trading volume of the Shares on the SGX-ST and the highs and lows of the Straits Times Index.

	Price per Share on the SGX-ST		Average Daily Trading Volume of Shares	Straits Times Index[1]	
	Low[2]	High[2]	(No. of Shares)	Low[2]	High[2]
2006					
First Quarter	1.4229	1.8056	5,766,000	2,290.16	2,465.83
Second Quarter	1.2953	1.7075	3,464,935	2,243.54	2,599.21
Third Quarter	1.2070	1.6977	2,246,656	2,277.34	2,523.56
Fourth Quarter	1.6584	2.100	2,562,397	2,548.59	2,918.63
2007					
First Quarter	1.9234	3.0617	2,518,689	2,891.66	3,235.79
Second Quarter	2.9832	3.8075	5,123,484	3,170.03	3,560.37
Third Quarter	2.2963	3.2776	4,285,625	3,064.59	3,653.84
Fourth Quarter	2.4631	3.4346	3,987,063	3,265.86	3,831.19
2008					
First Quarter[3]	1.7663	3.0224	7,357,180	2,792.75	3,444.34
Second Quarter	2.0596	3.0698	6,219,858	2,947.54	3,248.75
Third Quarter	1.7654	2.3637	6,086,818	2,358.91	2,978.98
Fourth Quarter	0.880	1.6869	1,461,290	1,600.28	2,363.60
2009					
First Quarter	1.140	1.500	11,404,541	1,456.95	1,924.87
Second Quarter	1.440	2.440	12,228,619	1,702.26	2,396.35
July	2.170	2.600	9,277,522	2,259.77	2,659.20
August	2.400	2.570	7,583,000	2,522.78	2,681.64
September	2.290	2.500	16,043,000	2,569.93	2,685.94
October (up to 9 October 2009)	2.390	2.560	8,468,429	2,583.73	2,657.44

Notes:

(1) Source: Bloomberg.

(2) Based on last closing prices.

(3) Figures during and following this period reflect the revised Straits Times Index, which was launched by the SGX-ST on 10 January 2008. For periods before this date, figures above reflect the Straits Times Index prior to its revision on 10 January 2008.

Dividend Policy

The Issuer has distributed cash dividends on its Shares in respect of each of FY2006, FY2007 and FY2008. The following table sets forth the aggregate number of outstanding Shares entitled to dividends, as well as the cash dividends paid on the Shares during each of the financial years indicated.

Year	Payment Date	Ordinary Shares (in issue)	Dividend Rate (cents per share)	Tax Rate (%)	Net Dividend Paid(1)
2006	16 November 2006	1,554,584,400	3.0	One-tier tax-exempt	46,637,532.24
2007	16 November 2007	1,555,830,641	3.5	One-tier tax-exempt	54,454,073.10
2008	17 November 2008	1,713,310,324	2.5	One-tier tax-exempt	42,832,758.78

Note:

(1) Represents the net amount of dividends paid by the Issuer (that is, the cash amount of the dividend received by the shareholders). See "Taxation — Shares".

The form, frequency and amount of future dividends on the Shares will depend upon the Issuer's earnings, cash flows, financial condition and other factors and shall be at the discretion of the Board of Directors of the Issuer (the "Directors").

No larger dividend shall be declared by the Issuer than is recommended by the Directors. The Directors may pay an interim dividend. No dividend may be paid except out of the profits of the Issuer. See "Description of Shares — Dividends".

For information relating to taxes payable on dividends, see "Taxation — Shares".

The Issuer is considering a scrip dividend scheme pursuant to which, shareholders may elect to receive new fully paid-up Shares as opposed to cash in settlement of their entitlement to dividends on existing Shares. The scheme is subject to, *inter alia*, the approval of shareholders at the extraordinary general meeting of the Issuer to be held on 29 October 2009. This scheme received the in-principle approval of the SGX-ST on 15 September 2009.

Changes in Issued Shares

The table below sets forth changes in the issued Shares in the capital of the Issuer from 30 June 2007 to 9 October 2009:

Date	Ordinary Shares (in issue)
As at 30 June 2007	1,555,095,400
As at 30 June 2008	1,713,212,824
As at 30 June 2009	1,715,894,324
As at 9 October 2009	1,992,336,183

Share Schemes

Shares under the Olam Employee Share Option Scheme

Olam has one share scheme for its directors and executives, namely the Olam Employee Share Option Scheme.

As at 9 October 2009, the number of outstanding share options under the Olam Employee Share Option Scheme was 101,630,466.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the Group's capitalisation and indebtedness as at 30 June 2009 and as adjusted to account for the issue of the Bonds, after deducting the commissions and estimated offering expenses payable by the Issuer. This table should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Offering Circular.

	As at 30 June 2009		
	Audited	**As adjusted for the Firm Bonds**	**As adjusted for the Firm Bonds and the Optional Bonds**
		(In S$'000)	
Short-Term Borrowings (repayable within one year)			
Short-term bank borrowings	1,869,640	1,300,829	1,158,445
Current portion of finance leases	—	—	—
Current portion of debt securities	128,005	128,005	128,005
Total short-term borrowings	1,997,645	1,428,834	1,286,450
Long-Term Borrowings (repayable after one year)			
Bank borrowings	1,008,312	1,008,312	1,008,312
Debt securities	—	—	—
Finance leases	—	—	—
Convertible Bonds	168,234	737,045	879,429
Total long-term borrowings	1,176,546	1,745,357	1,887,741
Total Borrowings	3,174,191	3,174,191	3,174,191
Total Equity			
Issued and fully paid capital — 1,715,894,324 shares	708,586	708,586	708,586
Reserves	337,260	337,260	337,260
Equity Attributable to Equity Holders of the Issuer	1,045,846	1,045,846	1,045,846
Minority Interests	46	46	46
Total Capitalisation	1,045,892	1,045,892	1,045,892
Total Capitalisation and Indebtedness	4,220,083	4,220,083	4,220,083

Notes:

(1) For illustrative purposes, the Group has assumed that the net proceeds from the issuance of the Firm Bonds of U.S.$392,500,000 (assuming the issuance of the Optional Bonds pursuant to the exercise of the upsize option by the Joint Lead Managers is not approved by shareholders of the Issuer) and the net proceeds from the issuance of the Firm Bonds and the Optional Bonds of U.S.$490,750,000 (assuming the issuance of the Optional Bonds pursuant to the exercise of the upsize option by the Joint Lead Managers is approved by the shareholders of the Issuer) will be fully utilised to repay short-term bank borrowings.

(2) The accounting for the Convertible Bonds has not been apportioned into the various components for the purposes of the financial effects illustrated above.

(3) Since 30 June 2009, there has been no material change in the Issuer's capitalisation or indebtedness, except for:

(a) Subsequent to financial year end, the directors have proposed a first and final ordinary dividend of $0.035 per ordinary share in respect of the financial year ended 30 June 2009 subject to approval of shareholders at the Annual General Meeting to be held on 29 October 2009. The first and final dividend will be paid on 17 November 2009.

(b) On 15 July 2009, the Issuer allotted and issued an aggregate of 273,459,000 new Shares at an issue price of S$1.60 to Breedens Investments Pte. Ltd. and Aranda Investments Pte. Ltd., indirect wholly-owned subsidiaries of Temasek Holdings (Private) Limited and raised gross proceeds of S$437.5 million. The new Shares were equivalent to approximately 13.74% of the enlarged issued and paid-up share capital of the Issuer after completion of the Subscription.

(c) On 21 July 2009, the Issuer granted 48,625,000 options pursuant to the Olam Employee Share Option Scheme (ESOS). The exercise price of options granted is S$2.28 and the validity period of these options is 10 years from the date of grant.

(d) On 27 August 2009, the Issuer announced that it had received commitments from its group of banks for a fully underwritten U.S.$540 million syndicated transferable term loan facility (the "U.S.$540 million Facility"). The U.S.$540 million Facility's proceeds will be used towards refinancing of existing debt, as well as for working capital and for general corporate funding requirements of the Issuer, including capital expenditure and expansion of its supply chain management business.

(e) On 27 August 2009, the Issuer announced that it had successfully closed a 12-month U.S.$100 million Islamic Revolving Trade Finance Facility arranged by the Islamic Bank of Asia Limited.

BUSINESS

Overview

The Group is a leading globally-integrated supply chain manager of agricultural products and food ingredients. Headquartered in Singapore, the Group operates in more than 60 countries and sources and supplies 20 products to more than 10,000 customers in 60 markets and countries. The Issuer was established in 1989 as a division of the KC Group to operate its agri-business and was duly incorporated under the laws of Singapore in July 1995. Since the establishment of the business, the Issuer has evolved from a single-country, single-product trader to a multi-country, multi-product integrated supply chain manager. The expansion of the Group has been possible as a result of pursuing growth strategies by exploiting adjacent opportunities, which it defines as developing opportunities in agricultural products and food ingredients which share customers, costs, capabilities and distribution channels with its existing operations.

As at 9 October 2009, the Group's portfolio of 20 agricultural products and food ingredients comprised of cashews, peanuts, almonds, spices and dehydrates, sesame, beans, cotton, coffee, sheanuts, rice, sugar, wheat, barley, palm, dairy products, packaged foods, coffee, wool, wood products and rubber. The Group is engaged in the sourcing, processing, storage, transportation, shipping, distribution, trading and marketing of these agricultural products and food ingredients to customers in the Destination Markets. The Group manages the risks present at each stage of the supply chain through its risk management system. The Group's profitability is driven primarily by growth in underlying trade volumes handled and also the extent to which it can charge a premium for value-added services, and realise cost savings at various stages of the supply chain.

As at 9 October 2009, the Issuer's issued and paid-up share capital was S$1,154,305,463.27 comprising 1,992,336,183 shares. The Issuer's shares are listed on the Mainboard of the SGX-ST.

For the years ended 30 June 2008 and 2009, the Group had, on a consolidated basis, revenue of S$8.1 billion and S$8.6 billion respectively and net profit of S$167.7 million and S$252.0 million respectively. As at 30 June 2008 and as at 30 June 2009, the total assets of the Group (combining non-current and current assets) on a consolidated basis amounted to S$5.2 billion and S$5.4 billion respectively.

History and Development

Since the Issuer's establishment in 1989, and throughout its evolution from a single-country, single-product trader in 1989, to a multi-national, multi-product integrated supply chain manager it has expanded into adjacent products, geographic markets, customers and supply chain activities through organic and inorganic growth.

The Group's history and development can be categorised into four phases:

Formative Years: 1989 to 1992

The foundations of the Issuer's business date back to the KC Group which has over 140 years of trading history. The Issuer's business was first established in 1989 as a division to start the KC Group's agri-business enterprise and to generate foreign exchange.

From 1990 to 1995, the KC Group's agri-business was headquartered in London and operated under the name of Chanrai International Limited. The business began with the export of cashews and then expanded into exports of cotton, cocoa and sheanuts from Nigeria. This allowed the development of the Group's origination capabilities and expertise in sourcing, processing and marketing of agricultural products. During this phase, the Group's business was a single-country, multiple-product operation.

Business Model Development: 1993 to 1995

Between 1993 and 1995, the business grew from a single-country operation into multiple Origins, first within West Africa (including Benin, Togo, Ghana, Cote d'Ivoire, Burkina Faso, Senegal, Guinea Bissau, Cameroon and Gabon), and then to East Africa (Tanzania, Kenya, Uganda, Mozambique and Madagascar) and then India. This move into multiple Origins coincided with the deregulation of the agricultural commodity markets.

Global Expansion: 1996 to 2002

The Issuer was incorporated in Singapore on 4 July 1995 under the Act as a public limited company. Subsequently, in 1996, the Issuer relocated its entire operations from London to Singapore at the invitation of the Singapore Trade Development Board (now International Enterprise Singapore).

Upon relocation to Singapore, the KC Group's agri-business was reorganised to be wholly-owned by the Issuer.

During this phase, the Group applied its business model to capitalise on growth opportunities present in its various businesses. Singapore became the corporate headquarters and the key marketing and trading centre for all its operations. To focus further on quality customer service, marketing offices were opened in Poland, the Netherlands, France, the UK, Italy and the US. The Group also successfully established sourcing and marketing operations in Indonesia, Vietnam, Thailand, China, Papua New Guinea, Middle East, Central Asia and Brazil.

Raising Capital for Future Growth: 2003 to 2005

By 2002, the Group had expanded to nine products and 30 countries with total revenues of approximately U.S.$1.6 billion and profit after tax of approximately U.S.$25 million for FY2002. At this stage, the Group approached various established institutional investors, including Russell AIF Singapore Investments Limited (managed by AIF Capital Limited), Seletar Investments Pte Ltd (a wholly-owned subsidiary of Temasek Holdings) and International Finance Corporation (a member of the World Bank Group) to raise funds for future growth.

Over this period, the Group consolidated its global leadership positions in most of its products and expanded into new products such as peanuts, beans, dairy products and packaged foods.

On 31 January 2005, the Issuer launched its IPO of 375 million shares at S$0.62 per share. Measured against the market capitalisation of companies then listed on the Main Board of the SGX-ST, the Issuer ranked among the 50 largest listed companies with a market capitalisation of S$929 million at the invitation price. The Issuer's placement tranche of 345 million shares (from its 375 million shares) attracted strong interest from local and global institutional investors as well as leading institutional fund managers. The Issuer completed the IPO of its shares, and was admitted to the Official List of the SGX-ST on 11 February 2005.

Building a Global Leader: 2006 to Present

In FY2006, the Group developed and communicated to investors an M&A framework, so that going forward, acquisitions will form an integral part of the Group's growth strategy alongside organic growth.

The Group intends to pursue acquisitions in three areas, namely:

- new product adjacency — entailing planned expansion into nine new product adjacencies closely linked to the Group's core business over the next six years;

- new value chain adjacency — in several individual business strategic plans, there are initiatives envisaged for primary or secondary processing, where an acquisition would be a better entry strategy, for example, soluble coffee manufacturing, origin cocoa processing, sugar milling and refining. Organic initiatives in this area could mean significant gestation, as well as extended time required to acquire the necessary technical know-how and insight; and

- bolt-on acquisitions in key geographic areas where the Group intends to accelerate or ramp up growth, for example, in markets like China, Brazil, India and the US.

Employing a disciplined, "string of pearls" approach, no individual transaction is expected to exceed 10 per cent. of the Group's market capitalisation, with an expected focus on transactions that are closer to 5 per cent. of the Group's market capitalisation. On aggregate, the Group does not envisage spending more than 15 per cent. of its market capitalisation on acquisitions in any given year.

Below is a description of major growth and capital raising milestones in respect of the Group from 2006 to 2007.

On 10 April 2006, the Issuer announced that it has established Agronesia, a joint venture company in Indonesia, jointly with Prinavin, to be engaged in expanding further opportunities of sourcing and distribution of agricultural commodities from and into Indonesia.

On 18 August 2006, the Issuer signed a letter of intent with Taloca, a subsidiary of Kraft Foods International, to acquire its green coffee processing unit in Colombia. This acquisition of Taloca's Colombian processing facility, which has since been completed, is a significant step in the Issuer's ambition to become a leading global player in the Arabica coffee business and accelerates its entry into this space.

On 25 August 2006, the Issuer announced its acquisition of the peanut shelling and processing unit from Senwes, a company based in South Africa. The acquisition is in line with the Issuer's overall strategy within the peanuts segment and overall edible nuts segment to set up direct procurement, shelling and blanching operations in all major production centres. The Group is now able to offer the entire range of in-shell, blanched and kernel grade peanuts, from Origins that account for a majority of the world's peanuts trade flow.

On 27 October 2006, the Issuer and ADM concluded a joint acquisition of Usicam from SAGA SA, France, a Groupe Bolloré company. In addition, Usicam had acquired the cocoa processing assets of SDV, Cameroon — another Groupe Bolloré company. The Issuer and ADM each owns 50.0 per cent. of Usicam, and have partnered to ensure that cost economies and usage efficiencies may be offered to the cocoa suppliers in Cameroon before they export the beans.

On 7 March 2007, the Issuer announced an off-market takeover offer to acquire all of the shares in QCH. The proposed combination of the cotton business of the Issuer and QCH was expected to create the third largest and most diversified global cotton company with substantial sourcing operations in Africa, Australia, Brazil, Commonwealth of Independent States, India, China and the United States along with a strong presence in all major world markets.

On 13 July 2007, the Issuer announced the receipt of acceptances for more than 90.0 per cent. of the shares outstanding in QCH, and that it has a relevant aggregate interest in approximately 90.8 per cent. of QCH, providing the Issuer the right to compulsorily acquire all the remaining shares outstanding. The acquisition of 100.0 per cent. shares in QCH was completed in October 2007.

On 22 April 2007, the Issuer announced its intention to acquire 100.0 per cent. of the world's largest independent peanut blancher and ingredient processor, UB for a total cash consideration of U.S.$77.0 million. The Issuer acquired UB in June 2007. This acquisition has enabled the Issuer to expand into peanut blanching and ingredient manufacturing in the United States.

On 14 June 2007, the Issuer announced the acquisition of approximately 17.0 per cent. of the total outstanding shares of OCC, a fast growing dairy processing company in New Zealand. This strategic stake acquisition has enabled the Group to gain valuable exposure to the dairy business in New Zealand. The Group acquired further shares of OCC on 15 June 2007, bringing its shareholding in OCC to 19.9 per cent.

On 27 August 2007, the Issuer announced its intention to acquire 100.0 per cent. equity interest in KFI, a processor and global supplier of dehydrates to the food processing industry for a total consideration of approximately U.S.$16 million. The acquisition of KFI was expected to enhance the Group's presence in the overall spice value chain, helping the Group move from being primarily a whole spices supplier, to offering a basket of spice ingredients to its customers. The acquisition of KFI was completed on 12 November 2007.

On 12 September 2007, the Issuer announced its intention to acquire 100.0 per cent. equity interest in NAP, an international supply chain manager of industrial caseins, for a total consideration of approximately Euro 3.3 million. Entry into the casein business is a one-step product adjacency for the Group as sourcing the raw casein for NAP shares the same sourcing channels as the Group's existing dairy business in the countries it operates in, providing significant synergies in cross-sourcing with only marginal additional investment. The acquisition of NAP was completed on 12 November 2007.

On 2 October 2007, the Issuer announced its intention to acquire 100.0 per cent. equity interest in PT DUS, a sugar refinery based in Indonesia for a total cash investment of U.S.$12.6 million. Of this amount, U.S.$5.0 million was paid to shareholders of PT DUS while the balance amount of U.S.$7.6 million was utilised to purchase outstanding debt obligations from PT Bank Danamon Indonesia Tbk. The acquisition is an all-cash transaction and was funded by a combination of borrowings and internal accruals. The Group will further invest an estimated U.S.$12.0 million to (a) upgrade and raise PT DUS' production and (b) install a boiler to enable switching to coal, a lower cost feedstock. The acquisition of PT DUS provides the Group the opportunity to participate in the growing sugar refining sector in Indonesia. On 13 December 2007, the Issuer announced the completion of the acquisition of PT DUS.

On 9 October 2007, the Issuer announced that it will invest approximately U.S.$45.0 million in a green field integrated soluble (instant) coffee manufacturing facility in Vietnam, that produces and supplies bulk spray-dried coffee powder, freeze-dried coffee granules and coffee extracts to the unbranded and private coffee label segment. The expansion into soluble coffee manufacturing is a one-step adjacency move for the Group into a higher value-added activity in the coffee supply chain, where there is a sharing of customers, costs and channels. The investment is currently progressing as scheduled.

On 15 November 2007, the Issuer announced the establishment of a 50:50 joint venture, Nauvu, with Wilmar, a company listed on the SGX-ST. Nauvu will invest in integrated palm oil, natural rubber and sugar assets in Africa, including upstream plantations, midstream processing and downstream merchandising and distribution operations and will be making initial investments into the SIFCA Group, one of Africa's largest agro-industrial groups with diversified interests across palm oil, cotton seed oil, natural rubber and sugar sectors in Africa. Nauvu was incorporated on 19 November 2007. Establishment of the joint venture was completed in December 2008.

On 9 January 2008, the Issuer announced the incorporation of Outspan, a company incorporated in Vietnam. The principal activities of Outspan are those of sourcing, processing and supply chain management of agricultural products and food ingredients.

On 22 April 2008, the Issuer issued 155,628,689 new Shares pursuant to a non-renounceable and non-transferable preferential offering raising net proceeds of S$303 million.

On 20 June 2008, the Issuer announced that it had won an international bid to acquire a cotton gin in the Ouangolo region of Cote d'Ivoire from La Compagnie Cotonniere Ivoirenne for U.S.$5.0 million. The acquisition comprises of one cotton gin with an annual ginning capacity of 35,000 tonnes of seed cotton and its related infrastructure, as well as a catchment area of nearly 35,000 hectares that can produce up to 20,000 tonnes of cotton lint annually. This investment is in line with the Group's growth strategy for cotton in Africa which is to seek growth opportunities in ginning and in building integrated cotton supply chain operations in the major exporting countries such as Cote d'Ivoire.

On 1 July 2008, the Issuer announced the formation of Olam Wilmar Investment Holdings, a 50:50 joint venture company established with Wilmar, to acquire a 20.0 per cent. interest in PureCircle from existing shareholders for an aggregate consideration of U.S.$106.2 million. As a producer of natural zero-calorie high-intensity sweeteners from the stevia plant, PureCircle operates an integrated supply chain for natural high-intensity sweeteners with activities ranging from sourcing of dry stevia leaves and extraction in China, refining of crude extracts into sweeteners in Malaysia and marketing of these sweeteners to food and beverage manufacturers worldwide. The Issuer believes that this joint investment is consistent with the Group's growth strategies of diversifying and entering into new adjacent products and extending its global supply chain selectively into adjacent value-chain segments.

On 3 July 2008, the Issuer issued an aggregate of U.S.$300,000,000 1 per cent. Convertible Bonds due 2013, which are convertible into ordinary shares of the Issuer.

On 8 July 2008, the Issuer announced the acquisition of a 24.99 per cent. stake in Dairy Trust Limited.

On 22 September 2008, the Issuer announced the successful completion of a 3-year U.S.$115 million Islamic syndicated commodity Murabaha facility.

On 3 November 2008, the Issuer announced the acquisition of a sugar milling complex from Giridharilal Sugar and Allied Industries Ltd in India for a total consideration of U.S.$9.9 million.

On 18 December 2008, the Issuer announced the acquisition of a dehydration facility located in Firebaugh, California from De Francesco and Sons, Inc.

On 19 December 2008, the Issuer completed a tender offer of the Existing Bonds pursuant to which the Issuer repurchased from the holders of the Existing Bonds an aggregate principal amount of U.S.$117,600,000 of Existing Bonds.

On 22 December 2008 and 29 December 2008, the Issuer completed further on-market repurchases of an aggregate principal amount of U.S.$1,000,000 and U.S.$5,000,000 respectively (all Existing Bonds repurchased pursuant to the tender offer and the on-market repurchases are collectively referred to herein as the "Repurchased Bonds"). The Issuer cancelled the Repurchased Bonds. The aggregate principal amount of Existing Bonds remaining outstanding following cancellation of the Repurchased Bonds was U.S.$176,400,000.

On 2 February 2009, the Issuer announced the acquisition by its subsidiary, Olam Argentina, of a leading peanut shelling and blanching company Industria Martin Cubero for a total consideration of approximately U.S.$7.0 million. The acquisition was an all-cash transaction and was funded by a combination of existing loans and internal accruals.

On 12 February 2009, the Issuer announced the completion of a U.S.$33 million export credit loan facility.

On 4 March 2009, the Issuer completed an exchange offer of the Existing Bonds (the "Exchange Offer") pursuant to which the Issuer had accepted for exchange U.S.$136,000,000 in aggregate principal amount of the Existing Bonds (the "Exchanged Bonds") and issued U.S.$106,080,000 in aggregate principal amount of 1.2821 per cent. Convertible Bonds due 2013 of the Issuer convertible into ordinary shares of the Issuer (the "Issued New Bonds"). The Issuer had cancelled the Exchanged Bonds. The aggregate principal amount of Existing Bonds remaining outstanding following cancellation of the Repurchased Bonds and the Exchanged Bonds was U.S.$40,400,000 (the "Remaining Existing Bonds").

On 17 March 2009, the Issuer announced that it had renewed and upsized a U.S.$170 million 1-year revolving multicurrency trade facility (the “Facility”) from Standard Chartered Bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd, Singapore Branch, ING Bank N.V, Singapore Branch and Sumitomo Mitsui Banking Corporation, Singapore Branch. The Issuer will use the Facility to finance its cocoa and coffee operations and working capital requirements in Nigeria and the Ivory Coast.

On 23 March 2009, the Issuer entered into exchange agreements with certain holders of some of the Remaining Existing Bonds, pursuant to which the Issuer agreed to accept for exchange U.S.$21,200,000 in aggregate principal amount of the Remaining Existing Bonds (the “Further Exchanged Bonds”) and issue U.S.$16,536,000 in aggregate principal amount of 1.2821 per cent. Convertible Bonds due 2013 of the Issuer convertible into ordinary shares of the Issuer (the “Additional New Bonds”, and both Issued New Bonds and Additional New Bonds are collectively referred to herein as the “New Bonds”) on terms identical to that of the Exchange Offer (the “Further Bond Exchange”).

On 27 March 2009, the Issuer announced that settlement of the Further Bond Exchange had taken place. Following the completion of the Further Bond Exchange:

(a) the aggregate principal amount of New Bonds issued by the Issuer pursuant to the Exchange Offer and the Further Bond Exchange was U.S.$122,616,000; and

(b) the Issuer has cancelled the Further Exchanged Bonds. The aggregate principal amount of Existing Bonds remaining outstanding following cancellation of the Exchanged Bonds and the Further Exchanged Bonds is U.S.$19,200,000.

On 15 May 2009, the Issuer announced that it had acquired the remaining 60 per cent. interest in Lamco, a 40 per cent. owned associate company of the Issuer by an injection of S$199,400 in the capital of Lamco. The remaining 60 per cent. interest held by Cosco Cafimport Srl, the joint venture partner in Lamco was cancelled with Lamco becoming a 100 per cent. owned subsidiary of the Issuer. Lamco is a limited liability company incorporated in Italy and is principally involved in the trading of agricultural commodities.

On 26 June 2009, the Issuer announced that the agreement by its wholly-owned subsidiary Olam Tomato Processors Inc. to purchase selected assets of major U.S. tomato processor, SK Foods, L.P. and its wholly-owned subsidiary RHM Industrial/Specialty Foods, Inc. in California has been approved by the United States Bankruptcy Court in Sacramento. The purchase value was U.S.$39 million.

On 15 July 2009, the Issuer announced that it had issued 273.46 million new shares at S$1.60 per share to raise gross proceeds of S$437.5 million, representing 13.76 per cent. of the enlarged issued and paid-up capital of the Issuer to Breedens Investments Pte Ltd and Aranda Investments Pte Ltd, both indirect wholly-owned subsidiaries of Temasek Holdings.

On 20 July 2009, the Issuer announced that it had completed the divestment of its entire 51 per cent. stake, which comprised of 51,000 shares, in Agronesia pursuant to the sale and purchase agreements entered into with Prinavin and Liestyana Rizal Gusman. Agronesia is a 51:49 joint venture company in Indonesia formed with the intention of exploring further opportunities of sourcing and distribution of agricultural commodities from/into Indonesia for the products in Olam’s portfolio. Since its formation in 2006, Agronesia remained a dormant company and the intended activities did not materialise.

On 27 August 2009, the Issuer announced that it received commitments from a group of banks for a fully underwritten U.S.$540 million syndicated transferable term loan facility comprising two tranches, namely (i) a three-year term loan of U.S.$324 million and (ii) a five-year term loan of U.S.$216 million. The proceeds of that facility will be used towards refinancing of existing debt, as well as for working capital and for general corporate funding requirements of the Issuer, including capital expenditure and expansion of its supply chain management business.

On 27 August 2009, the Issuer also announced that it had successfully closed a 12-month U.S.$100 million Islamic revolving trade finance facility arranged by the Islamic Bank of Asia Limited. The syndication is a further expansion by the Issuer into the Islamic financing market after successfully closing a 3-year syndication in September 2008.

On 1 September 2009, the Issuer announced the acquisition of a 14.35 per cent. stake in NZFSU, an operator of large scale New Zealand-style dairy farming operations in Uruguay. The Issuer had purchased this stake for a cash consideration of NZ$14.37 million.

Listed on the New Zealand stock exchange, NZFSU was established in 2006 by PGG Wrightson Ltd, New Zealand's leading rural services company, with the aim of providing an opportunity to New Zealand farmers and investors to benefit from the export of their world-leading dairy farming practices. NZFSU was formed for the purpose of applying New Zealand's high performing pastoral based farming systems to extensive areas of high quality, low cost and under-utilised Uruguayan farm land for dairy farming. The acquisition is in line with the Group's strategy, which includes participation in dairy farming in low cost origins that will strengthen its market position in the dairy industry and significantly raise its margin profile.

On 16 September 2009, the Issuer announced that it was proposing a scrip dividend scheme. Under the scheme, shareholders of the Issuer entitled to dividends may elect to receive either cash or an allotment of ordinary shares in the capital of the Issuer credited as fully paid, in lieu of the whole or such part of the cash amount of the dividend to which the scheme applies, as determined by the directors of the Issuer. This scheme received the in-principle approval of the SGX-ST on 15 September 2009.

On 16 September 2009, the Issuer announced that it was proposing a share buyback mandate authorising the Issuer to purchase or acquire its Shares.

On 18 September 2009, the Issuer announced the signing of a definitive agreement to acquire 8,096 hectares of planted almond orchards and 40,825 mega litres of permanent water rights from Timbercorp Limited and its associated entities, through its liquidation process. The total investment consideration is A$128 million in cash, which will be funded from a combination of internal accruals and existing credit facilities. The transaction is subject to certain regulatory approvals and other customary closing conditions. The acquisition is in line with the Issuer's recently announced corporate strategy which outlined a thrust towards upstream initiatives in plantations and farming, as well as midstream initiatives in value-added processing. Successful completion of this acquisition would make the Issuer Australia's largest almond grower and place it amongst the top three almond growers globally. The transaction is expected to be earnings and value accretive from FY2010.

As at 9 October 2009, the Group operates in over 60 countries as indicated in the diagram set out on the next page.

Our Global Presence

- Marketing and Origination Offices
- Processing Factories
- Plantations / Farms / Forestry Concessions

Competitive Strengths

The Group is a leading global supplier to multi-national food companies

In all of the Group's operations, it has established strong relationships with end-customers including multi-national corporations, which own internationally recognised brands such as Cadbury, Nestlé, Lavazza, Mars, Tchibo and Planters. The Group believes that these strong relationships are built on its leading global market positions. For example, the Group is:

- one of the largest suppliers by market share in the global trade of raw cashew nuts;
- one of the largest suppliers by market share in the global trade of Robusta coffee;
- one of the top three suppliers by market share in the global trade of cocoa;
- one of the largest suppliers by market share in the global trade of teak wood;
- one of the largest suppliers by market share in the global trade of cotton;
- the largest almond orchard owner in Australia once the acquisition from Timbercorp Limited and its associated entities as announced on 18 September 2009 is completed;
- one of the top three global suppliers by market share in the global trade of rice; and
- one of the top five global suppliers by market share in the global trade of peanuts.

As a market leader, the Group has a detailed understanding of its customers' product requirements, which enables it to offer differentiated products, supply chain solutions and value-added services including organic certification, product traceability, customised quality, VMI and risk management solutions. The Group believes that its customers value it as a reliable counterparty and a long-term business partner.

The Group has a proven business model

The Group has a proven and flexible business model which enables it to achieve rapid and cost-effective organic and inorganic growth. This business model is scalable and replicable across diversified products, geographic markets, customers and supply chain activities. Since its establishment, the Group has evolved from a single-country, single-product trader to a multi-country, multi-product integrated supply chain manager. The Group's expansion has been possible as a result of pursuing growth strategies by exploiting adjacent opportunities which it defines as developing opportunities in agricultural products and food ingredients which share customers, costs, capabilities and distribution channels with its existing operations.

The Group operates across the entire supply chain in almost all of its 20 products. The Group sources and exports out of approximately 60 countries across Africa, Asia and the Middle East, North and South America, and operates trading and marketing operations out of approximately 60 countries. The Group's business model enables it to have the following competitive advantages:

Rapid Organic and Inorganic Growth

The Group's business model allows it to explore multiple growth opportunities based on common geographic markets, products, customers and channels shared with its existing operations and as such, it believes it is able to grow rapidly both organically and through strategic acquisitions. At the same time, because the Group's expansion initiatives are based on existing competencies, infrastructure, resources and/or customers, it is able to reduce the execution risks of expanding into new areas and thereby scale up its operations more effectively and efficiently.

Cost Sharing

In any given Origin, the Group utilises the same infrastructure and people across multiple products. The Group sources products with complementary crop seasons such that its infrastructure is utilised all year round. Functions such as audit, accounting, treasury and risk control systems become more cost effective when commonly employed by all of the Group's operations. The Group seeks to optimise its product mix, which helps it share costs more effectively and makes it more cost competitive.

Diversification

The Group integrates its knowledge and expertise across products, geographic markets and supply chain activities to create a diversified portfolio of products and services. In any given product segment, the Group consciously selects a mixture of northern and southern hemisphere Origins so that its trading and marketing infrastructure is constantly utilised and that sourcing activities for such products can be conducted throughout the year. The Group is present in key producing countries, which allows it to service its customers better in terms of quality, quantity and timeliness. The Group's geographical diversity results in it not being over-exposed to any single Origin for any given product. The Group seeks to export out of countries that it also imports into in order to help hedge against currency risks. This is particularly relevant where the currencies in question are not traded on foreign exchange markets as this process allows the Group to create a natural hedge against currency movements.

The Group has integrated end-to-end supply chain capabilities

The Group has integrated end-to-end capabilities across the supply chain in each of its products, which allows it to control its supply chain, provide value-added services and potentially increase its margins.

Control of the supply chain

End-to-end integration capabilities provide the Group with greater control over its supply chain, which in turn enables it to provide quality and timely services with greater certainty than if it was relying on third parties. Operating presence over the entire supply chain provides the Group with comprehensive information relating to demand and supply, which allows it to react quickly to volatile market conditions.

Provision of value-added services

Being integrated across the entire supply chain ensures that the Group has an unbroken chain of custody over its products from the Farm Gate to the Factory Gate. This allows the Group to provide value-added services such as traceability, hygiene certification, VMI and special grades of products to meet the Group's customers' requirements. Offering such value-added services enhances customer loyalty and improves supply chain margins.

Potential to increase the Group's margins

End-to-end integration capabilities allow the Group to potentially increase its margins by reducing the role of third party intermediaries, including agricultural raw material processors and logistics service providers. Participation across the entire supply chain also helps the Group to secure a minimum level of margin.

The Group has successfully combined origination capabilities with capabilities in the Destination Markets

Origin management is one of the Group's key competencies. The Group has a track record of identifying origination opportunities, setting up and managing procurement and distribution infrastructure and institutionalising field operating systems effectively. The Group sources its various products using a common infrastructure and employs field staff who are skilled in dealing with multiple products.

The Group is well established across key points of origination of its products. Agricultural production bases are dependent on local climates and soil conditions which make them difficult to relocate. In addition, the production bases of most of the Group's products are located in developing countries, which require deep knowledge of local working conditions. The Group believes these characteristics of the Origins present significant barriers to entry for its competitors.

The Group's business has evolved from the point of origination, which is why it is well suited to handle the challenges of supply chain management from difficult emerging countries. The Group has developed business systems and networks, which enables it to function efficiently in these Origins. The Group believes that its knowledge of global supply conditions and its infrastructure and understanding of all its Origins, provides it with a significant advantage over its competitors at the point of origination in delivering its products to its customers.

At the same time, the Group has developed strong relationships with its customers in the Destination Markets, many of whom are well known food multi-nationals, by providing them with timely, consistent and reliable supplies of their raw material requirements. The strength of the Group's market capabilities in the Destination Markets is a result of the various value-added services it provides its customers including VMI services, grades and quality customisation, traceability, organic raw materials supply capacity, FTP products supply capacity and tailor-made risk management solutions. The Group believes that it is one of the few industry participants who have successfully combined the market skills of a global trade house and the origination skills of an origin trade house. This combination has allowed the Group to develop privileged relationships with its key customers and to offer them its distribution and logistics capabilities, as well as its hedging, risk management and risk arbitrage skills.

The Group has a professional and experienced management team

The Group has consistently attracted high quality professionals to work in the challenging emerging market conditions in which it operates. The Issuer's Executive Directors and Executive Officers have an average of 13 years of experience in the industry. The Group has more than 400 managers in its global talent pool, most of whom have spent a certain minimum number of years working in an Origin Country. Through extensive on-the-ground experience and rigorous training and promotion systems, the Group's managers have developed a common vision and understanding of its values and goals. These help to foster better intra-business communications, disciplined operational management and an entrepreneurial spirit.

The Group's management team consists of a mix of industry experts. The Group has a structured and formalised training programme and a career development programme designed to provide its managers with the opportunity to manage a mix of businesses and locations. This is to provide them with broad knowledge and experience, and also to enhance the Group's ability to operate as a globally integrated organisation. Most of the Group's core management team have had extensive field experience and are therefore adept at managing issues that may arise from operating in developing countries.

The Group is able to retain its personnel by making an effort to promote internally. As at 9 October 2009, a total of 578,208,956 shares (direct and deemed) were held by directors of the Issuer and there were a total of 20,250,000 unissued Shares comprised of options granted to directors of the Issuer under the

Olam Employee Share Option Scheme — see "Principal Shareholders — Directors' Shareholdings". This has helped to align their interests with those of the Issuer and foster a sense of commitment.

The Issuer has a diversified base of well-established and reputable investors

The Issuer raised net proceeds of approximately S$185 million in its IPO in 2005. In April 2008, the Issuer successfully raised approximately S$300 million through a preferential offering of new shares to existing investors. On 15 July 2009, the Issuer raised S$437.5 million through an issue of new shares to Breedens Investments Pte Ltd and Aranda Investments Pte Ltd, both indirect wholly-owned subsidiaries of Temasek Holdings . The Group's ability to raise equity financing has provided it with funds to finance its investments and M&A activities and also contributed to the Group's ability to obtain narrower spreads on its bank borrowings.

Strategies

The Group's strategic intent and vision is to be the leading global supply chain manager and processor of agri-commodities by:

(i) serving growers and customers globally;

(ii) pursuing select scalable and attractive niches in upstream and value-added midstream processing; and

(iii) capitalising on the Group's emerging markets expertise.

In August 2009, consistent with historical strategy reviews conducted once every three years, the Group reviewed its business strategy for the forthcoming two three-year cycles (FY2010 to FY2015) as set out more fully in the Group's annual report for FY2009. The current economic crisis is an appropriate juncture to assess opportunities and risks posed by the structural changes in the agri-business industry and has provided an additional impetus to the review process. At the forefront of the Group's strategy is a desire to establish sustainable and profitable growth (both organically and inorganically through acquisitions) that helps build fundamental intrinsic value. In light of this aim and following a detailed analysis of the Group's current competitive position and prospects, five key strategic thrusts have been identified, namely to:

- pursue integrated global value chain leadership;
- selectively expand into value chain adjacencies;
- optimise and extract full value from core activities;
- leverage latent assets and capabilities to grow into new adjacent businesses; and
- downsize, exit or prune unattractive businesses, origins, profit centres and activities.

The Group's governing objective will continue to remain as before, namely, to maximise intrinsic shareholder value for its long-term or continuing shareholders in an ethical, socially responsible and environmentally sustainable way. The specific drivers and goals to achieve its governing objective include to:

(i) double intrinsic shareholder value every three years or quadrupling it over the six-year time frame;

(ii) increase equity spread by at least 10% (ROE minus K_e: 20% minus 10%);

(iii) increase capital spread by at least 5% (ROIC minus WACC: 12% minus 7%);

(iv) target PBT margin of at least 5%;

(v) target PAT margin of at least 4%;

(vi) reducing earnings volatility (in BUs and Portfolio);

(vii) achieve strategic and financial flexibility; and

(viii) be widely recognised as a responsible and sustainable value creator.

The Group's Strategy-on-a-page

The Group's governing objective is to maximise intrinsic value for its long-term shareholders

Vision

To be the leading global supply chain manager and processor of agri-commodities by:
- Serving growers and customers globally
- Pursuing select scalable and attractive niches in upstream and value-added processing; and
- Capitalising on emerging markets expertise

Goals

- Increase Intrinsic Value by 3-4x over the next two 3-year cycles
- Equity spread ≥ 10% (ROE - K_e :20% - 10%)
- Capital spread ≥ 5% (ROIC - WACC :12% - 7%)
- PBT Margin ≥ 5%
- PAT Margin ≥ 4%
- Reduction in earnings volatility (BU & Portfolio)
- Achieve strategic and financial flexibility
- Be widely recognised as a responsible and sustainable value creator

Strategic thrusts

Invest to achieve integrated value chain leadership	Selectively expand into attractive value chain adjacencies	Optimise and extract full value from core	Leverage latent assets	Downsize/ exit/prune unattractive activities
Coffee, Edible Nuts, West Africa Palm	Cocoa, Sugar, Rice, Dairy, Spices & Dehydrates, Grains, West Africa Rubber	Cotton, Sesame, Pulses, Timber	Packaged food in West Africa, Agri-financial services, Agri-inputs	Select profit centres

Enablers

Excellence in execution
- Programme management
- Value-added processing and upstream adjacencies set-up
- Complexity management
- IT, risk and compliance systems

M&A effectiveness
- M&A pipeline
- Due-diligence capabilities
- Best-in-class integration

Capital efficacy
- Capital structure
- Overhead and capital productivity

People & Values
- Global talent pool
- Entrepreneurial culture

The Group has mapped and prioritised its various businesses based on their historical performance, current competitive position and addressable profit pool to determine their fit in the abovementioned strategies. It has also identified a number of new business areas which would leverage on the Group's latent assets and capabilities namely packaged food distribution in Africa, fertiliser distribution in Africa and commodity financial services business.

Based on the five strategic thrusts developed and the mapping of the various BUs along these five strategic thrusts, the Group developed a prioritisation matrix to screen the 57 growth initiatives submitted by all the BUs for consideration. The Group screened these initiatives based on their strategic value (assessing whether the proposed initiative will help the BU to develop a competitive advantage as well as assessing the Group's ability to win in terms of execution) and their profitability index. On this basis, the Group deprioritised 11 initiatives not meeting its minimum requirements on the strategic index/profitability index. The remaining 46 are prioritised into two categories, tier one and tier two based on how highly they scored on both dimensions.

Integrated value chain leadership

The Group has identified three businesses, namely coffee, edible nuts and West Africa palm for significant investment in order to achieve integrated global value chain leadership. These businesses already have strong existing market positions and significant potential for profit and the Group will seek to realise this with additional growth initiatives. These include major inorganic growth in certain midstream nut businesses and expansion throughout the coffee value chain, namely into plantations and value-added services in speciality/certified coffee.

Selective value chain expansion

Six other businesses have been chosen for selective value chain expansion including cocoa, dairy, sugar, rice, grains and spices and dehydrates. These areas have moderate historical and competitive positions and untapped potential profitability. Initiatives to further this strategy include expansion in the midstream areas of dairy processing, grain milling and sugar refining.

Core optimisation

For businesses with strong current market positions but lower relative potential profit the focus will be on the optimisation of core activities. The Group's core activities encompass sourcing/origination, primary processing, logistics and trading/marketing. The Group's businesses such as cotton, pulses, wood products and sesame meet these criteria and future focus in these areas will thus centre around optimising and extracting the full potential of investments already made.

Leverage latent assets

As previously mentioned, the Group has also identified three new businesses that would leverage and build on the latent assets and capabilities it has already developed over the 20 years of operations. These three new businesses include packaged food distribution in Africa, fertiliser distribution in Africa and the provision of commodity financial services. The packaged food distribution business will leverage the Group's distribution franchise and network in 24 African countries and in Russia. The fertiliser distribution business will leverage its grower and supplier relationships that have already been established and supply them with the fertiliser inputs they need and provide off-take for their commodities at the back-end. Under the umbrella of commodity financial services the Group hopes to undertake three activities: (i) market making and volatility arbitrage trading; (ii) risk solutions; and (iii) fund management. In this business, the Group will leverage its understanding of commodity markets, derivative markets and risk management to enter this new arena.

Downsize, prune or exit unattractive activities

Certain profit centres which have been generating negative economic profit with limited prospects for recovery have been selected for downsizing or divestment. This will streamline the Group, releasing capital and people bandwidth which can then be focused on the first four strategic thrusts.

Business Overview

The Group's Business Approach

The Group is a leading global integrated supply chain manager of agricultural products and food ingredients. The Group offers end-to-end supply chain solutions to its customers from sourcing and purchasing agricultural products and food ingredients directly from the Farm Gate in the Origins to delivering them to the Factory Gate in the Destination Markets.

The Group believes its leadership position in the industry is supported by:

- its origination capabilities arising from its global scale and direct presence in key producing countries;

- its supply chain economies arising from its operations being integrated across the entire agricultural products supply chain; and

- its capability to serve its customers in Destination Markets.

As supply chain manager of agricultural products, the Group's profitability is driven primarily by the volume of the products sold to its customers and the degree of value-added services that it provides. For every transaction, the Group targets a specific minimum profit per unit handled based on the risks and complexities of meeting the customer's requirements. The Group constantly evaluates the pricing conditions on the demand side and then considers its costs along the supply chain to determine whether it can achieve its targeted profit per unit handled. The Group will generally not purchase agricultural products from the Farm Gate if it is unable to generate its targeted profit per unit handled.

The Group's principal role is to source agricultural products directly from Origins and supply them in a reliable and consistent manner to its customers in the Destination Markets. As payment for performing that role, the Group seeks to capture the margins that exist in the supply chain. The Group does not consider itself to be a directional, positional, proprietary or speculative commodity trader. The Group takes positions in products with the sole objective of meeting its customers' demands. In particular, the Group does not take positions based on its view of the direction or size of commodity price movements and does not take positions in the futures or physical markets unless they are backed by underlying physical transactions.

The Group's risk management system is designed to minimise the variance in its targeted profits that may arise as it moves agricultural products through its supply chain.

The Group's Agricultural Products Supply Chain

The Group's supply chain management services include sourcing and origination at the Farm Gate, processing, exporting, shipping, importing and warehousing, and final distribution at the Factory Gate. The following diagram illustrates a typical agricultural supply chain and the Group's involvement in managing key aspects of this supply chain:

Supply Chain Manager of Agricultural Raw Materials

As at 9 October 2009, the Group sources and supplies 20 products.

The Group has a diversified customer base of over 10,000 customers which include multi-national food companies, textile manufacturers, wood and furniture component industries, importers and distributors of products in the Destination Markets, none of whom account for more than five per cent. of its revenue for each of the periods which comprise of the 12-month periods ended 30 June 2008 and 30 June 2009 (the "Periods Under Review").

The Group's suppliers comprise of farmers, port-town suppliers and agents, origin exporters, government monopolies and co-operatives, none of whom account for five per cent. or more of the Group's total purchases for each of the Periods Under Review.

Origination

Origination involves sourcing directly from the Farm Gate which the Group believes is the foundation of its supply chain management business. The Group believes that the majority of value in an agri-business supply chain is generated between the Farm Gate and the point of export in the producing countries.

To achieve effective origination, the Group sources its products directly from the Farm Gate through its network of local buying agents, who deal with the Group either as principals or on a commission basis. The Group procures commodities from the Farm Gate from farmers and village-level agents and suppliers through an elaborate network spanning hundreds of buying posts in the Origins. As such, the network of farmers, village-level agents and suppliers number in the hundreds and are distributed across the growing areas in any one Origin.

To be close to its product sources, the Group sets up procurement offices in the main growing areas of the Origins in which it operates. Most of the Group's procurement offices have warehousing facilities, weighing stations, quality checking facilities and trained staff that check the quality and weight before the products are accepted. In this way, the Group is able to exercise control over the procurement process and manage the physical flow of products from the point of origin. The products the Group procures are then cleaned, graded, dried, processed and bagged before they are transported to the port town for export shipments or to an interim location for further processing or aggregation.

The Group believes that controlling its products at the point of origin has the following principal benefits:

(a) it is able to screen the quality of the products to remove any admixture products before transportation to the processing plant or to the port, thus saving on transportation costs;

(b) it is able to sort by location-specific quality, which enables it to offer value-added services to its customers such as providing tailored product grades. For example, some of its customers may request a type of cocoa bean grown only in certain parts of Cote d'Ivoire. With the Group's origination expertise and depth, it is able to provide such value-added services;

(c) it is able to provide traceability, because it knows how and where the particular products were cultivated. The Group believes that its customers value this service as a means of ensuring that their products comply with socially responsible business practices, an increasing concern of many of its customers;

(d) it is able to obtain certification of organic products;

(e) it is able to gain proprietary market information on crop quality and size. Such information is valuable for the Group's own business decisions and can also be sold to its customers; and

(f) it is able to establish close relationships with suppliers which helps assure a stable supplier network. The Group works closely with farmers to improve the efficiency and reliability of the farmer's cultivation practices.

Processing

For certain products, the Group processes the agricultural products before they are shipped to the Destination Markets. During processing, the Group subjects the agricultural products to various conditions to change their physical characteristics. Examples of processing are converting cocoa beans into cocoa butter, liquor and cake, processing raw cashew nuts into cashew kernels, and processing seed cotton into cotton lint. The Group conducts processing activities at Origins, intermediate Destination Markets, final Destination Markets, or a combination thereof, depending on where such processing is most profitable.

The key advantage of controlling various stages of processing is the ability to ensure quality, customisation of grades and hygiene certification to export the Group's products to Destination Markets.

Exporting

The Group carries out quality checks, undertakes clearing and forwarding of the cargo, obtains the necessary permission for exporting and acquires the requisite certificates.

Shipping and Logistics

The Group's shipping and logistics activities are contracted out to third-party logistics service providers, while its transportation and handling facilities and its warehousing and port infrastructures are mainly leased.

The Group engages in different types of shipping and logistics activities depending on the nature of the shipping arrangements entered into. For example, with container shipment arrangements, the Group would typically enter into freight contracts with the various conference lines and its activities would include among others stuffing and delivery of the packed containers to the shipping lines. Alternatively, if the Group was shipping via bulk shipments, it would select time or voyage charters with the various shipping companies. Depending on the Group's terms with the charter parties, its activities may include freight forwarding, clearing, loading and discharging.

The Group's involvement at the shipping and logistics stage enables it to reduce costs, improve efficiency and maintain the quality of products. For example, the Group is able to control the rate of loading and discharge through time charters in cases where there are significant benefits to be gained from compressing the turnaround time.

Importing & Distribution

The Group's importing and distribution activities depend on the product, market and customers' requirements. For example, in the case of cotton, the Group is able to deliver directly to markets such as India, China and Bangladesh. In the case of cashew kernels, the Group is able to deliver to roasters and salters across Europe and North America, while in the case of rice, it distributes directly to small wholesalers and retailers in countries such as Nigeria, Cameroon and Ghana.

The Group's involvement in distribution activities allows it to meet the specific needs of its customers which vary in terms of location, time of delivery, volume and packaging. The Group also provides value-added services such as VMI, which involves the outsourcing of inventory activities by its customers to the Group to reduce working capital requirements and to improve just-in-time practices by tapping the Group's inventory management expertise. In order to understand the Group's customers' requirements, it maintains regular communications with them, both pre- and post-delivery, through its network of offices and marketing agents/brokers.

Marketing

The Group's marketing initiatives are aimed at achieving effective integration with its customers, in order to enable it to become a preferred supplier and to act as a single, credible and reliable counterparty.

The Group has an established marketing network across the Destination Markets, consisting of its own offices and a network of marketing agents/brokers, who are engaged on a non-exclusive basis and on a per-transaction basis (especially for cashews and cotton).

Through the Group's development of direct relationships with its customers, it has developed an understanding of its customers' preferences and therefore is able to offer customised value-added services such as proprietary market information, risk management solutions, environmental guarantees, FTP and traceability. Also, the Group uses its first-hand knowledge of demand trends and supply conditions in the industry to indentify potential customer requirements and new business opportunities.

Risk Management

Risk management is a critical activity across the entire supply chain. Risk management impacts on the Group's profitability and its ability to perform its contractual obligations with its clients.

The Group's risk management system is designed to address various forms of risk arising from activities across the entire agricultural products supply chain, such as price position, currency, counterparty, credit, quality and output risks.

The key elements of the Group's risk management strategy are the identification of risks, deciding on risk tolerance levels, continuous assessment and measurement of risks, strengthening organisational structure for the management of risks and linking risk and returns to influence behaviour.

In identification of risks, the Group looks for risks that are quantifiable and therefore manageable in the context of the business. The Group also seeks to isolate those that are not so tractable and may therefore require a higher level of assessment and control. In deciding on risk tolerance levels, the Group differentiates between those that are within the Group's risk appetite and those that may require transferring or hedging because they are beyond the risk appetite of the Group.

The Group is continuously assessing and measuring its exposure to risk across the whole range of its activities. To perpetuate risk management, the Group is constantly working to strengthen its organisational structure for the management of risk. There is therefore a clear segregation of duties between the front, middle and back offices.

An important principle of the Group's risk management strategy is to link risk and returns in order to influence behaviour in the conduct of its business. All managers are evaluated and rewarded on the basis of a risk adjusted performance metric.

The Group has established four main pillars in its risk management strategy:

Corporate Culture

The Group promotes "questioning" at all levels. Employees are encouraged to voice their concerns and give suggestions relating to business transactions. The decision-making process followed is consultative but responsibility of outcome is on a specific person or group.

Policies and Procedures

The Group's risk management policy document defines how the Group captures and measures risks under various categories. The risk limits are approved by the Board and monitored by the Risk Office. Daily and weekly risk reports and monthly reviews with the Risk Committee act as an alerting mechanism, wherever necessary.

Technology

Technology is used as an enabler for the online capture of exposures and for facilitating computation of value at risk. The risk system draws data from the Group's processing system and the financial system. Various risk reports are then made available to the business teams as additional decision-making tools.

Risk Adjusted Performance Evaluation System

Business managers are evaluated on risk-adjusted returns. The Group uses a Value-at-Risk ("VaR") model for the measurement of market risks. The VaR model is then supplemented with stress testing and back testing techniques.

The Group's Products

The Group categorises its 20 products into the following product groups:

- edible nuts, spices and beans;
- confectionery and beverage ingredients;
- food staples and packaged foods; and
- industrial raw materials.

For the periods included in the table below, the revenue from sale of goods (the "Turnover") contribution for each of the product groups was as follows:

Product Group	Turnover contribution (%) for financial year ended 30 June 2008	Turnover contribution (%) for financial year ended 30 June 2009
Edible nuts, spices and beans.	14.4	14.0
Confectionery and beverage ingredients	39.3	44.1
Food staples and packaged foods	25.0	24.9
Industrial raw materials	21.3	17.0

For the periods included in the table below, the relative percentage of tonnage handled by the Group in the Origins was as follows:

Origins	Percentage of tonnage handled (%) for financial year ended 30 June 2008	Percentage of tonnage handled (%) for financial year ended 30 June 2009
Asia and Middle East	46.8	45.0
Africa	34.5	21.3
Europe	5.8	9.9
Americas	12.9	23.8

For most of the products that the Group deals in, it either sources directly from the Farm Gate in the Origin Country or in close proximity to the Farm Gate. After which, the products are passed through the Group's agricultural products supply chain and end up in its Destination Markets.

For the periods in the table below, the Turnover contribution by Destination Market was as follows:

Destination Markets	Turnover contribution (%) for financial year ended 30 June 2008	Turnover contribution (%) for financial year ended 30 June 2009
Asia and Middle East	40.7	40.8
Africa	21.9	19.3
Europe	24.0	27.3
Americas	13.4	12.6

The Group's revenue base is well diversified by both customer and geographic markets. As at 9 October 2009, the Group's customers include some of the world's largest packaged food multi-national companies including Nestlé UK Ltd, Nestlé France S.A., Sara Lee I De Postfach, Kraft Foods North America, Inc., Masterfoods UK, Cadbury International Ltd, Lavazza SPA, Tchibo Frisch-Rost-Kaffee GMBH, ADM USA, Blommer Chocolate, John B. Sanfilipo & Son Inc. and The Nut Group B.V.

Below are descriptions of the various products, categorised by the above-mentioned four product groups, sourced and supplied by the Group:

Edible nuts, spices and beans

The following table sets out the Group's sales volume revenue, net contribution and net contribution per tonne in the edible nuts, spices and beans segment for the following periods:

	12 months ended 30 June	
	2008	2009
Sales volume (metric tonnes)	827,129	975,937
Sales revenue[(1)] (S$'000)	1,168,940	1,200,076
Net contribution[(2)] (S$'000)	128,000	155,100
Net contribution per tonne (S$)	155	159

Notes:

(1) Numbers taken from audited financial statements for FY2008 and FY2009.

(2) Net contribution is arrived at after deducting cost of goods sold, other direct costs and the interest cost from the sales revenue.

Cashews

The Group has a diversified sourcing operation in all cashew growing areas across 15 countries, including Brazil, India, Vietnam, Indonesia and various Origins in West and East Africa. The success of this operation is built on the Group's strong origination and logistics capabilities, excellent relationships with the farmers and other local suppliers, as well as an in-depth understanding of the raw seed quality and value. The Group is among the world's largest suppliers of raw cashew nuts with around 25 per cent. market share of the current global trade flow.

The knowledge of cashew processing that the Group has built over the years in established processing centres like India, Brazil and Vietnam has been successfully transferred to the producing countries in Africa, like Tanzania, Cote d'Ivoire and Nigeria.

The Group operates large scale centralised factories, where the kernel output is graded according to stringent international standards. Most of the Group's facilities are Hazard Analysis and Critical Control Point ("HACCP") certified by internationally renowned companies like SGS and Bureau Veritas (BVQI). The Group's factory in Tanzania is also certified for supplying organic cashew, with traceability established back to over 1,800 individual farms.

Apart from the capability to offer the complete spread of all cashew grades from all origins, through its own factories, the Group also provides tailor-made solutions like guaranteed 100 per cent. foreign-material-free kernels, container stuffing without using the traditional cardboard cartons, and packaging in bulk bags to its customers.

Through its marketing offices in Singapore, Rotterdam, New York, Moscow and Durban, all the major cashew users have a timely access to the Group's proprietary market information and intelligence.

The Group's vertical integration and geographical spread, coupled with its innovative model of buying, processing and distributing kernels has enabled it to build a strong competitive position in the industry, making it among the largest cashew suppliers in the world today.

Other edible nuts

The Group has grown and leveraged its existing Origin and market presence to build comprehensive strengths within the peanuts supply chain. The Group has direct origination capability across most exporting Origins including China, Vietnam, India, East and West Africa, South Africa and Brazil. The Group's marketing offices in Singapore, Indonesia, Moscow, Durban, Marseilles and Rotterdam service a host of customers in most of the importing countries and destination markets.

The Group offers the entire range of in-shell, blanched and kernel grades to meet the exacting standards of the snack and ingredient industry.

While relatively a recent entrant in the almond business, the Group seeks to provide its customers with a comprehensive package of product quality, delivery and other value-added services, similar to those that it provides in cashews and peanuts. The Group has further plans to grow its edible nuts business into walnuts, pecans, macadamia and pine nuts. Since most of these nuts are grown in the United States, the acquisition of UB provides the Group a growth platform to enter into these nut categories.

The Group is looking to expand its product portfolio as well as the specific value chain participation in various edible nuts by continually investing and upgrading its procurement, processing and distribution infrastructure in key Origins and consumption markets.

Spices

With a captive procurement and processing infrastructure in Vietnam and Indonesia, as well as a direct origination capability from India and China, the Group believes it is one of the leading industry participants in black and white pepper. The Group's versatile plants enable it to 'tailor-make' the product to produce all grades including American Spice Trade Association ("ASTA"), steam-washed, and sterilised pepper, to meet the needs of its buyers, including retail and industrial spice and seasoning manufacturers as well as the oleo resin industry.

The Group's offices in Indonesia, Vietnam and Middle East also procure, process and supply a host of other spices and spice condiments like gambier, arecanut, long pepper, garlic, cassia, nutmegs, cumin and turmeric.

In August 2007, the Group made an entry into the dehydrates business through the acquisition of KFI. KFI is one of the largest producers of dehydrated garlic in China, and among the top three suppliers of dehydrated garlic ingredients into the US industry. This acquisition has enabled the Group to move from being a whole spices supplier to becoming a value-added ingredient supplier catering to specialised requirements of the spice processing industry. It also provides the Group an accelerated entry into other dehydrated ingredients, where the Group can leverage its existing presence in most of the major Origins/markets.

With marketing offices and stocking points in Rotterdam, Marseilles, New York, Singapore, Moscow, Durban, Dubai and India, the Group is able to reach and service its customers across a variety of markets and also offers customised delivery and payment terms, to meet specific customer requirements. The Group plans to consolidate its position in the spice industry by integrating along its supply chain in selected spices, investing in specialised processing at origin and further expansion of the product range to include other seed spices, herbs and dehydrates.

In addition, the Group will continue to add value for its customers by providing a bundle of services including consistency of product quality and contractual performance, product customisation, enhanced food safety and hygiene standards, traceability and fair trade practices, customised risk solutions and reliable proprietary market intelligence.

Sesame

The Group is a key player in the African sesame industry, managing an extensive primary procurement network. The Group's procurement operations start at the first point of collection, where the sesame seeds are delivered by the farmer or small buying agents in lots weighing just a few kilograms. With the Group's network of buying units and agents, which number over one hundred in the large operations, it is able to aggregate the supplies into sizeable quantities.

The Group's sesame business originated in West Africa in 1995 and it made its first shipments from Nigeria and Burkina Faso to Japan in that year. Growth through geographic expansion followed, as the Group set up procurement operations in the East Africa and India. Significant investments in infrastructure including warehouses and cleaning machines, ensures that the Group manages the entire chain of operations from collection, storage and processing through to packing, transportation and shipping.

This approach has allowed the Group to add value through the introduction of effective quality management systems, which assures its customers of a high quality sesame seed in their factories, improving their processing yields. The Group has recently integrated further along the value chain by investing in hulling facilities and producing table grade hulled sesame seed.

The majority of sesame that the Group supply is primarily used in the crushing industry, in which Japan is the largest importer and its principal market. The Group is expanding its origin base. This would leave the Group strongly positioned in terms of being physically present in most major Origins across Africa and Asia.

Beans

The Group's entry into the beans business was initiated through its origination presence in East Africa, which had an existing trade flow into the Middle East and Indian sub-continent. Starting from this niche trade flow, the Group quickly expanded its distribution presence in the Indian sub-continent as well as expanding into other consuming markets in South and North Africa.

The Group has leveraged its origin presence in South and North America to expand the portfolio of product and service offerings to its customers. Apart from the Group's direct infrastructure in various origins, it is also engaged in sourcing the product from select suppliers in many countries, including Argentina, Brazil, Australia, Canada, Turkey, Uzbekistan, China and Ethiopia.

Although the Group still considers this industry to be niche to itself, it can see opportunities for growth in the future. The Group is seeking to expand its product portfolio as well as its Origin and market spread in the coming years.

Confectionery and beverage ingredients

The following table sets out the Group's sales volume, sales revenue, net contribution and net contribution per tonne in the confectionery and beverage ingredients segment for the following periods:

	12 months ended 30 June	
	2008	**2009**
Sales volume (metric tonnes)	1,046,562	1,169,601
Sales revenue[1] (S$'000)	3,188,875	3,783,126
Net contribution[2] (S$'000)	148,400	168,500
Net contribution per tonne (S$)	142	144

Notes:

(1) Numbers taken from audited financial statements for FY2008 and FY2009.

(2) Net contribution is arrived at after deducting cost of goods sold, other direct costs and the interest cost from the sales revenue.

Cocoa

The Group is one of the world's leading suppliers of cocoa beans and cocoa products, which include cocoa butter, cocoa liquor and cocoa powder.

The Group has an extensive primary procurement network in all major cocoa-growing countries and is one of the world's most diversified sourcing companies.

The Group has a good understanding of the countries in which it operates and an ability to develop and maintain strong relationships with the farmers, cooperatives and agents who supply cocoa. The Group engages quality control inspectors who monitor cocoa at every stage, from source through to export.

In 1998, the Group became the first international company to be granted approval by the Ghana Cocoa Board to operate as a Licensed Buying Company and has maintained a leading position thereafter. The Group is a leading exporter in Cote d'Ivoire, Nigeria, Indonesia and Cameroon and has good market shares in countries as diverse as Uganda, Tanzania and Papua New Guinea.

The Group has expanded from the processing of cocoa products in Nigeria into the sourcing of products from many processors, particularly in Africa and Asia. Value-added activities such as cocoa butter melting and liquid delivery are being undertaken and the Group has the ability to provide high quality natural and alkalised cocoa powder to its customers. The Group's trading team has a wealth of experience in both the physical and futures markets and close relationships with leading cocoa processors and chocolate manufacturers worldwide.

The Group's marketing and trading headquarters moved from Singapore to London in 2003, to ensure greater proximity to the origins and to further develop its customer base in Europe, Eastern Europe and North America.

The Group continues to be a major supplier to most of the processing and chocolate industries in the Asian region and has a growing position in Japan and China.

Coffee

The Group drew on a wealth of experience in origination operations when the coffee business was first established and today it is one of the major trade houses in coffee as well as one of the largest shippers of robusta coffee in the world.

The Group has a buying office or a buying agent across many of the coffee source towns, from Cote d'Ivoire to Uganda in Africa and Vietnam to Indonesia in Asia, giving it a very strong procurement reach.

The Group's on-the-ground presence gives it access to valuable market intelligence that helps support its marketing and trading decisions and provides its trading partners with proprietary Origin information.

The Group's investment in sophisticated processing operations and quality control systems allows it to offer special grades of coffee tailored to customer specifications. The regular channels of sourcing and control on processing enable it to offer a high consistency in quality. This, combined with the Group's logistics strengths in the Origin and Destination Markets, including its ability to hold stocks close to its customers, allows the Group to provide a high level of service to both large and small coffee roasters.

One of the Group's key competencies, the ability to assess the true values of coffee at Origin, is based on its quality systems, its cupping facilities and its trained quality and cupping personnel.

With its entry into Brazil as a procurement Origin, the Group expanded into Arabica coffee operations and has further consolidated its position in the Arabica business by setting up procurement, processing and export operations in several of the major coffee producing countries of South America including Colombia, Peru and Honduras. The Group has, therefore, leveraged its leadership position in the Robusta market, its understanding of quality and its relationships with the major coffee roasters in the world to develop its Arabica business and thus provide a comprehensive range of coffees to its customers.

Sheanuts

The Group operates in all of the major sheanut producing countries and it is the largest supplier of sheanuts in the world. This is a natural business choice for the Group as it captures the synergies of the sourcing infrastructure of other crops located in or adjacent to the savannah areas, including cashew, sesame and cotton. The Group's experience in the procurement, drying and shipment of sheanuts spans a decade, with its first shipment to Sweden in 1991. The Group has an established procurement network reaching to the very first link in the chain, the collectors.

Food staples and packaged foods

In several of the Group's Origins, it uses its supply chain infrastructure not only to source and export products out of those countries but also to import and distribute products for local consumption in those countries. Starting with the import of rice, the Group built on this customer base to expand into sugar, dairy products and packaged food businesses.

The following table sets out the Group's sales volume, sales revenue, net contribution and net contribution per tonne in the food staples and packaged foods segment for the following periods:

	12 months ended 30 June	
	2008	**2009**
Sales volume (metric tonnes)	1,958,791	2,451,161
Sales revenue(1) (S$'000)	2,027,475	2,139,621
Net contribution(2) (S$ '000)	102,500	135,500
Net contribution per tonne (S$)	52	55

Notes:

(1) Numbers taken from audited financial statements for FY2008 and FY2009.

(2) Net contribution is arrived at after deducting cost of goods sold, other direct costs and the interest cost from the sales revenue.

Rice

The Group has a strong position within the global rice market as it participates in the complete value chain from sourcing, shipping and logistics management through to branding, marketing and distribution.

The Group's physical presence in all the major importing and exporting countries provides it with an in-depth understanding of the dynamics of the local markets. This expertise has allowed it to develop long-standing relationships with producers and consumers alike.

The majority of the rice trade occurs between developing economies. The Group is one of the leading buyers of rice from Thailand, Vietnam, China, Myanmar and India. The Group imports and distributes rice in Africa using the extensive network of its sales force, distributors and warehousing facilities that it has established in most of the key markets in this region. The growth in demand for the Group's own registered brands, established over a number of years, is evidence of its ability to cater to the requirements of diverse markets.

The Group's over-riding concern for quality is evidenced by the importance it places on quality control inspectors, who closely monitor the quality and the packing at its suppliers' mills and warehouses prior to export. The rice business relies upon the company's in-house shipping expertise to ensure that the supply line is uninterrupted and cost-effective.

The Group has successfully integrated every element of the origination and distribution process enabling it to meet stringent deadlines and effectively execute customised supply contracts.

Sugar

The Group's sugar business began in 1995 with the import of its first consignment to Nigeria and Ghana. The Group currently distributes sugar in destinations where it has a multi-product presence.

Multi-point storage ensures availability of stocks in locations as close to the Group's customers as possible, providing them immediate access. The sugar business benefits from the many synergies it has with the rice business including shared customers and costs.

The knowledge and understanding that was developed in West Africa was leveraged into expanding the sugar business into East Africa including Uganda and Madagascar, and into Central Asia. In South East Asia, the Group's business has been focused on Indonesia following the liberalisation of the market. In addition, the Group has been regularly supplying into Sri Lanka and Bangladesh as well.

The Group's sourcing and trading headquarters in Singapore acts as the centre for all its physical and futures hedging activity with ready access to both the London and New York markets. The Group's offices in Brazil, Thailand, India, Poland and Netherlands provide valuable research information in relation to the sugar business.

Dairy Products

The dairy business comprises largely of powders, cheese and fat products such as butter and butter oil. The Group's participation is principally focused in the powders category.

Commonality of customers and distribution channels provided the Group with the foundations for initiating and developing this business. The dairy products business leveraged the existing network for other commodities imported by the Group into Africa and Asia to quickly establish a significant market presence.

The Group's dairy business began in 2003 with the import of its first consignment of milk powder into Algeria. The Group expanded into other adjacent markets and is today supplying dairy products to all the major African countries, Asia and the Middle East to industrial end users, repackers and distributors. With export operations in Poland, Netherlands and sourcing networks in East Europe, South America and Oceania, the Group is able to offer customers a wide range of choices from high-end applications to commodity grade dairy products.

Besides catering to the industrial and repackaging segment in bulk packs, the Group is also directly marketing consumer packs, with 'Pearl' being one of its leading brands, in several markets in Africa. These consumer packs are available as tins, sachets and bags in boxes of various sizes.

With participation across all segments in the Destination Markets and a presence in most of the producing countries, the dairy products business has good growth prospects within the Group portfolio.

Consistent with the Group's long-term growth strategy to expand its procurement reach into key dairy origins of Oceania and the US and participate in the major trade flows, the Group acquired a 24.99% equity interest in Dairy Trust Limited, which is poised to become New Zealand's second largest dairy processing company. On 1 September 2009, the Group acquired a 14.35% stake in New Zealand Farming Systems Uruguay, an operator of large scale Kiwi-style dairy farming operations in Uruguay, which was in line with the Group's Dairy Products strategy to participate in dairy farming in low cost Origins that will strengthen its market position in the dairy industry and significantly raise its margin profile.

Packaged Food Business

The Group launched a packaged foods business ("PFB") as part of its continual supply chain integration initiatives. The Group started its first PFB operations in Russia with the launch of three-in-one packaged coffee products in April 2004 and has expanded its operations into several new West African markets including Ghana and Congo, while consolidating its position in Russia, South Africa and Nigeria.

The Group has also expanded its product range that now includes beverages (coffee mixes, milk powder, and chocolate mixes), snack nuts and seeds and culinary products under the brand names of Enrista, Lactorich, Ponchos and Tasty Tom.

Underscoring this growth is the building of robust distribution infrastructure in each of these markets. This has enabled the Group to offer its infrastructure to provide distribution services on an exclusive basis to select partners in each of its markets.

The South African operations began in late 2005 by launching the Enrista range of coffee mixes. This product range is now available in all the major retail chains of the country and is distributed in over 80 per cent. of organised retail outlets across the country. In late 2006, the Group launched hot chocolate and white chocolate drinks under the same brand umbrella in South Africa.

Starting operations in West African markets was a natural step for the Group owing to its existing local presence and distribution infrastructure in most markets in West Africa. The Group started its PFB in Nigeria and has since built a distribution network in 42 cities through seven depot points spread across the country. Its product range includes Lactorich Milk Powder, Tasty Tom Tomato Powder and Paste and Enrista range of Coffee Mixes.

The Group believes that PFB will allow it to enhance its margins through increased supply chain participation while providing it with information on consumption patterns which will enable it to better understand the needs of end consumers.

Industrial Raw Materials

The following table sets out the Group's sales volume, sales revenue, net contribution and net contribution per tonne in the industrial raw materials segment for the following periods:

	12 months ended 30 June	
	2008	2009
Sales volume (metric tonnes)	1,093,881	1,123,941
Sales revenue(1) (S$'000)	1,726,620	1,465,109
Net contribution(2) (S$'000)	139,500	141,700
Net contribution per tonne (S$)	127	126

Notes:

(1) Numbers taken from audited financial statements for FY2008 and FY2009.

(2) Net contribution is arrived at after deducting cost of goods sold, other direct costs and the interest cost from the sales revenue.

Cotton

Cotton was one of the first businesses that the Group established. The Group believes that to have effective control on the cotton supply chain it is imperative to have a physical presence in the origin, strong quality focus, superior logistics and risk management skills.

The Group has a strong presence in the global cotton supply chain with focus on Central Asia, West Africa, East Africa, Brazil and the US. The Group ensures the availability of cotton for a variety of grades including specialised grades like Extra Long Staple ("ELS") cotton throughout the year.

The Group's key strategy is to add value by its involvement in the complete supply chain, from procurement of seed cotton, converting this to lint and delivering it to the spinner. In addition, the Group acts as a one-stop shop to provide agricultural inputs such as fertilisers, pesticides and also ginning inputs to farmers in the producing countries to secure cotton volumes at the Farm Gate level.

With marketing operations in Europe and Singapore, the Group is strategically placed to serve customers in Asia and beyond, at any time of the day. The Group's marketing activities are focused in Europe, the Far East, China and South Asia, where it also operates through a network of experienced agents. Professionals with experience in physical cotton, risk management and the futures markets manage the trading of cotton in Singapore.

The Group has developed innovative financial and risk management solutions to help manage inventory cost and protect margins in volatile environments for its customers. Providing such customised solutions helps the Group develop preferred access to these customers.

The Group values integrity in its dealings in the cotton business, which is a key to the development of long-term sustainable relationships with its key partners including farmers, ginners and spinners.

Wood Products

The Group's first timber business was in the sourcing and shipping of Ghana teak to India. The Group's ability to transfer knowledge across origins, species and markets has enabled it to diversify from teak to non-coniferous tropical hardwoods.

The Group chose to operate in the tropical sawing logs segment due to its strong presence in the producing countries, understanding of the African context and expertise in origin supply chain management.

Today the Group operates in most of the tropical hardwood producing countries namely, Gabon, Nigeria, Cote d'Ivoire, Brazil, Ghana and Mozambique. The Group harvests teak in Government allotted parcels in Cote d'Ivoire and buys lumber from small and medium forestry enterprises in Ghana.

The Group's hardwood logs are from small and medium local suppliers who deliver the logs at log parks in port city locations. The Group has recently commenced sawn timber sourcing from Brazil.

The major focus areas in the Origins are risk, quality and logistics management. The control over quality is reflected in the Group's effective management systems starting with the physical log selection and measurement undertaken by trained graders at the log park. The final product, either in log or lumber form, is then screened for export, with its quality specifications detailed, marked and segregated lot-wise for shipment.

There is also a continuing effort to integrate along the value chain as in origin processing or increased primary level of aggregation. The Group currently processes hardwood logs and rough sawn lumber in Nigeria, China and Brazil.

The diverse geographic spread helps the Group to offer a choice of origins and species to its customers that meet their individual needs. The Group use its wide Origin spread and familiarity with multiple markets to suggest alternative species, which may offer better value to its customers. The Group's objective is to enhance value through providing superior service to its customers whilst contributing to the economies and people who benefit from socially responsible forestry.

The Group considers preservation of forests as a part of its social responsibility, which aligns with its long-term business objective to deal in wood products that come from sustainable and well-managed forests.

Customers

The Group has a large customer base of over 10,000 customers which is well-diversified geographically. For the financial year ended 30 June 2009, the proportion of sales turnover provided by customers located in the Americas, Africa, Europe and Asia & Middle East were 12.6 per cent., 19.3 per cent., 27.3 per cent. and 40.8 per cent. respectively. For the financial year ended 30 June 2009, the proportion of sales contributed by the Group's top five customers in each business segment was as follows:

Segment

	Top five Customer's Share of Total Sales (%)
Edible Nuts, Spices and Beans	1.6
Confectionery and Beverage Ingredients	12.9
Food Staples and Packaged Foods	1.8
Industrial Raw Materials	0.8

The Group's diversified customer base is derived from its global capabilities of a broad selection of agricultural products and food ingredients.

Subsidiaries and Joint Ventures

The following table sets out the identity, jurisdiction of incorporation and other information about the subsidiaries and associated companies of the Issuer as at 9 October 2009.

Name of company	Country of incorporation	Principal activities	Percentage of equity held by the Issuer	
			2009 %	2008 %
Subsidiary companies of **Olam International Limited** are as follows:				
Caraway Pte Ltd[1]	Singapore	(a)	100	100
Olam Burkina Sarl[2]	Burkina Faso	(a)	100	100
Olam Cam Sarl[2]	Cameroon	(a)	100	100
Olam Europe B.V.[2]	Netherlands	(a)	100	100
Olam Ghana Limited[2]	Ghana	(a)	100	100
Olam Ivoire Sarl.[2]	Ivory Coast	(a)	100	100
Olam Nigeria Ltd[2]	Nigeria	(a)	100	100
Outspan Nigeria Ltd[2]	Nigeria	(a)	100	100
Olam Tanzania Ltd[2]	Tanzania	(a)	100	100
Outspan Ivoire SA[3]	Ivory Coast	(a)	100	100
Olam Gabon Sarl.[2]	Gabon	(a)	100	100
Olam Mozambique, Limitada[4]	Mozambique	(a)	100	100
Olam Madagascar Sarl.[4]	Madagascar	(a)	14	14
Olam Polska Sp Z.o.o.[2]	Poland	(a)	100	100
Outspan Ghana Limited[2]	Ghana	(a)	100	100

Name of company	Country of incorporation	Principal activities	Percentage of equity held by the Issuer	
			2009 %	2008 %
Olam Vietnam Limited[2]	Vietnam	(a)	100	100
Olam South Africa (Proprietary) Limited[2]	South Africa	(a)	100	100
Olam Congo (R.D.C)[2]	Democratic Republic of Congo	(a)	100	100
Outspan PNG Limited[4]	Papua New Guinea	(a)	100	100
Olam France Sarl.[3]	France	(a)	100	100
Olam Guinee Sarl.[2]	Guinee Conakry	(a)	100	100
Olam Brasil Ltda[3]	Brazil	(a)	100	100
Olam Kazakhstan Ltd[4]	Kazakhstan	(a)	100	100
Olam Middle East L.L.C[2]	United Arab Emirates	(a)	100	100
Olam Europe Limited[2]	United Kingdom	(a)	100	100
Olam (Uganda) Ltd[2]	Uganda	(a)	100	100
PT Olam Indonesia[2]	Indonesia	(a)	100	100
Olam Zimbabwe (Private) Limited[4]	Zimbabwe	(a)	100	100
Outspan Brasil Importacăo e Exportacăo Ltda[3]	Brazil	(a)	100	100
Olam Dairy B.V.[4]	Netherlands	(a)	100	100
Olam Ukraine LLC[4]	Ukraine	(a)	100	100
Olam Shanghai Limited[2]	China	(a)	100	100
Olam Shandong Limited[2]	China	(a)	100	100
Outspan Peru S.A.C.[2]	Peru	(a)	100	100
LLC Caraway Foods[2]	Russian Federation	(a)	100	100
Olam Argentina S.A.[4]	Argentina	(a)	100	100
Panasia International FZCO[2]	United Arab Emirates	(a)	100	100
PT Agronesia Bumi Persada[3]	Indonesia	(a)	51	51
Caraway Foods International (Nigeria) Limited[2]	Nigeria	(a)	100	100
Caraway Foods International South Africa (Pty) Ltd[4]	South Africa	(a)	100	100
Olam Liberia Limited[4]	Liberia	(a)	100	100
Mantra Ivoire S.A[3]	Ivory Coast	(a)	100	100
Outspan Colombia S.A[2]	Colombia	(a)	100	100
Olam Armazen Gerais Ltda[3]	Brazil	(a)	100	100
Olam R.O.C. S.A.R.L.[4]	Democratic Republic of Congo	(a)	100	100
Olam Honduras S.A[3]	Honduras	(a)	100	100
Olam Egypt L.L.C[2]	Egypt	(a)	100	100
Olam Zambia Limited[4]	Republic of Zambia	(a)	100	100

Name of company	Country of incorporation	Principal activities	Percentage of equity held by the Issuer	
			2009 %	2008 %
Olam Dalian Limited	China	(a)	@	100
Rudra International Ltd[4]	United Arab Emirates	(a)	100	100
Multipro Gambia Limited[2]	Gambia	(a)	100	100
Café Outspan Vietnam Limited[3]	Vietnam	(a)	100	100
Naarden Agro Products B.V.[4]	Netherlands	(a)	100	100
LLC Outspan International[2]	Russian Federation	(a)	100	100
EURL Agri Commodities[2]	Algeria	(a)	100	100
Olam Investments Limited[2]	Mauritius	(b)	100	100
Olam Investments Australia Pty Ltd[2]	Australia	(b)	100	100
Key Foods Hong Kong Limited[3]	Hong Kong	(b)	100	100
Far East Agri Pte Ltd[1]	Singapore	(b)	100	100
Olam Information Services Pvt Ltd[2]	India	(c)	100	100
Olam Insurance Limited[2]	Isle of Man	(d)	100	100
Olam Benin Sarl.[2]	Benin	(e)	100	100
Olam Togo Sarl.[2]	Togo	(e)	100	100
Olam Bissau Limitada[2]	Guinea Bissau	(e)	100	100
Olam Online Ltd[1]	Singapore	(e)	100	100
Olam (Thailand) Ltd[5]	Thailand	(a)	100	—
Outspan Bolovens Limited[4]	Laos	(a)	100	—
Outspan Angola Ltda[2]	Republic of Angola	(a)	100	—
Olam Tarim Ürünleri Yem Maddeleri Sanayi Ve Ticaret Limited Sirketi[5]	Turkey	(a)	100	—
Lamco SRL[3#]	Italy	(f)	100	40
Olam Exports (India) Limited[2]	India	(a)	34.42	—
Olam Orchards Australia Pty Ltd	Australia	(g)	100	—

Subsidiary companies of **Olam Investments Limited** are as follows:

Olam Exports (India) Limited[2] (India)	Sourcing, processing, packaging and merchandising of agricultural products	65.57	100
Outspan (India) Private Limited[3] (India)	Sourcing, processing, packaging and merchandising of agricultural products	100	100

Subsidiary company of **Olam (Uganda) Limited** is as follows:

Victoria Commodities Limited[2] (Uganda)	Sourcing, processing, packaging and merchandising of agricultural products	100	100

Subsidiary company of **Olam Nigeria Limited** is as follows:

Novus Nigeria Limited[4] (Nigeria)	Dormant	100	100

Name of company		Percentage of equity held by the Issuer	
		2009 %	2008 %
Subsidiary company of **Olam Egypt L.L.C** is as follows:			
Agri Commodities L.L.C[3] (Egypt)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Olam Investments Australia Pty Ltd** is as follows:			
Olam Australia Pty Ltd[4] (Australia)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Olam Australia Pty Ltd** is as follows:			
Queensland Cotton Holdings Pty Ltd[4] (Australia)	Investment holding	100	100
Subsidiary companies of **Queensland Cotton Holdings Pty Ltd** are as follows:			
QC International Pty Ltd[4] (Australia)	Investment holding	100	100
Australian Cotton Corporation Pty Ltd[4] (Australia)	Investment holding	100	100
Queensland Cotton Corporation Pty Ltd[4] (Australia)	Commodity trading, cotton ginning	100	100
Subsidiary companies of **Queensland Cotton Corporation Pty Ltd** are as follows:			
QC Management Pty Ltd[4] (Australia)	Leasing services	100	100
QC Brazil Pty Ltd[4] (Australia)	Procurement, processing, warehousing, sale and distribution of cotton	99.9	100
Subsidiary company of **QC Brazil Pty Ltd** is as follows:			
Queensland Cotton Exportacao de Algodao Brasil Ltda[4] (Brazil)	Marketing and exporting of cotton	99.9	99.9
Subsidiary company of **Queensland Cotton Exportacao de Algodao Brasil Ltd** is as follows:			
QC Import e Export Logistica Brasil Ltda (Brazil)[4]	Warehousing of cotton	70	70
Subsidiary company of **QC International Pty Ltd** is as follows:			
QC Holdings Partnership[2]	Investment holding	99	99
(USA) Subsidiary companies of **QC Holdings Partnership** are as follows:			
Olam US Holdings Inc.[2] (USA)	Investment holding	100	100
QC (US) International Inc.[2] (USA)	Investment holding	100	100

Name of company		Percentage of equity held by the Issuer	
		2009 %	2008 %
Subsidiary company of **QC (US) International Inc.** is as follows:			
QC (US) Inc.[2] (USA)	Investment holding	100	100
Subsidiary companies of **QC (US) Inc.** are as follows:			
Anderson Clayton Corp.[2] (USA)	Procurement, processing, warehousing, sale and distribution of cotton	100	100
QC (US) Marketing Inc.[2] (USA)	Procurement, processing, warehousing, sale and distribution of cotton	100	100
Subsidiary companies of **Anderson Clayton Corp.** are as follows:			
ACCO Finance Co.[2] (USA)	Financing services	100	100
Sacramento Valley Ginning Company LLC[2] (USA)	Processing of commodities	52	52
Jointly controlled companies of **Anderson Clayton Corp.** are as follows:			
ACCO/Winburne LLC[2] (USA)	Brokerage services	50	50
CRIT/ACCO Joint Venture[2] (USA)	Processing of commodities	50	50
Associated companies of **Anderson Clayton Corp.** are as follows:			
El Dorado Ginning Partners[2] (USA)	Procurement, processing, warehousing, sale and distribution of cotton	33.3	33.3
Subsidiary companies of **Olam US Holdings Inc.** are as follows:			
Universal Blanchers, L.L.C[2] (USA)	Peanut blancher and ingredient processor	100	100
Olam Americas, Inc.[2] (USA)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary companies of **Olam Americas, Inc.** are as follows:			
Olam West Coast, Inc. (USA)[2]	Dehydration of vegetables	100	—
Olam Canada Holdings, Inc. (USA)[2]	Sourcing, processing, packaging and merchandising of agricultural products	100	—
Olam Tomato Processors Inc. (USA)[2]	Sourcing, processing, packaging and merchandising of agricultural products	100	—
Subsidiary company of **Universal Blanchers, L.L.C** is as follows:			
Seabrook Enterprises, Inc.[2] (USA)	Peanut blancher and ingredient processor	100	100

Name of company		Percentage of equity held by the Issuer	
		2009 %	2008 %
Subsidiary company of **Rudra International Limited** is as follows:			
Graton Investments Pvt Ltd[3] (Zimbabwe)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Key Foods Hong Kong Limited** is as follows:			
Qingdao Key Foods Co Ltd[2] (China)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Far East Agri Pte Ltd** is as follows:			
PT Dharmapala Usaha Sukses[3] (Indonesia)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Olam Argentina S.A.** is as follows:			
Olam Alimentos S.A.[3] (Formerly known as Industrias Martin Cubero) (Argentina)	Peanut shelling and blanching company	100	—
Subsidiary companies of **Panasia International FZCO** are as follows:			
SOSEMA Sarl[4] (Senegal)	Sourcing, processing, packaging and merchandising of agricultural products	100	—
SOGUIMA Sarl[4] (Conakry, Guinea)	Sourcing, processing, packaging and merchandising of agricultural products	100	—
Crest SA[3] (Douala)	Provision of stevedore services	90	—
Subsidiary company of **Outspan Ivoire S.A**. is as follows:			
Société d'exploitation cotonnière de Ouangolo (SECO)[2] (Ivory Coast)	Sourcing, processing, packaging and merchandising of agricultural products	100	—

* These costs of investment were less than a thousand dollars each.
^ No payments were made for these subsidiaries.
@ This investment was de-registered during the year.
\# This joint venture investment became a wholly-owned subsidiary during the year.
(a) Sourcing, processing, packaging and merchandising of agricultural products.
(b) Investment holding.
(c) Provision of information technology services.
(d) Provision of insurance related services.
(e) Dormant.
(f) Trading of agricultural commodities.
(g) Horticulture.

1 Audited by Ernst & Young LLP, Singapore.
2 Audited by associated firms of Ernst & Young LLP, Singapore.
3 Audited by other CPA firms.
4 Not required to be audited by the law of the country of incorporation.
5 First year of incorporation.

Details of the jointly controlled entities are as follows:–

Name of company	Country of incorporation	Principal activities	Percentage of equity held	
			2009 %	2008 %
Held by the Issuer				
Nauvu Investments Pte Ltd[1]	Singapore	(a)	50	—
Olam Wilmar Investment Holdings Pte Ltd[1]	Singapore	(a)	50	—
LAMCO SRL[2]	Italy	(b)	—	40
Solimar Foods Ingredients S.L.[3]	Spain	(c)	49	49
Usicam S.A.[4]	Cameroon	(c)	50	50

During the year, LAMCO SRL became a subsidiary upon acquisition of the remaining 60% equity interest.

(a) Investment holding

(b) Trading of agricultural commodities

(c) Processing and trading of agricultural commodities

1 Audited by Ernst & Young LLP, Singapore

2 Audited by associated firm of Ernst & Young LLP, Singapore

3 Not required to be audited by the law of the country of incorporation

4 Audited by other CPA firm

5 First year of incorporation

Details of the associate are as follows:–

Name of company	Country of incorporation	Principal activities	Percentage of equity held	
			2009 %	2008 %
Held by the Issuer				
Open Country Dairy Limited[1]	New Zealand	Processing and trading of agricultural commodities	24.75	—

1 Audited by other CPA firm

Licences and Government Regulations

In all normal contracts for supply of agricultural products and food ingredients, there are no material regulations/certifications which need to be complied with. The Group generally enters into contracts in the ordinary course of business, which do not require any certification and are not subject to any regulation by a certifying body.

The Group intends to renew or procure the renewal of all expiring licences in the ordinary course of business and the Group is not aware of any matter that would affect the renewal of such licences.

Intellectual Property

The Group relies on a combination of trademark, service mark and domain name regulation, copyright protection and contractual restrictions to protect its brand names and logos, marketing designs and internet domain names.

Properties and Fixed Assets

The Group owns and operates facilities across numerous countries. As at 30 June 2009, the net carrying value of its property, plant and equipment was S$533,963,000.

The rental expenses of the Group (principally for offices, warehouses and employees' residence) were S$41,120,000 for the year ended 30 June 2009.

Research and Development

The Group has not carried out any research and development activities (other than market research). However, it is constantly looking out for, and using, where applicable, suitable new information technology applications for its businesses and operations.

Insurance

The Issuer's insurances are placed with security rated Lloyd's syndicates, commercial underwriters and Olam Insurance Limited, the captive insurance company and a subsidiary of the Issuer, incorporated in the Isle of Man and managed by Willis. Placement of insurance covers is handled principally by Jardine Lloyd Thompson and Lloyd and Partners Limited who are Lloyd's brokers.

Being supply chain managers of agricultural products and food ingredients, the Issuer maintains various property and liability insurance policies to protect its assets and exposures in countries where it operates. In addition, employee related types of insurance policies are also purchased to enhance the welfare of staff across the globe.

Stock, which is the principal insured asset, is insured against marine and political risks with insurers at Lloyd's, London. The insurance policies are arranged at either Group or individual country level to comply with local statutory legislations. Each policy has its own specific insurance terms and limits to cater to the Group's business needs.

Competition

The Group competes with diverse players at different stages of the supply chain. The intensity and nature of competition depend on the degree of its supply chain participation for each product. In most cases such competition is fragmented. The number of participants in a supply chain depends on how sophisticated, organised and regulated a particular product market is.

The key types of competition are in the areas of:

- export-oriented competition (origin trade houses, global trade houses and importers); and
- imports and distribution-oriented competition (global trade houses and importers).

Safety, Health and Environment Regulation

The Group is subject to extensive, evolving and increasingly stringent safety, health and environmental laws and regulations governing its processes and facilities. Such laws and regulations address, among other things, air emissions, waste water discharges, the generation, handling, storage, transportation, treatment and disposal of chemicals, materials and waste, workplace conditions and employee exposure to hazardous substances. The Group has incurred, and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, the Group has made and expects to make capital expenditures on an ongoing basis to comply with safety, health and environmental laws and regulations. While the Group believes it is in compliance in all material respects with all applicable safety, health and environmental laws and regulations, the Group may be required to incur costs to remedy the damage caused by any non-compliance.

Employees and Employee Relations

The Group believes that its employees are key contributors to the success of its business. To achieve this, the Group focuses on hiring and retaining the best talent in the industry. The Group has established human resource processes that are necessary to maximise the performance of its employees. Its work force consists of: (i) permanent employees; and (ii) consultants who are engaged by the Group on a contractual basis.

The Group conducts periodic reviews of the employees' job performance, and determines salaries and discretionary bonuses based upon those reviews. In addition, the Group offers internal training programs tailored to different job requirements to enhance the employees' talent and skills. The Group believes that it maintains a good working relationship with its employees and has not experienced any strikes or lockouts or other significant labour disputes.

Litigation

The Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

DIRECTORS AND MANAGEMENT

Directors and Management

The Directors of Olam are responsible for the overall management of the Group. The day-to-day operations are entrusted to the Group Managing Director and Chief Executive Officer ("CEO") of Olam and a team of executive officers who are responsible for the different functions of the Group.

Board of Directors

The particulars of the Group's Directors are listed below:

Name	Title
Rangareddy Jayachandran	Non-executive Chairman
Narain Girdhar Chanrai	Non-executive Director
Michael Lim Choo San	Independent and Non-executive Director
Mark Haynes Daniell	Independent and Non-executive Director
Robert Michael Tomlin	Independent and Non-executive Director
Wong Heng Tew	Independent and Non-executive Director
Jean-Paul Pinard	Independent and Non-executive Director
Andy Tse Po Shing	Non-executive Director
Sunny George Verghese	Executive Director and Chief Executive Officer
Sridhar Krishnan	Executive Director
Shekhar Anantharaman	Executive Director

R. Jayachandran
Non-Executive Chairman

Mr. R. Jayachandran was appointed Non-Executive Chairman of Olam in 2006. He has been a Non-Executive Director since 1995 and was Non-Executive Vice-Chairman from 2004. He has been on the board of Kewalram Singapore Limited since 1979 and a member of the Kewalram Chanrai Group Board since 1992. Mr. Jayachandran is Executive Chairman of Aquarius Investment Advisors Pte Ltd, Singapore. He is also a founding shareholder and Director of Redington Group of Companies. In 2008, Mr. Jayachandran was appointed as Singapore's High Commissioner to the Republic of Mauritius.

Mr. Jayachandran is a qualified chartered accountant and has over 35 years' experience in capital raising, strategic planning and business development. He completed the Advanced Management Program at Harvard University in 1995. He sits on the Issuer's Governance & Nomination, Human Resource & Compensation and Capital & Investment Committees.

Narain Girdhar Chanrai
Non-Executive Director

Mr. N. G. Chanrai is a Non-Executive Director and was appointed to the Board in 1995. He is the Managing Director of Kewalram Singapore Limited and has been the Group CEO of the Kewalram Chanrai Group since December 2004. A BSc Economics graduate from the University of London, he has worked in various operations of the Kewalram Group in Africa, the UK and Singapore and oversaw its global treasury and accounting functions before becoming Kewalram's Group CEO in 2004. Mr. Chanrai sits on the Issuer's Audit & Compliance, Governance & Nomination and Capital & Investment Committees.

Michael Lim Choo San
Non-Executive and Independent Director

Mr. Michael Lim is a Non-Executive and Independent Director and was appointed to the Board in September 2004. Mr. Lim is Chairman of the Land Transport Authority of Singapore and Nomura Singapore Limited. He is a Lead Independent Director of Chemoil Energy Limited and is a Director of PSA International Pte Ltd. A chartered accountant by profession, Mr. Lim was PriceWaterhouse Singapore's Managing Partner from 1992 and the Executive Chairman of PricewaterhouseCoopers Singapore, from 1999 until his retirement in 2003. He is also a member of the Public Service Commission, the Legal Service Commission and the Board of Trustees of the Nanyang Technological University. He is Chairman of the Issuer's Audit & Compliance and Governance & Nomination Committees.

Mark Haynes Daniell
Non-Executive and Independent Director

Mr. Mark Daniell is a Non-Executive and Independent Director and was appointed to the Board in October 2002. He is currently Chairman of The Cuscaden Group Pte Ltd, Vice-Chairman of Aquarius Investment Advisors Pte Ltd and a Director Emeritus of Bain & Company. Mr. Daniell has experience in investment banking, business strategy, mergers and acquisitions and corporate transformation. His career with Bain & Company spanned over 20 years and was formerly Managing Director of Bain & Company (Asia) Inc. He holds a Juris Doctor degree from Harvard Law School, a law degree from University College, Oxford and is a qualified Attorney in the Commonwealth of Massachusetts. He is Chairman of the Issuer's Human Resource & Compensation Committee and is a member of the Issuer's Corporate Responsibility & Sustainability, Audit & Compliance and Governance & Nomination Committees.

Robert Michael Tomlin
Non-Executive and Independent Director

Mr. Robert Tomlin is a Non-Executive and Independent Director and was appointed to the Board in September 2004. Mr. Tomlin is on the Board of Trustees of Singapore Management University and a member of the Catalist Advisory Panel of the Singapore Exchange. Mr. Tomlin retired from UBS Investment Bank in August 2009, having served as Vice-Chairman, Asia and subsequently, Senior Advisor. Prior to this, he spent 30 years with the Schroder Group, 12 of which were as CEO, SE. Asia. He also chairs the Design Singapore Council and the Singapore Repertory Theatre. Mr. Tomlin holds a BA in Modern Languages from Downing College, Cambridge and is a Business Management Graduate from Harvard Business School. He chairs the Issuer's Capital & Investment Committee and is a member of the Issuer's Audit & Compliance, Risk and Corporate Responsibility & Sustainability Committees.

Wong Heng Tew
Non-Executive and Independent Director

Mr. Wong Heng Tew is a Non-Executive and Independent Director and was appointed to the Board in 2003. He was Managing Director, Investments at Temasek Holdings from 2002 to 2008 and was concurrently their Chief Representative in Vietnam from 2005 to 2008. Following his retirement in 2008, Mr. Wong is now Advisory Director for Temasek Holdings. His experience lies in investments, mergers and acquisitions, restructuring of companies, divestments and corporate stewardship. In 1998, he was appointed to the Pro Tem Committee for the formation of the Singapore Exchange. Mr. Wong holds directorships in local and overseas companies. He holds a Bachelor of Engineering degree from the University of Singapore and completed the Program for Management Development at Harvard Business School. He is a member of the Issuer's Audit & Compliance, Governance & Nomination and Human Resource & Compensation Committees.

Jean-Paul Pinard
Non-Executive and Independent Director

Mr. Jean-Paul Pinard is a Non-Executive and Independent Director and was appointed to the Board in 2008. Mr. Pinard spent 17 years with the International Finance Corporation, Washington, DC ("IFC") becoming Director of the Agricultural Department, responsible for managing IFC's U.S.$1.5 billion portfolio of loan and equity investments in agribusiness and food industries. Mr. Pinard is currently a board member of several companies and is a member of the Advisory Committee of Pampa Agribusiness Fund L.P. Mr. Pinard holds a Ph.D., Economics from the University of California and a Diplome d'Ingenieur from the Ecole Polytechnique, Paris. He chairs our Corporate Responsibility & Sustainability Committee and is a member of the Issuer's Capital & Investment and the Human Resource & Compensation Committees.

Andy Tse Po Shing
Non-Executive Director

Mr. Andy Tse is a Non-Executive Director and was appointed to the Board in 2002. He is Managing Director of AIF Capital Limited and has over 13 years of experience in private equity investment in infrastructure and other related sectors in Asia and Australia. Mr. Tse holds directorships in both local and overseas companies. He obtained an MBA from the Chinese University of Hong Kong and is a qualified Chartered Financial Analyst. He has been conferred an Investment Adviser's License by the Securities and Futures Commission of Hong Kong. He chairs the Issuer's Risk Committee and is a member of the Issuer's Capital & Investment Committee.

Sunny George Verghese
Group Managing Director and CEO
(Executive Director)

Mr. Sunny Verghese is the Group Managing Director and CEO and was appointed to the Board in 1996. He has been with the Kewalram Chanrai (KC) Group for two decades and in 1989 was mandated to build an agricultural products business for the Group. Before joining the KC Group, he worked for Unilever in India. As the CEO of Olam, he provides the leadership to steer Olam through its expansion and growth plans. He is also a member of the Issuer's Capital & Investment and Risk Committees. Mr. Verghese is currently Chairman of International Enterprise, Singapore and CitySpring Infrastructure Management Pte Ltd. Earlier this year, he was invited to sit on the Board of Trustees of the National University of Singapore. In 2008, Mr. Verghese was appointed as a Non-Executive Director on the Board of PureCircle Limited, which is listed on AIM. He is also a Singaporean representative to the ASEAN Business Advisory Council. He holds a postgraduate degree in Business Management from the Indian Institute of Management, Ahmedabad and has also completed the Advanced Management Program at Harvard University. In 2008, Mr. Verghese was named the Ernst & Young Entrepreneur Of The Year 2008 Singapore and represented Singapore at the Ernst & Young World Entrepreneur Of The Year Awards in Monte Carlo in 2009. Sunny was voted the Best Executive in Singapore for 2006 in the AsiaMoney Awards and was declared 'Outstanding Chief Executive for 2006' in the 2007 Singapore Business Awards.

Sridhar Krishnan
Executive Director

Mr. Sridhar Krishnan is an Executive Director and was appointed to the Board in 1998. He is a Non-Executive Director of The Singapore Commodity Exchange. He is currently responsible for Olam's Rice, Wood Products and Shipping businesses. He is a member of the Issuer's Corporate Executive Team and Strategy Committee and is the Head of the Program Office, responsible for driving the implementation of the Group's Corporate Strategy. He has over 35 years' experience, more than half of which have been with Olam. He has held many senior positions in the Issuer including being Product Head for many businesses. He holds a Bachelor's degree in Commerce and is a postgraduate in

Business Management from a leading business school in India. He is a member of the Issuer's Risk and Corporate Responsibility & Sustainability Committees.

Shekhar Anantharaman
Executive Director

Mr. Shekhar Anantharaman is an Executive Director and was appointed to the Board in 1998. He is currently responsible for the Issuer's Edible Nuts, Spices & Dehydrates, Beans and Packaged Foods businesses. He also has regional oversight for operations in China, Brazil, Argentina and North America. He is a member of the Strategy Committee and the Corporate Executive Team. He has 23 years of experience, 17 of which have been with Olam. He has held various senior roles in Country Management, Finance and Treasury as well as being the Global Product Head for many businesses. He holds a degree in Aeronautical Engineering and a postgraduate degree in Business Management from a leading business school in India. He is a member of the Issuer's Capital & Investment and Corporate Responsibility & Sustainability Committees.

Principal Executive Officers

The particulars of the Group's principal executive officers are listed below:

Name	Title
Krishnan Ravikumar	Chief Financial Officer
Gerard Anthony Manley	Managing Director, Global Head — Cocoa Division
Jagdish Achleshwar Prasad Parihar	Managing Director, Global Head — Cotton Division
Vivek Verma	Managing Director, Global Head — Coffee and Dairy Products Divisions
Ashok Krishen	Managing Director, Global Head — Cashew & Spices Divisions
Ashok Chandra Mohan Hegde	Managing Director, Global Head — Risk Management & Information Systems
Venkataramani Srivathsan	Managing Director, Regional Head — West Africa 2
Ranveer Singh Chauhan	Managing Director, Regional Head — West Africa 1
Richard Haire	CEO, Queensland Cotton
Devashish Chaubey	President, Global Head — Sugar & Sesame Divisions
Moochikal Damodran Ramesh	President, Regional Head — East & South Africa
Raj Vardhan	Senior Vice President, Regional Controller, China
Rajeev Pandurang Kadam	President, Global Head — Internal Audit & Insurance
Joydeep Bose	President, Global Head, Human Resources
Sundararajan Suresh	Senior Vice President, Finance Division
Jayant Shriniwas Parande	Senior Vice President, Group Treasurer
Rajesh Chopra	Senior Vice President, Head — Corporate Affairs

Information on the area of responsibility and working experience of our Executive Officers is set out below:

Krishnan Ravikumar joined Olam Nigeria as Financial Controller in 1992 and he was appointed as the Financial Controller of Chanrai International Ltd in November 1993. When the Issuer was incorporated in 1996, Mr. Ravikumar became the Chief Financial Officer. He is primarily responsible for the entire accounting and financial operations of the Issuer. Mr. Ravikumar obtained a Bachelor of Commerce degree from the University of Delhi, India in 1984 and a Degree in Cost Accountancy from The Institute of Cost and Works Accountants of India in 1985. He became a qualified Company Secretary with the Institute of Company Secretaries in India in 1989 and obtained a postgraduate Diploma in Business Management from Xavier Labour Relations Institute, India in 1990.

Gerard Anthony Manley joined the Issuer in 1998. Mr. Manley is primarily responsible for the worldwide cocoa business of the Group. Prior to joining the Issuer, Mr. Manley worked for ED & F Man Cocoa Ltd in London as a Director from 1990 to 1998. With ED & F Man Cocoa Ltd he was also a Director of their operations in Malaysia, Poland and Nigeria. Mr. Manley brings more than 20 years of cocoa trading experience. Mr. Manley obtained a Bachelor of Arts (Honours) in Geography from the Newcastle Upon Tyne Polytechnic in 1981 and obtained a Masters of Business Administration from the City University in London in 1988. He is currently the Vice Chairman of the Cocoa Association of Asia.

Jagdish Achleshwar Prasad Parihar joined the KC Group in 1986 and was transferred to Chanrai International Ltd in 1989 in the capacity of General Manager. Mr. Parihar became the Managing Director of the Issuer's Cotton division in 1996. He obtained a BSc. Degree from Gujarat University in India in 1974 and obtained a Masters degree in Management Studies from the Birla Institute of Technology and Science in Pilani, India in 1979. Mr. Parihar is the co author of a book on Agri-business and Commodity Risk and is involved in teaching Risk Management in the U.S. and the UK. He is also the Director of International Cotton Association U.K. and a qualified commodity arbitrator.

Vivek Verma joined the Group in India in 1992 as a Business Manager and started the Indian operations under Olam India. He was transferred to the Issuer in 1996, where he was appointed as the Vice President responsible for the Group's coffee business. Mr. Verma was subsequently promoted to Managing Director where in addition to the Coffee business, he developed and is currently responsible for the Dairy Products and the Commodity Financial Services businesses. He obtained a Bachelor of Technology degree from the Indian Institute of Technology, New Delhi, India in 1985.

Ashok Krishen joined Olam Nigeria in 1992 as a Branch Coordinator. From 1994 to 1996, Mr. Krishen was the country head of Olam Ghana. He was appointed the Global Head for Rice and Sugar division from 1996 to 2002. Since 2002, he has been the Global Head of the Group's Cashews and Spices division. From 2007, he also assumed additional responsibility for other Edible Nuts and Dehydrates division. Mr. Krishen holds a Bachelor of Science (Physics) degree from the University of Kerala in India and obtained a Post Graduate Diploma in Personnel Management and Industrial Relations from the Xavier Labour Relations Institute in India in 1986.

Ashok Chandra Mohan Hegde joined Olam Benin in 1994 as a Branch Coordinator in charge of procurement and sale of commodities. Mr. Hegde was transferred to the Issuer in 1996 where he has held various positions including Country Head of Indonesia (from 1996 to 1998), Regional Controller of South East Asia (from 1998 to 2000), Managing Director of the Group's Wood products division (from 2000 to 2008) and is currently the Global Head — Risk Management & Information Systems. Mr. Hegde obtained a Bachelor of Engineering in Electrical & Electronics in 1988 from the University of Mysore, India and a Masters in Business Administration in 1991 from the University of Poona, India.

Venkataramani Srivathsan joined Olam Nigeria in 1994. Mr. Srivathsan has held various positions in the Group including Financial Controller, Nigeria and Country Head, Ghana. He is currently responsible for the Group's operations in Nigeria, Cameroon and Benin. He obtained a Bachelor of Commerce degree from St. Xavier's college, Tamil Nadu in 1984 and qualified as a member of The Institute of Chartered Accountants in 1998.

Ranveer Singh Chauhan first joined the Group in April 1993. In October 1997, Mr. Chauhan left the Group to join Melagro Exports Ltd as their General Manager and Head of Exports before returning to the Group in November 1998 to be the Regional Controller of West Africa. Mr. Chauhan is presently the Managing Director for West Africa 1 and South East Africa and is responsible for the Group's entire operations in 15 countries within the African regions. He obtained a Bachelor of Science degree in 1985 and a Master of Science degree in 1987 both from Kanpur University, India. Mr. Chauhan also obtained a postgraduate Diploma in Business Management from The Indian Institute of Management, Ahmedabad, India in 1989. In 2003, he completed the Advanced Management Program from Wharton University of Pennsylvania.

Richard Haire is Chief Executive Officer and Executive Director of Brisbane based Queensland Cotton Holdings Pty Ltd, a position he has held since 1990. Mr. Haire is a Fellow of the Australian Institute of Company Directors and the Australia Institute of Management. He has more than 28 years experience in the international cotton industry, including 26 years experience in agricultural commodity trading and banking. Mr. Haire is the Chairman of the Australian Cotton Industry Council and a member of the Rabobank Australia/New Zealand Food and Agribusiness Advisory Board. He also sits on the Issuer's Executive Committee based in Singapore.

Devashish Chaubey joined Olam Ivoire in 1994 where he was appointed as the Regional Controller. Mr. Chaubey was transferred to the Issuer in 2000 where he held the position of Vice President of our sugar and sesame divisions and he subsequently became President. Mr. Chaubey is primarily responsible for the entire sugar and sesame business of the Group. Mr. Chaubey obtained a Bachelor of Arts (Honours) in Economics in 1987 from the Shri Ram College of Commerce, University of Delhi, India and a postgraduate Diploma in Management from the Xavier Labour Relations Institute in India in 1989.

Moochikal Damodran Ramesh joined the Group in 1992. Mr. Ramesh has held various positions including Branch Manager of Olam Nigeria, Profit Centre Head of Olam Benin, Country Head of Olam India, Country Head of Olam Europe BV, Regional Controller of Olam in Ghana, Benin, Guinea-Conakry and Togo. Mr. Ramesh is now primarily responsible for the Group's operations in South Africa, Tanzania, Mozambique, Uganda, Angola, Democratic Republic of Congo and Zimbabwe. He obtained a Bachelor of Science degree in 1987 from the University of Bombay, India and a Postgraduate Diploma in Management in 1989 from the Xavier Labour Relations Institute, Jamshedpur, India.

Raj Vardhan joined Chanrai International Ltd in 1993, where he has held various positions including Branch Coordinator and Profit Centre Head, Nigeria. Mr. Vardhan joined the Issuer as the Business Manager of cashew processing in India in 1996 before becoming the Country Head of Vietnam from June 1997 to June 2004. In July 2004 he was appointed as the Country Head of China where he is primarily responsible for the Group's business in China. Mr. Vardhan obtained a Bachelor of Arts (Honours) in Economics in 1987 from Punjab University in India and a Master of Business Administration in 1991 from the Birla Institute of Technology in India.

Rajeev Pandurang Kadam joined Chanrai SL Ltd in Sierra Leone in 1990 where he held the position of Finance Manager until April 1994, before being appointed as the Business Manager and Profit Centre Head. Mr. Kadam joined the Issuer as the General Manager of Internal Audit in 1996 before being promoted to the position of Vice President of Risk Management and Internal Audit of the Group. He is now the President for Internal Compliance. He obtained a Bachelor of Commerce degree in 1980 from the University of Bombay, India and later passed his Chartered Accountant Final (I) examination of the Institute of Chartered Accountants of India. Mr. Kadam was awarded the certification of Certified Internal Auditor in November 2003 by the Institute of Internal Auditors and the Certification in Control Self-Assessment in June 2004 from the same professional body. He has also completed the Berkeley-NUS Certificate in Financial Engineering Programme in the year 2006.

Joydeep Bose joined the Issuer in July 2003. Mr. Bose is primarily responsible for the management and administration of the human resources function of our Group. Prior to joining the Issuer, he was the General Manager — Corporate Human Resources at Wipro Limited, India. Prior to joining Wipro Limited in February 1996, he was the Manager — Human Resources at Comsat Max Limited from July 1995 to January 1996. Before he joined Comsat Max Limited, he was the Manager — Human Resources at SRF Limited from May 1989 to July 1995. Mr. Bose obtained a Bachelor of Engineering degree in 1985 from the Regional Engineering College, India and a postgraduate Honours Diploma in Personnel Management and Industrial Relations in 1989 from the Xavier Labour Relations Institute in India.

Sundararajan Suresh joined our Group in March 1996 as the Finance Manager of Olam Cam. In May 1998, Mr. Suresh was transferred to the Issuer and was appointed as the General Manager, Corporate Affairs, of the Group. Mr. Suresh currently holds the position of Senior Vice President, Finance Division. Prior to joining the Group, Mr. Suresh was the Deputy Manager (Accounts) at Tube Investments of India from September 1995 to February 1996 and prior to that, he was the Deputy Manager (Management Accounts) at T I Diamond Chain Limited in India from July 1994 to August 1995. He obtained a Bachelor of Commerce from the University of Madras, India in 1990, a Degree in Cost Accountancy in 1990 from The Institute of Cost and Works Accountants of India, and became a qualified Company Secretary in 1993 with The Institute of Company Secretaries of India.

Jayant Shriniwas Parande joined the Group in June 1995 as Financial Controller of Olam Nigeria. In May 1998, Mr. Parande was transferred to the Issuer as Senior Financial Controller handling Management Accounting for a group of products, and took over as General Manager, Treasury in April 2001. Mr. Parande currently holds the position of Senior Vice President and Group Treasurer, and heads the Treasury function for the Group. Prior to joining the Group, Mr. Parande was the Assistant Manager (Corporate Accounts & Treasury) at Marico Industries Limited, India from April 1991 to May 1995. Mr. Parande obtained a Bachelor of Commerce degree from the University of Bombay, India in 1987 and qualified as a member of The Institute of Chartered Accountants of India in 1990.

Rajesh Chopra is Senior Vice President and Head of Corporate Affairs and Investors Relations for the Group. Mr. Chopra joined the Group in February 1998 as Finance Manager of Olam Cam. After serving as the Regional Financial Controller in West Africa from 1999 to 2004, he was appointed as Finance Director of Olam Europe in United Kingdom from 2004 to 2008. In 2008, Mr. Chopra moved to Singapore to assume his current position. Mr. Chopra obtained a Bachelor of Commerce (Hons.) from Delhi University in 1988, qualified as member of The Institute of Chartered Accountants of India in 1991, as member of The Institute of Cost and Works Accountants of India in 1991 and obtained a Master of Business Administration from London Business School in 2007.

PRINCIPAL SHAREHOLDERS

The following table sets forth details about the interest the substantial shareholders of the Issuer have as at 9 October 2009. Deemed interest is determined in accordance with Section 7(4) of the Act.

	No. of Shares		Interest[1]
	Direct	Deemed	(%)
Kewalram Singapore Limited[2]	459,602,064	—	23.07
Chanrai Investment Corporation Limited[2]	—	459,602,064	23.07
Kewalram Chanrai Holdings Limited[2]	—	459,602,064	23.07
Investec Trustees (Jersey) Ltd, Murli Kewalram Chanrai and Narain Girdhar Chanrai as trustees of Girdhar Kewalram Chanrai Settlement ("GKC Trustees")[2]	—	459,602,064	23.07
Investec Trustees (Jersey) Ltd, Narain Girdhar Chanrai and Koshu Murli Chanrai as trustees of Hariom Trust ("Hariom Trust")[2]	—	459,602,064	23.07
Investec Trustees (Jersey) Ltd, Narain Girdhar Chanrai and Murli Kewalram Chanrai as trustees of Dayal Damodar Chanrai Settlement ("DKC Trustees")[2]	—	459,602,064	23.07
Investec Trustees (Jersey) Ltd as trustee of PKC 2008 Settlement ("PKC Trustees")[2]	—	459,602,064	23.07
Narain Girdhar Chanrai[2]	—	459,602,064	23.07
Breedens Investments Pte. Ltd.	198,685,532	—	9.97
Seletar Investments Pte Ltd[3]	—	273,459,000	13.73
Temasek Capital (Private) Limited[4]	—	273,459,000	13.73
Temasek Holdings (Private) Limited[5]	—	280,182,853	14.06
UBS AG	1,667,785	156,322,089	7.93
Bank of America Corporation (through various subsidiaries)	—	124,581,133	6.25
Sunny George Verghese	89,574,893	—	4.50

Notes:

(1) As a percentage of the issued share capital of the Issuer as at the Latest Practicable Date, comprising 1,992,336,183 Shares.

(2) Kewalram Singapore Limited's ("**Kewalram**") 459,602,064 Shares are held in the following manner:

(a) 352,602,064 Shares under its own name;

(b) 27,000,000 Shares under Citibank Nominees Singapore Pte Ltd; and

(c) 80,000,000 Shares under Raffles Nominees (Pte) Limited.

Kewalram is a wholly-owned subsidiary of Chanrai Investment Corporation Limited ("CICL"), which in turn is a wholly-owned subsidiary of Kewalram Chanrai Holdings Limited ("KCH").

CICL and KCH are therefore deemed to be interested in the 459,602,064 Shares held by Kewalram.

GKC Trustees, Hariom Trustees, DKC Trustees and PKC Trustees are shareholders of KCH, each holding approximately 28%, 28%, 28% and 16% respectively in the issued and paid-up capital of KCH. Pursuant to Section 7(4A) of the Act, as GKC Trustees, Hariom Trustees and DKC Trustees are associates of PKC Trustees and vice versa, PKC Trustees would be deemed to be interested in the shares held by Kewalram in the Issuer.

GKC Trustees, Hariom Trustees, DKC Trustees and PKC Trustees are therefore deemed to be interested in the 459,602,064 Shares held by Kewalram in the Issuer.

Narain Girdhar Chanrai is deemed to be interested in these Shares as at the Latest Practicable Date as he is one of the trustees of the Dayal Damodar Chanrai Settlement, the Girdhar Kewalram Chanrai Settlement and the Hariom Trust.

(3) Seletar Investments Pte Ltd ("Seletar") is the holding company of Breedens Investments Pte. Ltd. ("Breedens") and Aranda Investments Pte. Ltd. ("Aranda") and is deemed to be interested in 198,685,532 and 74,773,468 Shares held by Breedens and Aranda respectively pursuant to a subscription agreement dated 30 May 2009 entered into between the Issuer, Breedens and Aranda.

(4) Temasek Capital (Private) Limited ("Temasek Capital") is the holding company of Seletar and is deemed to be interested in 273,459,000 Shares held by Breedens and Aranda collectively.

(5) Temasek is the holding company of Temasek Capital, which in turn is the holding company of Seletar, which in turn holds all the issued shares in Breedens and Aranda. In addition, DBS Group Holdings Limited ("DBSH"), an associated company of Temasek, is deemed to be interested in 6,723,853 Shares in the Issuer by virtue of Section 7 of the Companies Act. Accordingly, Temasek has a deemed interest in an aggregate of 280,182,853 Shares (being all of the Shares held by Breedens and Aranda, and all of the Shares in which DBSH has an interest).

Interested Person Transactions

The Issuer has ongoing contractual arrangements with other companies within the Group in the ordinary course of business. Such transactions are entered into on normal commercial terms.

The Issuer has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that the transactions are carried out on a normal commercial terms and will not be prejudicial to the interests of the Issuer and its minority shareholders.

Directors' Shareholdings

As at 9 October 2009, a total of 578,208,956 shares (direct and deemed) were held by directors of the Issuer. There were a total of 20,250,000 unissued Shares comprised of options granted to directors of the Issuer under the Olam Employee Share Option Scheme.

TERMS AND CONDITIONS

The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the Bonds, substantially as they will appear on the reverse of each of the definitive certificates evidencing the Bonds:

The issue of U.S.$400,000,000 in aggregate principal amount of 6.00 per cent. Convertible Bonds due October 2016 (the "Bonds", which term shall include, unless the context requires otherwise, any further Bonds issued under the Option (as defined in the Trust Deed) and any further Bonds issued in accordance with Condition 15 and consolidated and forming a single series therewith) of Olam International Limited (the "Issuer") and the right of conversion into Shares (as defined in Condition 6(A)(vi)) was authorised by resolutions of the Board of Directors of the Issuer passed on 4 September 2009 and the issue of any Shares upon conversion of the Bonds has been approved by the shareholders of the Issuer at the annual general meeting held on 29 October 2008. The Bonds are constituted by the trust deed ((as amended or supplemented from time to time) the "Trust Deed") to be dated on or about 15 October 2009 (the "Closing Date") made between the Issuer and The Bank of New York Mellon, London Branch as trustee for the holders of the Bonds (the "Trustee", which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) and are subject to the paying and conversion agency agreement to be dated on or about 15 October 2009 (the "Agency Agreement") with the Trustee, The Bank of New York Mellon, London Branch, as principal paying, conversion and transfer agent (the "Principal Agent"), The Bank of New York Mellon, as registrar (the "Registrar") and the other paying, conversion and transfer agents appointed under it (each a "Paying Agent", "Conversion Agent", "Transfer Agent" and together with the Registrar and the Principal Agent, the "Agents") relating to the Bonds. References to the "Principal Agent", "Registrar" and "Agents" below are references to the principal agent, registrar and agents for the time being for the Bonds. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed. Copies of the Trust Deed and of the Agency Agreement are available for inspection during usual business hours at the principal office for the time being of the Trustee (presently at The Bank of New York Mellon, London Branch, 40th Floor, One Canada Square, London E14 5AL, United Kingdom) and at the specified offices for the time being of each of the Agents. The Bondholders are entitled to the benefit of and are bound by all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1 Status

The Bonds constitute direct, unsubordinated, unconditional and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.

2 Form, Denomination and Title

(A) *Form and Denomination*

The Bonds are issued in registered form in the denomination of U.S.$100,000 each or integral multiples thereof without coupons attached. A bond certificate (each a "Certificate") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the "Register") which the Issuer will procure to be kept by the Registrar.

Upon issue, the Bonds will be represented by the Global Certificate deposited with a common depository for, and representing Bonds registered in the name of a nominee of, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme. The Conditions are modified by certain provisions contained in the Global Certificate. See "The Global Certificate".

(B) ***Title***

Title to the Bonds passes only by transfer and registration in the Register as described in Condition 3. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "Bondholder" and (in relation to a Bond) "holder" means the person in whose name a Bond is registered.

3 Transfers of Bonds; Issue of Certificates

(A) ***Register***

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement the Register on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

(B) ***Transfer***

Subject to Condition 3(E) and the terms of the Agency Agreement, a Bond may be transferred by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or any of the Transfer Agents. No transfer of a Bond will be valid unless and until entered on the Register.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(C) ***Delivery of New Certificates***

Each new Certificate to be issued upon a transfer of Bonds will, within seven business days of receipt by the Registrar or, as the case may be, any other relevant Agent of the original certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Principal Agent.

Except in the limited circumstances described herein (see "The Global Certificate"), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.

Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted or redeemed, a new

Certificate in respect of the Bonds not so transferred, converted or redeemed will, within seven business days of delivery of the original Certificate to the Registrar or other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted or redeemed (but free of charge to the holder) to the address of such holder appearing on the Register.

For the purposes of Condition 3, Condition 6, Condition 8, Condition 10 and Condition 15, "business day" shall mean a day other than a Saturday or Sunday or a public holiday on which banks are open for business in Singapore, London and New York and the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

(D) ***Formalities Free of Charge***

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any of the Agents, but upon (i) payment (or the giving of such indemnity as the Issuer or any of the Agents may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; (ii) the Issuer or the relevant Transfer Agent being satisfied that the regulations concerning transfer of Bonds have been complied with; and (iii) receipt by the relevant Agent of such evidence as it may require (including evidence as to the due execution of the form of transfer).

(E) ***Closed Periods***

No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the dates for payment of any principal pursuant to the Conditions; (ii) after a Conversion Notice (as defined in Condition 6(B)) has been delivered with respect to a Bond; (iii) after a Relevant Event Redemption Notice (as defined in Condition 8(D)) has been deposited in respect of such Bond pursuant to Condition 8(D); or (iv) during the period commencing from an Interest Record Date (as defined in Condition 7(A)) and ending on (and including) the Interest Payment Date (as defined in Condition 5) next following such Interest Record Date, each such period is a "Closed Period". The Issuer will inform the Trustee of the dates on which any Closed Period begins and ends immediately on becoming informed or aware of a Closed Period.

(F) ***Regulations***

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning the transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder who asks for one.

4 Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not create or permit to subsist, and the Issuer will procure that no Subsidiary (as defined below) will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any Investment Securities (as defined below) or to secure any guarantee of or indemnity in respect of, any Investment Securities unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (a) are secured equally and rateably therewith to the satisfaction of the Trustee, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

In these Conditions:

(i) "Investment Securities" means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or other debt securities which are for the time being, or are intended to be or capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or other securities market; and

(ii) any reference to a "subsidiary" or "Subsidiary" of any person is to any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of that person.

5 Interest

The Bonds bear interest from 15 October 2009 (the "Closing Date") at the rate of 6.00 per cent. per annum of the principal amount outstanding of the Bonds. Interest is payable semi-annually in arrear on 15 April and 15 October in each year (each an "Interest Payment Date") commencing 15 April 2010. Each Bond will cease to bear interest (a) where the Conversion Right attached to it shall have been exercised, from and including the Interest Payment Date last preceding its Conversion Date (as defined in Condition 6(B) (or if such Conversion Date falls on or before the first Interest Payment Date, the Closing Date) subject to conversion of the relevant Bond in accordance with the provisions of Condition 6(B), (b) where such Bond has been redeemed pursuant to Condition 8, or (c) from the due date for redemption thereof unless, upon surrender in accordance with Condition 8, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at 2 per cent. per annum above the rate aforesaid (after, as well as before, any judgment) up to but excluding the date on which all sums due in respect of any Bond are received by or on behalf of the relevant holder. If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year of 12 30-day months. Interest payable under this Condition will be paid in accordance with Condition 7(A).

(a) Save as provided in paragraph (b) below, no payment or adjustment will be made on conversion for any interest otherwise accruing on converted Bonds since the Interest Payment Date last preceding the relevant Conversion Date (or, in the event that the conversion precedes the first Interest Payment Date, since the Closing Date).

(b) If any notice requiring the redemption of any Bonds is given pursuant to Condition 8(B) during the period beginning on the 15th business day in Singapore prior to the record date in respect of any dividend or distribution in respect of the Shares and ending on the next following Interest Payment Date where such notice specifies a date for redemption falling on or prior to such Interest Payment Date, interest shall accrue on any Bond which is delivered for conversion on or after such record date from the preceding Interest Payment Date (or, if so delivered before the first Interest Payment Date, from the Closing Date) to the date of such delivery, provided that no such interest shall accrue on any Bond in the event that the Shares allotted on conversion thereof carry an entitlement to receive the dividend to which such record date relates.

6 Conversion

(A) *Conversion Right*

(i) Conversion Period: Subject as hereinafter provided, Bondholders have the right to convert their Bonds into Shares at any time during the Conversion Period referred to below.

(ii) The right of a Bondholder to convert any Bond into Shares is called the "Conversion Right". Subject to and upon compliance with, the provisions of this Condition, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on or after 25 November 2009 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date 10 days prior to the Maturity Date (as defined in Condition 8(A)) (but, except as provided in Condition 6(A)(v), in no event thereafter) or, if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than seven business days (in the place aforesaid) prior to the date fixed for redemption thereof or if such Bonds shall have been called for mandatory conversion by the Issuer, then up to the close of business (at the place aforesaid) on the deemed Conversion Date for mandatory conversion pursuant to Condition 6(A)(vii) (the "Conversion Period").

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period in which the register of members of the Issuer is closed generally or for the purpose of establishing entitlement to any dividend or other rights attaching to the Shares (a "Book Closure Period"), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in Condition 6(B)(i)) after the expiry of such Book Closure Period. Any exercise of a Conversion Right shall be deemed to be ineffective and, subject to Condition 6(A)(v), shall be deemed to have expired if, as a result of any postponement pursuant to this Condition 6, the Conversion Date would fall on a day after expiry of the Conversion Period or, in the case of the exercise of such rights as aforesaid, after the relevant redemption date. The Issuer undertakes to ensure that the Book Closure Period is as short a period as is reasonably practicable, having regard to applicable Singapore laws.

The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted (translated into Singapore dollars at the fixed exchange rate of SGD1.4400 = U.S.$1.00 (the "Fixed Exchange Rate")) by the Conversion Price (as defined below) in effect at the Conversion Date. Following conversion in accordance with these Conditions, the right of the converting Bondholder to repayment of the principal amount of the Bond shall be extinguished and released, and in consideration and in exchange therefor, the Issuer shall allot and issue Shares credited as paid-up in full as provided in this Condition 6. A Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

(iii) Fractions of Shares: Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. Subject to the foregoing, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 16 October 2009 which reduces the number of Shares outstanding, the Issuer will upon conversion of Bonds pay in cash (in US dollars by means of a US dollar cheque drawn on a bank in New York a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6(A)(iii), as corresponds to any fraction of a Share not issued as a result of such consolidation or reclassification aforesaid if such sum exceeds U.S.$10 (or its equivalent in SGD, having been translated into US dollars at the Fixed Exchange Rate). Any such sum shall be paid not later than three Stock Exchange Business Days after the relevant Conversion Date by transfer to a US dollar account with a bank in New York.

(iv) Conversion Price: The price at which Shares will be issued upon conversion (the "Conversion Price") will initially be SGD 3.0853 per Share, but will be subject to adjustment in the manner provided in Condition 6.

(v) Revival and/or survival after Default: Notwithstanding the provisions of Condition 6(A)(i), if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called for redemption on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10, or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8(A), the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and notwithstanding the provisions of Condition 6(A)(i), any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date. For the avoidance of doubt, upon exercise of the Conversion Right pursuant to this Condition 6(A)(v), the right of the Bondholder to receive redemption monies shall be extinguished and such Bondholder shall instead have a right to receive Shares arising from the conversion of the Bonds.

(vi) Meaning of "Shares": As used in these Conditions, the expression "Shares" means ordinary shares in the capital of the Issuer (which include ordinary shares of the Issuer listed on the SGX-ST (as defined in Condition 6(B))) or shares of any class or classes resulting from any subdivision, consolidation or reclassification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

(vii) Mandatory Conversion at the option of the Issuer:

(a) At any time on or after 15 October 2014 and prior to the date falling seven business days prior to the Maturity Date, the Issuer may, having given not less than 10 Trading Days (as defined in Condition 6(C)) notice of mandatory conversion (the "Mandatory Conversion Notice") to the Bondholders, the Trustee and the Principal Agent (the "Mandatory Conversion Notice Period"), mandatorily convert all but not some only of the Bonds outstanding into Shares (the "Mandatory Conversion") provided that no such conversion may be made unless the Volume Weighted Average Price (as defined in Condition 6(C)) of the Shares, translated into US dollars at the then prevailing US dollar/S$ exchange rate, for each of 20 consecutive Trading Days, the last of which occurs not more than 10 Trading Days prior to the date upon which the Mandatory Conversion Notice is published, was at least 130 per cent. of the applicable Conversion Price then in effect, translated into US dollars at the rate of S$1.44 = US$1.00 (the "Trigger Event"). If there shall occur an event giving rise to a change in the Conversion Price during any such 20 consecutive Trading Day period or during the Mandatory Conversion Notice Period, appropriate adjustments for the relevant days shall be made for the purpose of calculating the Volume Weighted Average Price for such days. The Trustee shall not be required to take any steps to ascertain whether a Trigger Event has occurred.

(b) The Issuer's right to mandatorily convert under this Condition will lapse if the Mandatory Conversion Notice is not given to the Bondholders within the aforesaid 10 Trading Day period. The Mandatory Conversion Notice shall specify: (i) the expiry date of the Mandatory Conversion Notice Period; (ii) the Cut-Off Date (as defined below); (iii) a confirmation that the conditions to Mandatory Conversion specified in this Condition have been satisfied; and (iv) the then applicable Conversion Price. The Mandatory Conversion Notice shall also specify further details of the conversion, including instructions to Bondholders regarding the time period in which Bondholders must deposit and surrender their respective Certificates and the duly signed and completed Mandatory Conversion Notice at the specified office of any of the Agents.

(c) The Issuer's right to mandatorily convert under this Condition does not affect a holder's right to exercise its Conversion Right or its redemption right under Condition 8(D) hereunder (which shall remain in full force and effect during the Mandatory Conversion Notice Period) provided that in no event shall the Conversion Date or the Relevant Event Redemption Date (as defined in Condition 8(D)), as the case may be, fall after the date for Mandatory Conversion hereunder.

(d) Upon the expiry of the Mandatory Conversion Notice Period, the Issuer will be entitled and bound (subject to and in accordance with Condition 6) to convert the Bonds to which such notice relates into Shares and the date of expiry of such period shall be deemed to be the Conversion Date. The holders of the Bonds to be so converted shall be deemed to have exercised their Conversion Rights and the provisions of Condition 6 shall apply *mutatis mutandis*.

(e) If on the business day immediately following the Mandatory Conversion Notice Period (the "Cut-Off Date"), Conversion Notices have not been received by a Conversion Agent in respect of any Bonds outstanding (the "Relevant Bonds"), the Relevant Bonds shall be converted into Shares in accordance with these Conditions at the applicable Conversion Price and such Shares shall be delivered to such agent of the Issuer located in Singapore as agreed in writing with the Trustee. The Issuer shall, as soon as reasonably practicable, cause the relevant securities account of an agent appointed by the Issuer located in Singapore (as agreed in writing by the Trustee) to be credited with such number of relevant Shares to be issued upon conversion (notwithstanding any retroactive adjustment of the Conversion Price referred to below prior to the time it takes effect). All of the Shares delivered, or to be delivered, on such conversion shall be sold by, or on behalf of, the agent as soon as practicable, (subject to any necessary consents being obtained and applicable regulations), and subject to the deduction by the agent of any amount which it determines to be payable in respect of its liability to taxation and the payment of any capital, stamp, transfer, issue or registration duties (if sale thereof) and the net proceeds of sale together with accrued interest (if any), and any cash in lieu of fractions and any other amount payable by the Issuer in respect of the relevant exercise in respect of the Relevant Bonds shall be held by the agent and distributed rateably to the holders of such Relevant Bonds (such payments being made in accordance with Condition 7 and shall be promptly notified to the Trustee). The Trustee and the Issuer shall have no responsibility to any person for the manner in which such sale is effected or if the aggregate sale proceeds fall short of the principal amount of the Relevant Bonds. The Trustee and the Issuer shall have no liability in respect of the exercise or non-exercise or in respect of any such sale of Shares whether for the timing of any such sale or the price at which any such Shares are sold, or the inability to sell any such Shares or otherwise.

(B) *Conversion Procedure*

(i) Conversion Notice: To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during normal business hours at the specified office of any Conversion Agent a duly completed notice of conversion (a "Conversion Notice") in duplicate in the form (for the time being current) obtainable from the specified office of each Agent, together with the relevant Certificate. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

The conversion date in respect of a Bond (the "Conversion Date") must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(A)(v) above) and will be deemed to be the Stock Exchange Business Day immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal. The Issuer, or the Conversion Agent on its behalf, may reject any Conversion Notice which is, in its opinion, incorrect or incomplete in any material respect. All costs and expenses incurred or caused by a Conversion Notice which is, in the opinion of the Issuer or the Conversion Agent, incorrect or incomplete in any material respect shall be for the account of the relevant Bondholder. "Stock Exchange Business Day" means any day (other than a Saturday or Sunday) on which the Singapore Exchange Securities Trading Limited (the "SGX-ST") or the Alternative Stock Exchange (as defined in Condition 6(C)), as the case may be, is open for the business of dealing in securities.

Upon exercise of a Conversion Right, a Bondholder converting a Bond shall be required to represent and agree, in the Conversion Notice, certain matters with respect to the beneficial ownership of the Bonds and the Shares.

(a) Save as provided in paragraph (b) below, no payment or adjustment will be made on conversion for any interest otherwise accruing on converted Bonds since the Interest Payment Date last preceding the relevant Conversion Date (or, in the event that the conversion precedes the first Interest Payment Date, since the Closing Date).

(b) If any notice requiring the redemption of any Bonds is given pursuant to Condition 8(B) during the period beginning on the 15th business day in Singapore prior to the record date in respect of any dividend or distribution in respect of the Shares and ending on the next following Interest Payment Date where such notice specifies a date for redemption falling on or prior to such Interest Payment Date, interest shall accrue on any Bond which is delivered for conversion on or after such record date from the preceding Interest Payment Date (or, if so delivered before the first Interest Payment Date, from the Closing Date) to the date of such delivery, provided that no such interest shall accrue on any Bond in the event that the Shares allotted on conversion thereof carry an entitlement to receive the dividend to which such record date relates.

(ii) Stamp Duty etc.: A Bondholder delivering a Certificate in respect of a Bond for conversion must pay directly to the relevant tax authorities any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital or stamp duties payable in Singapore and, if relevant, in the place of the Alternative Stock Exchange, by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the SGX-ST or the Alternative Stock Exchange on conversion) (the "Taxes") and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion. The Issuer will pay all other expenses arising on the issue of Shares on conversion of Bonds. Neither the Agent nor the Trustee is under any obligation to determine whether a Bondholder or the Issuer is liable to pay any Taxes including capital, stamp, issue, registration or similar taxes and duties or the amounts payable (if any) in connection with this Condition 6(B)(ii) and shall not be responsible or liable for any failure or omission by any Bondholder or the Issuer to make any such payment to the relevant tax authorities or the sufficiency or insufficiency of any amounts paid.

(iii) Registration: As soon as practicable, and in any event not later than 15 Stock Exchange Business Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the relevant Bondholder deposited as required by sub-paragraphs (i) and (ii), procure that the relevant number of Shares are allotted to and registered in the name of the Depository (as defined in the Companies Act, Chapter 50 of Singapore (the "Act")) for credit to the securities account designated for the purpose in the Conversion Notice for so long as the Shares are listed on the SGX-ST; or if the Shares are not listed on the SGX-ST, register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer's share register and make such certificate or certificates available for collection at the office of the Issuer's share registrar in Singapore (currently, Boardroom Corporate & Advisory Services Pte. Ltd.) notified to Bondholders in accordance with Condition 16 or, if so requested in the relevant Conversion Notice, cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Bonds subject to the same Conversion Notice and which are to be registered in the same name.

If the Conversion Date in relation to any Bond shall be on or after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the

Conversion Price pursuant to Condition 6(C), but before the relevant adjustment becomes effective under the relevant Condition, upon the relevant adjustment becoming effective the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares as is equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date.

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members (the "Registration Date"). The Shares issued upon conversion of the Bonds will be fully paid and in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

To the extent and as provided for in this Condition 6(B)(iii), Shares allotted and issued on conversion will with effect from the relevant Conversion Date, rank for any dividends, rights, allotment or other distribution, the record date for which is on or after the relevant Conversion Date and (subject as aforesaid) will rank *pari passu* in all respects with the then existing Shares of the Issuer. For the purpose of these Conditions, "record date" means in relation to any dividends, rights, allotments or other distributions, the date on which shareholders of the Issuer must be registered in order to participate in such dividends, rights, allotment, or other distributions. If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in this sub-paragraph (iii) prior to the time such retroactive adjustment shall have become effective), the Issuer will pay to the converting Bondholder or his designee an amount in Singapore dollars (the "Equivalent Amount") equal to the Fair Market Value (as defined in Condition 6(C)) of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by means of a Singapore dollar cheque drawn on a bank in Singapore and sent to the address specified in the relevant Conversion Notice.

(C) ***Adjustments to Conversion Price***

The Conversion Price will be subject to adjustment in the following events as set out in the Trust Deed (save and except that no adjustments will be made to the Conversion Price by virtue of the issue of any further Bonds in accordance with Condition 15):

(1) Consolidation, Subdivision or Reclassification: If and whenever there shall be an alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such alteration; and

B is the aggregate number of issued Shares immediately after such alteration. Such adjustment shall become effective on the date the alteration takes effect.

(2) Capitalisation of Profits or Reserves:

(i) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of Shares ("Shareholders") by way of capitalisation of profits or reserves including Shares paid up out of distributable profits or reserves (except any Scrip Dividend (as defined below)) and which would not have constituted a Capital Distribution (as defined below), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such issue; and

B is the aggregate number of issued Shares immediately after such issue.

(ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price (as defined below) of such Shares exceeds the amount of the Relevant Cash Dividend (as defined below) or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of issued Shares immediately before such issue;

B is the aggregate number of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is the Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and

C is the aggregate number of Shares issued by way of such Scrip Dividend;

or by making such other adjustment as an Independent Investment Bank (as defined below) shall certify to the Trustee is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(3) Capital Distributions: If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 6(C)(2) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or if a record date is fixed therefor, immediately after such record date. For the avoidance of doubt, when the Capital Distribution is by means of a distribution of dividend, only such portion of the dividend or distribution which exceeds the amounts referred to in the definition of Capital Distribution in Condition 6(C) (the "excess portion") shall be regarded as Capital Distribution and only the excess portion shall be taken into account in determining the Fair Market Value of the portion of the Capital Distribution attributable to one Share.

(4) Rights Issues of Shares or Options over Shares: If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

(5) Rights Issues of Other Securities: If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be on the Relevant Stock Exchange (as defined below).

(6) Issues at less than Current Market Price: If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6(C)(4) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for Shares) or issue or grant (otherwise than as mentioned in Condition 6(C)(4) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;

B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares would purchase at such Current Market Price; and

C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

(7) Other Issues at less than Current Market Price: Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(C)(7), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Condition 6(C)(4), Condition 6(C)(5) or Condition 6(C)(6)), or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries), any other company, person or entity shall issue any securities (other than the Bonds excluding for this purpose any further bonds which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares at a consideration per Share which is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

(8) Modification of Rights of Conversion etc.: If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(C)(7) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such modification;

B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of the right of subscription attached thereto at the modified conversion, exchange or subscription or purchase price or rate but giving credit in such manner as an Independent Investment Bank considers appropriate (if at all) for any previous adjustment under this Condition 6(C)(8) or Condition 6(C)(7).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(9) Other Offers to Shareholders: The issue, sale or distribution by or on behalf of the Issuer or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity of any securities in connection with an offer by or on behalf of the Issuer or any of its Subsidiaries or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 60 per cent. of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6(C)(4), Condition 6(C)(5), Condition 6(C)(6) or Condition 6(C)(7)).

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities.

(10) Other Events: If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6, the Issuer shall, at its own expense, consult an Independent Investment Bank to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Investment Bank such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving rise to any adjustment pursuant to this Condition 6 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6 as may be advised by the Independent Investment Bank to be in their opinion appropriate to give the intended result.

For the purposes of these Conditions:

"Alternative Stock Exchange" means at any time, in the case of the Shares, if they are not at that time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

"Capital Distribution" means: (i) any distribution of assets in specie by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid by way of capitalisation of reserves)); and (ii) any dividend (including any cash or Scrip Dividend) or distribution of any kind by the Issuer for any financial period (whenever paid and however described) unless:

(i) (and to the extent that) it does not, on a per Share basis, when taken together with the aggregate of any other dividend (including any cash or Scrip Dividend) or distribution previously made or paid in respect of the same financial year, exceed the Reference Amount per Share for the relevant financial year as set out below:

In respect of financial year ending	Reference Amount per Share (SGD)
30 June 2009	0.03500
30 June 2010	0.04025
30 June 2011	0.04629
30 June 2012	0.05323
30 June 2013	0.06122
30 June 2014	0.07040
30 June 2015	0.08096
30 June 2016	0.09310

(ii) (and to the extent that) in the case of a distribution in specie only it does not, when taken together with the aggregate of the Fair Market Value of any other dividend or distribution previously made or paid in respect of all periods ending after 30 June 2009, exceed the aggregate of the consolidated net profits for such periods (less the aggregate of any consolidated net losses) attributable to Shareholders for all periods ending after 30 June 2009, after deducting minority interests and preference dividends (if any) but (1) deducting any amounts in respect of any asset previously credited to the Issuer's reserves (in respect of any period or date up to and including 30 June 2009) pursuant to any revaluation of such asset, where amounts arising on the disposal of such asset have contributed to such profits and (2) deducting any exceptional and extraordinary items, (and for the avoidance of doubt after excluding any amount arising as a result of any reduction in registered capital, but including any profit transferred from any reserve, in each case calculated by reference to the audited consolidated profit and loss accounts for such periods of the Issuer and its Subsidiaries; or

(iii) it comprises a purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer), where the weighted average price (before expenses) on any one day in respect of such purchases does not exceed the Current Market Price of the Shares as quoted by the SGX-ST or, as the case may be, the Alternative Stock Exchange by more than

5 per cent., either (1) for the five market days on which transactions in the Shares were recorded preceding the day of the purchase, or (2) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement (excluding, for the avoidance of doubt, general authority for such purchases given by a Shareholders' meeting of the Issuer, or any notice convening such meeting) and, if in the case of either (1) or (2), the relevant day is not a Trading Day, the immediately preceding Trading Day.

In making any such calculation, such adjustments (if any) shall be made as an Independent Investment Bank may consider appropriate to reflect (1) any consolidation or subdivision of the Shares, (2) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event or (3) the modification of any rights to dividends of Shares.

"Closing Price" for the Shares for any Trading Day shall be the average closing market price quoted on the SGX-ST or, as the case may be, the Alternative Stock Exchange, for the last five Trading Days prior to such Trading Day.

"Current Market Price" means, in respect of a Share at a particular date, the average closing market price quoted on the SGX-ST or, as the case may be, the Alternative Stock Exchange, for one Share (being a Share carrying full entitlement to dividend) for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said 20 Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

(i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share; or

(ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

and provided further that if the Shares on each of the said five Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share.

"Fair Market Value" means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded.

"Independent Investment Bank" means an independent investment bank of international repute (acting as an expert) selected by the Issuer and approved by the Trustee.

"Relevant Cash Dividend" means any cash dividend specifically declared by the Issuer.

"Relevant Stock Exchange" means at any time, in respect of the Shares, the SGX-ST or the Alternative Stock Exchange.

"Scrip Dividend" means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt to the extent that no adjustment is to be made under Condition 6(C)(3) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or part thereof) but without prejudice to any adjustment required in such circumstances to be made under Condition 6(C)(2)(ii).

"Trading Day" means a day when the SGX-ST or, as the case may be an Alternative Stock Exchange is open for dealing business, provided that if no closing market price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days.

"Volume Weighted Average Price" means, in respect of a Share on any Stock Exchange Business Day, the order book volume-weighted average price of a Share appearing on or derived from Bloomberg or such other source as shall be determined to be appropriate by an Independent Investment Bank on such Stock Exchange Business Day, provided that on any such Stock Exchange Business Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Stock Exchange Business Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Stock Exchange Business Day on which the same can be so determined.

On any adjustment, the relevant Conversion Price, if not an integral multiple of one SGD cent, shall be rounded down to the nearest SGD cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than 1 per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with Condition 16 as soon as practicable after the determination thereof.

Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of an Independent Investment Bank, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank to be in their opinion appropriate in order to give such intended result.

No adjustment will be made to the Conversion Price when Shares or other securities (including rights or options) are issued, offered or granted to employees (including directors) of the Issuer or any Subsidiary of the Issuer pursuant to any Employee Share

Scheme (as defined in the Trust Deed) (and which Employee Share Scheme is in compliance with the listing rules of the SGX-ST or, if applicable, those of an Alternative Stock Exchange).

No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6(C)(1) above.

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price and will not be responsible to Bondholders for any loss arising from any failure by it to do so.

The Trustee and the Agents shall be under no obligation to calculate, determine or verify the number of Shares to be issued upon conversion of the Bonds or verify the Issuer's or the Independent Investment Bank's determination of such number of Shares or method used in such determination and neither the Trustee nor the Agents shall be responsible to Bondholders or any other person for any loss arising from any failure to do so or for any delay of the Issuer or the Independent Investment Bank in making such determination or any erroneous determination by the Issuer or the Independent Investment Bank.

(D) ***Undertaking***

The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders or with the approval of the Trustee where, in the opinion of the Trustee, it is not materially prejudicial to the interests of Bondholders to give such approval:

(i) it will use all reasonable endeavours (a) to maintain a listing for all the issued Shares on the SGX-ST, and (b) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the SGX-ST, and if the Issuer is unable to obtain or maintain such listing, to use all reasonable endeavours to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights on an Alternative Stock Exchange as the Issuer may from time to time determine and as may be approved by the Trustee and will forthwith give notice to the Bondholders in accordance with Condition 16 below of the listing or delisting of the Shares (as a class) by any such stock exchange;

(ii) it will pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds;

(iii) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof except, in each case, where the reduction is permitted by applicable law and results in (or would, but for the provision of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made; and

(iv) it will use all reasonable endeavours to maintain the listing of the Bonds on the SGX-ST and if the Issuer is unable to maintain such listing, to use all reasonable endeavours to obtain and maintain a listing on another internationally recognised stock exchange and will forthwith give notice to the Bondholders in accordance with Condition 16 below of the listing or delisting of the Bonds by any such stock exchange.

In the Trust Deed, the Issuer has also undertaken with the Trustee that so long as any Bond remains outstanding it will ensure that all Shares delivered on conversion of the Bonds will be duly and validly issued as fully-paid, provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

(E) ***Conversion Upon Change of Control***

If a Change of Control (as defined in Condition 8(D)) shall have occurred, the Issuer shall give notice of that fact to the Bondholders (the "Change of Control Notice") in accordance with Condition 16 within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within 30 days following a Change of Control, or, if later, 30 days following the date on which the Change of Control Notice is given to Bondholders (such period, the "Change of Control Conversion Period"), the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = \frac{OCP}{1 + (CPxc/t)}$$

where:

NCP is the Conversion Price after such adjustment.

OCP is the Conversion Price in force immediately before such adjustment, and for the avoidance of doubt, OCP for the purposes of this Condition shall be the Conversion Price applicable on the relevant Conversion Date in respect of any conversion pursuant to this Condition.

Conversion Premium ("CP") is 25 per cent. expressed as a fraction.

C is the number of days from and including the first day of the Change of Control Conversion Period to, but excluding, 15 October 2016.

T is the number of days from and including 15 October 2009 to, but excluding, 15 October 2016.

(F) ***Notice of Change in Conversion Price***

The Issuer shall give notice to the Trustee, the Agents and the Bondholders in accordance with Condition 16 of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

7 Payments

(A) ***Method of Payment***

All payments in respect of the Bonds will be made by transfer to the registered account of the Bondholder or by US dollar cheque drawn on a bank in New York mailed to the registered address of the Bondholder if it does not have a registered account. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the "Interest Record Date"). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder or by US dollar cheque drawn on a bank in New York mailed to the registered address of the Bondholder if it does not have a registered account.

(B) ***Registered Accounts***

For the purposes of this Condition, a Bondholder's registered account means the US dollar account maintained by or on behalf of it with a bank in New York, details of which appear on the Register at the close of business on the second business day before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

(C) ***Fiscal Laws***

All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(D) ***Payment Initiation***

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day, for value on the first following day which is a business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, at the expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

(E) ***Delay In Payment***

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Bondholder is late in surrendering his Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

(F) ***Business Day***

In this Condition 7, "business day" means a day other than a Saturday or Sunday on which commercial banks are open for business in Singapore, London, New York and the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

8 Redemption, Purchase and Cancellation

(A) *Maturity*

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 100 per cent. of its principal amount together with unpaid accrued interest thereon, if any, calculated in accordance with Condition 5, on 15 October 2016 (the "Maturity Date"). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 8(B) and Condition 8(C) below (but without prejudice to Condition 10).

(B) *Redemption at the Option of the Issuer*

If at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 15), the Issuer shall have the option to redeem such outstanding Bonds in whole but not in part at 100 per cent. of their principal amount together with accrued, but unpaid, interest (calculated up to, but excluding, the date fixed for such redemption). The Issuer will give at least 30 days' but not more than 60 days' prior notice to the holders for such redemption.

(C) *Redemption for Taxation Reasons*

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "Tax Redemption Notice") to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable) at 100 per cent. of their principal amount together with accrued, but unpaid, interest (calculated up to, but excluding, the date fixed for redemption, if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 15 October 2009, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the publication of any Tax Redemption Notice pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled to accept such certificate and opinion without further enquiry as sufficient evidence thereof in which event it shall be conclusive and binding on the Bondholders. Upon the expiry of the Tax Redemption Notice, the Issuer will be bound to redeem the Bonds at 100 per cent. of their principal amount together with accrued, but unpaid, interest (calculated up to, but excluding, the date fixed for redemption (the "Tax Redemption Date")).

(D) *Redemption for Delisting or Change of Control*

Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right, at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Redemption Date (as defined below) at a price equal to 100 per cent. of their principal amount together with accrued, but unpaid, interest (calculated up to, but excluding, the date fixed for redemption). To exercise such right, the holder of the relevant Bond must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent ("Relevant Event Redemption Notice"), together with the Certificate evidencing the Bonds to be redeemed by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16. The "Relevant Event Redemption Date" shall be the fourteenth day after the expiry of such period of 60 days as referred to above.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent and the Issuer shall redeem the Bonds the subject of the Relevant Event Redemption Notice as aforesaid on the Relevant Event Redemption Date. The Issuer shall give notice to Bondholders in accordance with Condition 16 by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify:

(i) the Relevant Put Date;

(ii) the date of such Relevant Event;

(iii) the date by which the Relevant Event Redemption Notice must be given;

(iv) the redemption amount and the method by which such amount will be paid;

(v) the names and specified offices of all Paying Agents;

(vi) briefly, the Conversion Right and the then Conversion Price; and

(vii) the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 8(D) or their Conversion Right and shall give brief details of the Relevant Event.

The Trustee shall not be required to take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred and shall not be responsible or liable to Bondholders for any loss arising from any failure to do so.

A "Relevant Event" occurs:

(i) when the Shares cease to be listed or admitted to trading or suspended for a period equal to or exceeding 30 days on the SGX-ST or, if applicable, the Alternative Stock Exchange; or

(ii) when there is a Change of Control.

For the purposes of this Condition 8(D):

"Control" means the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

a “Change of Control” occurs when:

(i) any Person (as defined in Condition 8(J)) or Persons acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Closing Date;

(ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the assets of the Issuer to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or the successor entity; or

(iii) one or more Persons (other than any Person referred to in sub-paragraph (i) above) acquires the legal or beneficial ownership of all or substantially all of the issued share capital of the Issuer.

(E) *Bondholders’ Tax Option*

If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(C), each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of principal amount or interest to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no Additional Tax Amounts shall be payable in respect thereof pursuant to Condition 9 and payment of all amounts shall be made subject to the deduction of withholding of the relevant taxation required to be withheld or deducted. To exercise a right pursuant to this Condition 8(E), the relevant Bondholder must deposit a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying Agent (a “Bondholder’s Exercise Notice”) together with the Certificate evidencing the Bonds to be redeemed, on or before the day falling 15 days prior to the Tax Redemption Date at the specified office of any Paying Agent.

(F) *Stock Settlement Option of the Issuer*

(i) Notwithstanding the right of each Bondholder to receive the relevant redemption amount on the Maturity Date (each such amount being a “Redemption Amount”), as the case may be, (each such date being a “Stock Settlement Redemption Date”), the Issuer shall have the option (the “Stock Settlement Option”) to redeem all of the Bonds on the Maturity Date (in order to satisfy its obligations to redeem Bonds pursuant to Condition 8(A)), by delivering to the Bondholders in full or in part (in which case the other part shall be satisfied by payment of the Cash Redemption Amount (as defined in Condition 8(F)(v)) and/or the Balance Redemption Amount (as defined in Condition 8(F)(ii))), in each case on a *pro rata* basis to the holders of the Bonds), such number of Shares equal to the aggregate of the Daily Number of Shares as the Issuer may decide, as calculated for each Trading Day in the Settlement Calculation Period (each a “Settlement Calculation Date”) in accordance with the formula set out below, provided that: (i) such aggregate of the Daily Number of Shares shall not exceed the prevailing Stock Settlement Limit (as defined in Condition 8(F)(v)); and (ii) in the event that the relevant Redemption Amount is greater than or equal to 10 per cent. of the Issuer’s Market Capitalisation (as defined in Condition 8(F)(v)), the Stock Settlement Option shall not apply in any respect and the Issuer shall be obliged to pay the relevant Redemption Amount in cash.

$$DNS = \frac{1}{20} \times RA \times \frac{1}{S} \times \frac{1}{(1 - D)} \times F$$

where:

DNS is Daily Number of Shares;

RA is relevant Redemption Amount;

S is a number equal to the Volume Weighted Average Price for the Shares on the relevant Trading Day in the Settlement Calculation Period;

D is percentage discount set forth in Condition 8(F)(vi);

F is percentage of the relevant Redemption Amount being satisfied in Shares as set out in the Stock Settlement Option Notice (as defined below),

PROVIDED THAT the Daily Number of Shares for each Trading Day shall not exceed 5 per cent. of the Stock Settlement Limit.

If the Daily Number of Shares for each Trading Day exceeds 5 per cent. of the Stock Settlement Limit, such excess shall be compensated in cash (the "DNS Excess Amount"), which amount shall be calculated by reference to the Volume Weighted Average Price for the Shares on the relevant Trading Day in the Settlement Calculation Period.

In order to exercise the Stock Settlement Option, the Issuer shall provide notice of such exercise to Bondholders and the Trustee not less than 30 nor more than 60 days' notice prior to the relevant Stock Settlement Redemption Date (the "Stock Settlement Option Notice"). The Issuer may not exercise the Stock Settlement Option if at the time of election or any time thereafter but prior to the end of the Settlement Calculation Period for the applicable Stock Settlement Redemption Date, (a) any of the events of default specified in Condition 10 has occurred and is continuing or (b) the Shares cease to be listed or admitted to trading on the SGX-ST or, if applicable, an Alternative Stock Exchange.

(ii) Fractions of Shares due as a consequence of the exercise of the Stock Settlement Option will be compensated in cash (the "Balance Redemption Amount"), which amount shall be calculated by multiplying the relevant fraction by the Volume Weighted Average Price for the Shares on the relevant Trading Day in the Settlement Calculation Period. Such amount will be paid in accordance with Condition 8(F)(iv).

(iii) The Issuer shall in the Stock Settlement Option Notice specify the Cash Redemption Amount (if applicable) and the portion that shall be satisfied by the delivery of Shares.

(iv) The Issuer shall:

(a) by the seventh Trading Day falling after each Settlement Calculation Date, procure that the Daily Number of Shares are allotted to and registered in the name of the Depository for credit to the securities account designated for the purpose in the Delivery Notice (as defined below) for so long as the Shares are listed on the SGX-ST; or if the Shares are not listed on the SGX-ST, register the person or persons designated for the purpose in the Delivery Notice as holder(s) of the relevant number of Shares in the Issuer's share register and make such certificate or certificates available for collection at the office of the Issuer's share registrar in Singapore (currently, Boardroom Corporate & Advisory Services Pte. Ltd.) notified to the Bondholders in accordance with Condition 16 or, if so requested in the relevant Delivery Notice, cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Delivery Notice, together (in either case) with any other securities, property or cash required to be delivered upon redemption and such assignments and other documents (if any) as may be required by law to effect the transfer thereof;

(b) pay the Cash Redemption Amount (if any) on the relevant Stock Settlement Redemption Date;

(c) pay the DNS Excess Amount (if any) by the date falling three Trading Days after the last Trading Day of the Settlement Calculation Period; and

(d) pay the Balance Redemption Amount (if any) by the date falling three Trading Days after the last Trading Day of the Settlement Calculation Period.

(v) For the purposes of this Condition 8(F):

"Cash Redemption Amount" means the portion of the relevant Redemption Amount which is specified in the Stock Settlement Option Notice to be paid in cash on the relevant Stock Settlement Redemption Date.

"Market Capitalisation" means on any date, the product of (i) the Current Market Price and (ii) the number of Shares issued by the Issuer, provided that for the purposes of Condition 8(F):

(i) the calculation of the Current Market Price shall be based on the arithmetic average of the Volume Weighted Average Price/average closing market price quoted on the SGX-ST or, as the case may be, the Alternative Stock Exchange, for the five consecutive Trading Days ending on the 21st Trading Day preceding the relevant Stock Settlement Redemption Date; and

(ii) the number of Shares issued by the Issuer shall be determined by reference to the total number of Shares outstanding on the 25th Trading Day preceding the relevant Stock Settlement Redemption Date.

"Settlement Calculation Period" means a period of 20 consecutive Trading Days commencing on (and including) the 10th Trading Day prior to the relevant Stock Settlement Redemption Date.

"Stock Settlement Limit" means an amount equal to 10 per cent. of the total number of Shares outstanding on the 20th Trading Day preceding the relevant Stock Settlement Redemption Date.

(vi) For the purposes of the formula in Condition 8(F)(i), "D" shall mean:

(a) if the relevant Redemption Amount is less than 5 per cent. of Market Capitalisation of the Issuer, 7 per cent.; and

(b) if the relevant Redemption Amount is between 5 per cent. and 10 per cent. of Market Capitalisation of the Issuer, 10 per cent.

(vii) If the Record Date for the payment of any dividend or other distribution in respect of the Shares is on or after the date on which the Stock Settlement Option is exercised, but before the Registration Date, the Issuer will pay to the converting Bondholder or his designee the Equivalent Amount and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven Trading Days falling after each Settlement Calculation Date. The Equivalent Amount shall be paid by means of a US dollar cheque drawn on a bank in New York and sent to the address specified in the relevant Delivery Notice or if the relevant Delivery Notice has not been received by the Issuer in accordance with Condition 8(F)(viii), the Equivalent Amount shall be paid to the relevant Bondholder in accordance with Condition 7.

(viii) In order for a Bondholder to obtain delivery of Shares and/or cash (as applicable) under this Condition 8(F) (such Shares or cash, "Receivables"), each Bondholder must, at least 15 Business Days prior to the relevant Stock Settlement Redemption Date (the "Delivery Notice Period"), deliver a notice (a "Delivery Notice") to the specified office of the Paying Agent specifying:

(a) in the case of Receivables not comprising cash:

I. the name and address of the Bondholder for entry into the Issuer's share register, and the receipt of any certificates evidencing title to any Shares; and/or

II. the details of any securities account to which the Shares may be credited; and/or

(b) in the case of Receivables comprising cash, the name and details of any US dollar account with a bank in New York to which any amounts of cash may be paid.

A Delivery Notice once delivered shall be irrevocable.

Where the relevant Redemption Amount has been specified by the Issuer in the Stock Settlement Option Notice to be satisfied by the delivery of Shares and/or cash and Delivery Notices have not been received by the Issuer in accordance with Condition 8(F)(viii), after the expiry of the Delivery Notice Period:

A. in respect of the delivery of Shares, the Issuer will, as soon as reasonably practicable, procure that the relevant Shares are allotted to and registered in the name of the Depository for credit to the securities account of a person located in Singapore (the "Relevant Person") selected by the Issuer and approved by the Trustee and on such terms as the Trustee may require in its absolute discretion for so long as the Shares are listed on the SGX-ST; or if the Shares are not listed on the SGX-ST, register, or procure the registration of, such Relevant Person as holder of the relevant number of Shares in the Issuer's share register and will make the certificate or certificates for the relevant Shares available for collection at the office of the Issuer's share registrar in Singapore (currently, Boardroom Corporate & Advisory Services Pte. Ltd.) together with any other securities, property or cash required to be delivered upon and such assignments and other documents (if any) as may be required by law to effect the transfer thereof. The Issuer shall procure that all of such Shares shall be sold by or on behalf of the Relevant Person as soon as practicable based on advice from a reputable financial institution, investment or commercial bank or broker selected by the Issuer and subject to any necessary consents being obtained and to the deduction by or on behalf of the Relevant Person of any amount payable in respect of its liability to taxation and the payment of any capital, stamp, issue, registration and/or transfer taxes and duties (if any) and any fees or costs incurred by or on behalf of the Relevant Person in connection with the issue, allotment and sale thereof. The net proceeds of sale together with accrued, but unpaid, interest (if any) payable on the relevant Stock Settlement Redemption Date and any Balance Redemption Amount shall be paid by the Issuer to the relevant Bondholders in accordance with Condition 7; and

B. in respect of any delivery of cash, the Issuer will pay such amounts of cash, together with the amounts specified in sub-paragraph (X) above, to the relevant Bondholders in accordance with Condition 7.

(ix) The Issuer shall be responsible for all necessary calculations and (subject to Condition 8(F)(viii)) the delivery of Shares under this Condition 8(F). If any of the Bondholders does not agree with any such calculation, it shall inform the Issuer as soon as practicable and the Issuer shall, at its own expense, request an Independent Investment Bank to determine as soon as practicable, what it considers to be the correct calculation for the purposes of this Condition 8(F). All determinations, calculations and decisions given, expressed, made or obtained by the Issuer for the purpose of this Condition 8(F)(ix) will be conclusive and binding on the Issuer, the Trustee, the Agents and all relevant Bondholders.

(x) For the avoidance of doubt, none of the Trustee nor the Agents takes any responsibility or accepts any liability:

(a) for making any calculation;

(b) for monitoring the delivery of Shares;

(c) for any actions of the Relevant Person including any consents obtained or not obtained by such Relevant Person and/or any deductions made by the Relevant Person;

(d) for the exercise or non exercise of any discretion pursuant to this Condition 8(F); or

(e) in respect of any sale of any Shares,

whether for the timing of any such sale or the price at which any such Shares are sold or the inability to sell any such Shares.

(G) *Purchase*

The Issuer or any of its Subsidiaries may at any time and from time to time purchase Bonds at any price in the open market or otherwise. Such Bonds may, at the option of the Issuer or the relevant Subsidiary, be held, resold or cancelled. The Bonds so acquired, while held on behalf of the Issuer or any Subsidiary, shall not entitle the holders thereof to convert the Bonds in accordance with these Conditions nor exercise any voting rights with respect to such Bonds.

(H) *Cancellation*

All Bonds which are redeemed or converted by the Issuer or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

(I) ***Redemption Notices***

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will specify (i) the Conversion Price as at the date of the relevant notice, (ii) the Conversion Period, (iii) the Closing Price of the Shares as at the latest practicable date prior to the publication of the notice, (iv) the applicable redemption amount, (v) the date for redemption, (vi) the manner in which redemption will be effected and (vii) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

If more than one notice of redemption (which shall include any notice given by the Issuer pursuant to Condition 8(C) and any Relevant Event Redemption Notice given by a Bondholder pursuant to Condition 8(D)) is given pursuant to this Condition 8, the first of such notices to be given shall prevail.

(J) ***Definitions***

For the purposes of this Condition 8:

"Issue Price" means 100 per cent. of the principal amount of the Bonds; and

a "Person" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the (i) the Issuer's board of directors or any other governing board or (ii) the Issuer's wholly-owned direct or indirect subsidiaries.

9 Taxation

All payments made by the Issuer under or in respect of the Bonds, the Trust Deed or the Agency Agreement will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Singapore or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts (the "Additional Tax Amounts") as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Bond:

(i) Other connection: to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Singapore otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so;

(ii) Presentation more than 30 days after the relevant date: (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days;

(iii) Payment to individuals: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Union Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26–27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) Payment by another Paying Agent: presented for payment by or on behalf of a Bondholder who would have been able to avoid such withholding or deduction by presenting the relevant Bond to another Paying Agent in a Member State of the European Union.

For the purposes hereof, "relevant date" means the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and cheques despatched or payment made.

References in these Conditions to principal shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

10 Events of Default

(A) *Events of Default*

The Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured by the holders to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their 100 per cent. of principal amount plus unpaid accrued interest (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6) if any of the following events has occurred:

(i) Non-Payment: a default is made in the payment of any principal or in the payment of any interest due in respect of the Bonds is subsisting for a period of more than five days;

(ii) Breach of Other Obligations: the Issuer does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee;

(iii) Failure to deliver Shares: any failure by the Issuer to deliver any Shares as and when the Shares are required to be delivered following Conversion of Bonds and such failure continues for more than three days;

(iv) Insolvency: the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any material part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any material part of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the debts of the Issuer or any of its Principal Subsidiaries;

(v) Cross-Default: (a) any other present or future indebtedness (whether actual or contingent) of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (c) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (iv) have occurred equals or exceeds U.S.$20,000,000 or its equivalent in any other currency (as determined on the basis of the middle spot rate for the relevant currency against the US dollar as quoted by any leading bank of international repute selected by the Trustee) on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantees or indemnity;

(vi) Enforcement Proceedings: a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or turnover of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(vii) Winding-up: an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of its Principal Subsidiaries (except for a members' voluntary solvent winding up of a Principal Subsidiary), or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (a) on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (b) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Principal Subsidiaries;

(viii) Security Enforced: an encumbrancer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or any substantial part of the property, assets or turnover of the Issuer or any of its Principal Subsidiaries (as the case may be) and is not discharged within 30 days;

(ix) Nationalisation: (a) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries or (b) the Issuer, or any of its Principal Subsidiaries is prevented from exercising normal control over all or a material part of its property, assets and turnover;

(x) Authorisation and Consents: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, and (b) to ensure that those obligations are legally binding and enforceable;

(xi) Illegality: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed; or

(xii) Analogous Events: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

For the purposes of this Condition, "Principal Subsidiaries" means, in relation to the Issuer, any Subsidiary (i) whose net profit, as shown by the latest audited accounts (consolidated in the case of a company which itself has subsidiaries) of such Subsidiary, are at least 5 per cent. of the consolidated net profits of the Issuer as shown in the latest consolidated accounts of the Issuer or (ii) whose revenues, as shown by the latest audited accounts (consolidated in the case of a company which itself has subsidiaries) of such Subsidiary, are at least 2 per cent. of the consolidated revenues of the Issuer as shown in the latest audited consolidated accounts of the Issuer. Provided that for the purpose of this Condition 10, no Subsidiary of the Issuer that is listed on a stock exchange or any subsidiary of any such listed Subsidiary shall be included in the definition of Principle Subsidiary.

(B) ***Default Cure Amount***

Notwithstanding receipt of any payment after the acceleration of the Bonds, a Bondholder may exercise its Conversion Right by depositing a Conversion Notice with a Conversion Agent during the period from and including the date of a default notice with respect to an event specified in Condition 10(A) (at which time the Issuer will notify the Bondholders of the number of Shares per Bond to be delivered upon conversion, assuming all the then outstanding Bonds are converted) to and including the 30th business day after such payment.

If any converting Bondholder deposits a Conversion Notice pursuant to this Condition 10(B) on the business day prior to, or during, a Closed Period, the Bondholder's Conversion Right shall continue until the business day following the last day of the Closed Period, which shall be deemed the Conversion Date, for the purposes of such Bondholder's exercise of its Conversion Right pursuant to this Condition 10(B).

If the Conversion Right attached to any Bond is exercised pursuant to this Condition 10(B), the Issuer will deliver Shares (which number will be disclosed to such Bondholder as soon as practicable after the Conversion Notice is given) in accordance with the Conditions, except that the Issuer shall have 12 business days before it is required to register the converting Bondholder (or its designee) in its register of members as the owner of the number of Shares to be delivered pursuant to this Condition and an additional five business days from such registration date to make payment in accordance with the following paragraph.

If the Conversion Right attached to any Bond is exercised pursuant to this Condition 10(B), or if the Bonds have become due and payable pursuant to Condition 10(A)(i), the Issuer shall, at the request of the converting Bondholder, pay to such Bondholder an amount (the "Default Cure Amount"), equal to the product of (x) (i) the number of Shares that are required to be delivered by the Issuer to satisfy the Conversion Right in relation to such converting Bondholder minus (ii) the number of Shares that are actually delivered by the Issuer pursuant to such Bondholders' Conversion Notice and (y) the Share Price (as defined below) on the Conversion Date; provided that if such Bondholder has received any payment under the Bonds pursuant to this Condition 10(B), the amount of such payment shall be deducted from the Default Cure Amount.

For the avoidance of doubt, a Shareholder's Conversion Right can be exercised pursuant to this Condition 10(B) only after the occurrence of an event specified in Condition 10(A).

The "Share Price" means the closing price of the Shares as quoted by SGX-ST or, as the case may be, the Alternative Stock Exchange on the Conversion Date or, if no reported sales take place on such date, the average of the reported closing bid and offered prices, in either case as reported by the SGX-ST or other applicable securities exchange on which the Shares are listed for such day as furnished by a reputable and independent broker-dealer selected from time to time by the Trustee at the expense of the Issuer for such purpose.

11 Prescription

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of default interest) from the relevant date (as defined in Condition 9) in respect thereof. Neither the Trustee nor the Agents will be responsible or liable for any amounts so prescribed.

12 Enforcement

At any time after the Bonds have become due and repayable, the Trustee may, at its sole discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

13 Meetings of Bondholders, Modification, Waiver and Substitution

(A) *Meetings*

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the due date for any payment in respect of the Bonds, (ii) to reduce or cancel the amount of principal, default interest or Equivalent Amount payable in respect of the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify (except by a unilateral and unconditional reduction in the Conversion Price) or cancel the Conversion Rights, or (v) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 66 per cent., or at any adjourned such meeting not less than 33 per cent., in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

(B) ***Modification and Waiver***

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Condition 13(A) above) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds, the Agency Agreement or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter.

To the extent required by the SGX-ST from time to time, any material modification to the terms of the Bonds which is for the benefit of the Bondholders but is materially prejudicial to the interests of the shareholders of the Issuer shall not be effected without the prior approval of the shareholders of the Issuer at a general meeting of the shareholders, unless such modification is made pursuant to the terms of the Bonds.

(C) ***Substitution***

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders, to the substitution of certain other entities in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed, the Bonds and as a party to the Agency Agreement.

(D) ***Interests of Bondholders***

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Condition 9 and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

(E) ***Certificates/Reports***

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof. The Trustee shall not be responsible for any loss occasioned by acting on or refraining from acting in reliance on such certificate or report.

In the event of the passing of an Extraordinary Resolution in accordance with Condition 13(A), a modification, waiver or authorisation in accordance with Condition 13(B) or a substitution in accordance with Condition 13(C), the Issuer will procure that the Bondholders be notified in accordance with Condition 16.

14 Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects and so that such further issue shall be consolidated and form a single series with the Bonds. Such further bonds may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

The Issuer has granted to the Joint Lead Managers, an Option which shall be exercisable, in whole or in part, on one or more occasions solely at the discretion of the Joint Lead Managers at any time on or before the 30th day following the Closing Date to subscribe for up to an additional U.S.$100,000,000 in aggregate principal amount of Bonds. For the avoidance of doubt, such additional Bonds, if issued, will be issued pursuant to this Condition 15.

16 Notices

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register or published in a leading newspaper having general circulation in Asia (which is expected to be the Asian Wall Street Journal) and, so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, published in a leading newspaper having general circulation in Singapore (which is expected to be The Business Times). Such notices shall be deemed to have been given on the later of the date of such publication and the seventh day after being so mailed, as the case may be, provided that if the Bonds are represented by the Global Certificate held on behalf of Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (as the case may be), notices required to be given to the Certificate holders may be given by their being delivered to Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (as defined in the Global Certificate) (as the case may be), rather than by mail or publication as aforesaid. Any such notice will be deemed to have been given at 5.00 pm on the day the relevant clearing system receives such notice.

17 Agents

The names of the initial Agents and the Registrar and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar and to appoint additional or other Agents or a replacement Registrar. The Issuer will at all times maintain (a) a Principal Agent, (b) as necessary, a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Directive 2003/48/EC or any other European Directive on the taxation of savings income or any law implementing or complying with, or introduced in order to conform, to such Directive, (c) a Registrar which will maintain the register of Bondholders, and (d) to the extent required by the SGX-ST, an agent in Singapore. Notice of any such termination or appointment, of any changes in the specified offices of any Agent or the

Registrar and of any change in the identity of the Registrar or the Principal Agent will be given promptly by the Issuer to the Bondholders and in any event not less than 45 days' notice prior to the date of such termination or appointment will be given.

18 Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

20 Governing Law and Submission to Jurisdiction

The Bonds, the Trust Deed and the Agency Agreement are governed by, and shall be construed in accordance with, the laws of England. In relation to any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds the Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of England and in relation thereto has appointed Olam Europe Limited (presently at New Zealand House, 80 Haymarket, London SW1Y 4TQ, United Kingdom), as its agent for service of process in England.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Bonds while they are in global form, some of which modify the effect of the terms and conditions of the Bonds set out in this Offering Circular. The following is a summary of certain of those provisions:

Exchange

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream, Luxembourg (or any other clearing system as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Bonds evidenced by the Global Certificate may be held) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In such circumstances, the Issuer will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

Meetings

The holder of the Global Certificate or any proxy or representative appointed by it will be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each U.S.$100,000 in principal amount of Bonds for which the Global Certificate is issued. The Trustee may allow a person with an interest in Bonds in respect of which the Global Certificate has been issued to attend and speak at a meeting of Bondholders on appropriate proof of his identity and interest.

Cancellation

Cancellation of any Bond by the Issuer following its redemption, conversion or purchase will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

Trustee's Powers

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, without being obliged to do so, have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to Bonds and may consider such interests as if such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

Conversion

Subject to the requirements of Euroclear and Clearstream, Luxembourg (or any Alternative Clearing System), the Conversion Right attaching to a Bond in respect of which the Global Certificate is issued may be exercised by the presentation to or to the order of the Principal Agent of one or more Conversion Notices duly completed by or on behalf of a holder of a book-entry interest in the Bond. Deposit of the Global Certificate with the Principal Agent together with the relevant Conversion Notice shall not be required. In such a case, the delivery of the Conversion Notice will constitute or be deemed to constitute confirmation by the beneficial owner of the Bonds to be converted and that the information and representations in the Conversion Notice are true and accurate on the date of delivery. The exercise of the Conversion Right shall be notified by the Principal Agent to the Registrar and the holder of the Global Certificate.

Mandatory Conversion at the Option of the Issuer

The option of the Issuer provided for in Condition 6(A)(vii) shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by such Condition.

Payment

Payments of principal and interest in respect of Bonds represented by the Global Certificate will be made without presentation or, if no further payment is to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose.

Notices

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or the Alternative Clearing Systems, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

Put Options

The Bondholders' put option in Condition 8(D) may be exercised by the holder of the Global Certificate giving notice to any Paying Agent of the principal amount of Bonds in respect of which the option is exercised and presenting the Global Certificate for endorsement or exercise (if required) within the time limits specified in such Conditions.

Bondholder's Tax Option

The option of the Bondholders not to have the Bonds redeemed as provided in Condition 8(E) shall be exercised by the presentation to any Paying Agent, or to the order of such Paying Agent, of a duly completed Bondholder's Exercise Notice within the time limits set out in and containing the information required by Condition 8(E).

Transfers

Transfers of interests in the Bonds will be effected through the records of Euroclear and Clearstream, Luxembourg (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (or any Alternative Clearing System) and their respective direct and indirect participants.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which the Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in the Trust Deed, to the extent of the principal amounts of their interests in the Bonds set out in the certificate of the holder, as if they were themselves the holders of the Bonds in such principal amounts.

CLEARANCE AND SETTLEMENT

Custodial and depository links have been established with Euroclear and Clearstream, Luxembourg, to facilitate the initial issue of the Bonds and transfers of the Bonds associated with secondary market trading.

The Clearing Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg, each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry of changes in the accounts of their participants. Euroclear and Clearstream, Luxembourg, provide their respective participants with, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal, premium and interest with respect to book-entry interests in the Bonds held through Euroclear or Clearstream, Luxembourg, will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Registration and Form

Book-entry interests in the Bonds held through Euroclear and Clearstream, Luxembourg, will be evidenced by the Global Certificate, registered in the name of a nominee of the common depository of Euroclear and Clearstream, Luxembourg. The Global Certificate will be held by a common depository for Euroclear and Clearstream, Luxembourg. Beneficial ownership in Bonds will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg.

The aggregate holdings of book-entry interests in the Bonds in Euroclear and Clearstream, Luxembourg, will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Bonds, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interest in the Bonds. The Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of interests in the Bonds holding through Euroclear and Clearstream, Luxembourg, are credited to Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer will not impose any fees in respect of the Bonds. However, holders of book-entry interest in the Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

Global Clearance and Settlement Procedures

Initial Settlement

Interests in the Bonds will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Bonds through Euroclear and Clearstream, Luxembourg, accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Bonds will be credited to Euroclear participant securities clearance accounts on the business day following the

Closing Date against payment (for value the Closing Date), and to Clearstream, Luxembourg participant securities custody accounts on the Closing Date against payment in same-day funds.

Secondary Market Trading

Secondary market sales of book-entry interests in the Bonds held through Euroclear or Clearstream, Luxembourg, to purchasers of book-entry interests in the Bonds through Euroclear or Clearstream, Luxembourg, will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional participants.

General

Although the foregoing sets out the procedures of Euroclear and Clearstream, Luxembourg, in order to facilitate the transfers of interests in the Bonds among participants of Euroclear and Clearstream, Luxembourg, none of Euroclear or Clearstream, Luxembourg is under any obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

None of the Issuer, any of its agents, the Trustee or any of the Agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg, or their respective participants of their respective obligations under the rules and procedures governing their operations.

DESCRIPTION OF SHARES

The following statements are brief summaries of the capital structure of the Issuer and of the more important rights and privileges of shareholders conferred by the laws of Singapore and the Memorandum and Articles of Association of the Issuer. These statements summarise the material provisions of the Memorandum and Articles of Association of the Issuer but are qualified in their entirety by reference to the said Memorandum and Articles of Association and Singapore law.

Objects

The objects of the Issuer are contained in Clause 3 of the Memorandum of Association of the Issuer and include, but are not limited to, the following:

(A) to carry on business as merchants, traders, exporters, importers, manufacturers, commission agents, dealers, forwarding agents or in any other capacity whatsoever, whether by wholesale, retail, import, export or otherwise;

(B) to import, export, buy, sell, barter, exchange, manufacture, pledge, make advances upon and otherwise deal in any manner whatsoever in goods, merchandise, materials, produce, stores and articles of all kinds and descriptions, and to transact all types of agency businesses and work;

(C) to carry on the business of general importers and exporters, manufacturers, general merchants, commission agents, and wholesale or retail dealers of articles of all kinds and descriptions and whether manufactured or in a raw state and to buy, sell, barter, exchange or otherwise deal in the same; and

(D) to carry on the business of land water transport owners and suppliers, commission agents, and brokers, shippers, freighters, lightermen, wharfingers, forwarding agents, stevedores, warehousemen, shipbuilders, shipowners, building contractors and ship chandlers.

The Issuer has on 7 October 2009 dispatched a circular to shareholders in relation to the proposed amendments to the memorandum of association, which will be tabled for shareholders' approval at the Extraordinary General Meeting to be held on 29 October 2009. The proposed amendments are to remove the objects clause in the memorandum of association in order to provide the Issuer with full rights, powers and privileges to engage in any business, activity or transaction as it deems fit.

Shares

As at 9 October 2009, the issued share capital of the Issuer was S$1,154,305,463.27 consisting of 1,992,336,183 fully paid ordinary shares. The Shares, which have identical rights in all respects, rank equally with one another. The Articles of Association of the Issuer provide that the Issuer may issue shares of a different class with such preferred, qualified, deferred or other special rights, privileges and conditions or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Issuer may from time to time by ordinary resolution determine, and may issue preference shares which are or, at the option of the Issuer, are liable to be redeemed, subject to certain limitations.

All of the Shares are in registered form. The Issuer may, subject to the provisions of the Act and the listing rules of the SGX-ST, purchase its own Shares. However, it may not, except in the circumstances permitted by the Act, grant any financial assistance for the acquisition or proposed acquisition of the Shares.

New Shares

The Issuer may only issue new Shares with the prior approval of its shareholders in a general meeting. General approval may be sought from the shareholders in general meeting for the issue of Shares. The shareholders have given the Directors a general authority to issue new Shares, and make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, prior to the Issuer's next annual general meeting or if earlier the date by which the Issuer's next annual general meeting is required by the Act to be held, and to issue Shares in pursuance to any Instrument made or granted by the Directors while such general authority is in force. The aggregate number of Shares to be issued pursuant to such general authority (including Shares to be issued pursuant to Instruments issued, made or granted pursuant to such general authority) may not exceed 50 per cent. of the issued Shares in the capital of the Issuer, of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders (including Shares to be issued pursuant to Instruments issued, made or granted pursuant to such general authority) may not exceed 20 per cent. of the issued Shares in the capital of the Issuer. For the purpose of computing such numerical limits, subject to such manner of calculation as may be prescribed by the SGX-ST, the percentage of issued Shares is calculated based on the number of issued Shares at the time that the general authority is given, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that the general authority is given, and adjusted for any subsequent bonus issue, consolidation or subdivision of Shares. Subject to the foregoing, the provisions of the Act, the listing rules of the SGX-ST and any special rights attached to any class of shares currently issued, the Directors control the allotment and issue of all new Shares and, subject to shareholders' approval, may impose such rights and restrictions as they think fit.

Shareholders

The Issuer only recognises the persons who are registered in its register of members and, in cases in which the person so registered is The Central Depository (Pte) Limited (the "CDP"), the Issuer recognises the persons named as the depositors in the depository register maintained by CDP for the Shares as holders of the Shares. The Issuer's register of members is kept by its share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. The Issuer will not, except as required by law, recognise any equitable, contingent, future or partial interest in any of the Shares, or any other rights in respect of any Share other than the absolute right thereto of the person whose name is entered in the Issuer's register of members or of the person whose name is entered in the depository register maintained by CDP in respect of that Share.

The Issuer may close its register of members at any time if it provides the SGX-ST with at least 10 clear market days' notice. However, its register of members may not be closed for more than 30 days in aggregate in any calendar year. The Issuer typically closes its register of members to determine shareholders' entitlements to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid-up Shares except where required by law or the Articles of Association of the Issuer or the listing rules or the rules or by-laws of any stock exchange on which the Issuer is listed. The Directors may decline to register any transfer of Shares which are not fully paid-up Shares or on which the Issuer has a lien. A shareholder may transfer Shares registered in its own name by means of a duly signed instrument of transfer in a form approved by the Directors and any stock exchange on which the Issuer is listed. A shareholder may transfer any Shares held through the SGX-ST book-entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

The Issuer will replace lost or destroyed certificates for Shares provided that the applicant pays a fee which will not exceed S$2, together with the amount of the proper stamp duty payable, if any, and furnishes any evidence and a letter of indemnity or undertaking that the Directors may require.

General Meetings of the Shareholders

The Issuer is required to hold an annual general meeting every year. The Directors may convene an extraordinary general meeting whenever they think fit and must do so if shareholders representing not less than 10 per cent. of the total voting rights of all shareholders request in writing that such a meeting be held.

Unless otherwise required by law or by the Articles of Association of the Issuer, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75 per cent. of the votes cast at the meeting, is necessary for certain matters under Singapore laws, including:

- voluntary winding-up;
- amendments to the Memorandum and Articles of Association of the Issuer;
- a change of the corporate name; and
- a reduction in the share capital.

The Issuer must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to every shareholder who has supplied the Issuer with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy need not be a shareholder. A person who holds shares through the SGX-ST book-entry settlement system will only be entitled to attend, speak and vote at a general meeting as a shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting.

Except as otherwise provided in the Articles of Association of the Issuer, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under the Articles of Association of the Issuer:

- on a show of hands, every shareholder present in person and by proxy shall have one vote (provided that in the case of a shareholder who is represented by two proxies, only one of the two proxies as determined by the chairman of the meeting shall be entitled to vote on a show of hands); and
- on a poll, every shareholder present in person or by proxy shall have one vote for each Share which he holds or represents and upon which all calls or other sums due thereon to the Issuer have been paid.

A poll may be demanded in certain circumstances, including:

- by the chairman of the meeting;
- by any two shareholders present in person or by proxy and entitled to vote; or
- by any shareholder present in person or by proxy and holding or representing not less than 10 per cent. of the total voting rights of all shareholders having the right to attend and vote at the meeting.

However, no poll may be demanded on a question of the choice of the chairman of the meeting or on a question of adjournment of the meeting. In the case of a tied vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

Dividends

The Issuer may, by ordinary resolution of its shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by the Directors. The Directors may also declare an interim dividend. In making its determinations, the Directors will consider, *inter alia*, future earnings, results of operations, capital requirements, the general financial condition of the Issuer, general business conditions and other factors which they may deem relevant.

The Issuer must pay all dividends out of its profits pursuant to Section 403 of the Act. However, it may capitalise its reserves or profits and apply it to pay dividends, if such dividends are satisfied by, *inter alia*, the issue of Shares to shareholders. See "Bonus and Rights Issues".

Unless otherwise directed, dividends may be paid by cheque or dividend warrant sent through the post to each shareholder at his registered address appearing in the register of members or (as the case may be) the depository register. However, payment by the Issuer to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge the Issuer from any liability to that shareholder in respect of that payment.

For information relating to taxes payable on dividends, see "Taxation — Shares".

Bonus and Rights Issues

The Directors may, with approval by the shareholders at a general meeting, capitalise any reserves or profits and distribute the same as bonus Shares credited as paid-up to the shareholders in proportion to their shareholdings. The Directors may also issue rights to take up additional Shares to shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which the Issuer is listed.

Take-overs

The Take-over Code regulates the acquisition of voting shares of public companies and contains certain provisions that may delay, deter or prevent a future take-over or change in control of the Issuer. Any person acquiring an interest, either on his or her own or together with parties acting in concert with him or her, in 30 per cent. or more of the voting Shares of the Issuer or any person who holds either on his or her own or together with parties acting in concert with him or her, between 30 per cent. and 50 per cent. (both inclusive) of the voting Shares of the Issuer and such person, or any person acting in concert with him or her, acquires additional voting Shares representing more than one per cent. of the Issuer's voting Shares in any six month period, must, except where the consent of the Securities Industry Council has been obtained, extend a general offer for the remaining voting Shares of the Issuer in accordance with the provisions of the Take-over Code (such a general offer to be known as a "mandatory offer").

"Parties acting in concert" comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

(A) a company and its related and associated companies and companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid companies for the purchase of voting rights;

(B) a company and its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);

(C) a company and its pension funds and employee share schemes;

(D) a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(E) a financial or other professional adviser (including a stockbroker) and its clients in respect of shares held by the adviser and persons controlling or controlled by or under the same control as the adviser and all funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10 per cent. or more of the client's equity share capital;

(F) directors of a company (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;

(G) partners;

(H) an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions; and

(I) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned persons for the purchase of voting rights.

Subject to certain exceptions, a mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror during the offer period and within the six months preceding the acquisition of shares that triggered the mandatory offer obligation.

Where a general offer is made for the voting shares of a company, and that company has instruments convertible into, rights to subscribe for and options in respect of shares being offered for or which carry voting rights outstanding, the Take-over Code requires the offeror to make an appropriate offer or proposal to the holders of such instruments convertible into, rights to subscribe for and options in respect of shares being offered for or which carry voting rights. Therefore, where a person on his or her own or together with parties acting in concert with him or her, makes a general offer for the voting Shares of the Issuer, and there are Bonds outstanding, that person must, on his or her own or together with parties acting in concert with him or her, as the case may be, in accordance with the Take-over Code, make an appropriate offer or proposal to the holders of the outstanding Bonds. Under the Take-over Code, an appropriate offer to the holders of outstanding Bonds is at least the higher of the "see-through" price (the offer price of the voting Shares multiplied by the conversion ratio of the Bonds) and the highest price paid by the person making the general offer and parties acting in concert with him or her for the Bonds, during the offer period and, depending on the type of general offer, within six months or three months of commencement of the general offer.

Under the Take-over Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror is required to treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the general offer must be given sufficient information, advice and time to consider and decide on the general offer.

Liquidation or Other Return of Capital

If the Issuer liquidates or in the event of any other return of capital, holders of the Shares will be entitled to participate in any assets in proportion to their shareholdings, subject to any special rights attaching to any other class of Shares.

Indemnity

To the extent permitted by Singapore law, the Articles of Association of the Issuer provide that, subject to the Act, the Directors and officers of the Issuer shall be entitled to be indemnified by the Issuer against all losses or liabilities which they may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Issuer may not indemnify its directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Issuer. However, the Issuer may purchase and maintain for its directors and officers insurance against any such liability.

Limitations on Rights to Hold or Vote Shares

Except as described in “Voting Rights” and “Take-overs” above, Singapore law and the Articles of Association of the Issuer do not impose any limitations on the rights of shareholders to hold the Shares or to vote.

Substantial Shareholdings

Under the Act, a person has a substantial shareholding in a company if he or she has an interest (or interests) in one or more voting shares in the company and the total votes attached to that share or those shares is not less than 5 per cent. of the total votes attached to all the voting shares in the company, or where the share capital of the company is divided into two or more classes of shares, if he or she has an interest (or interests) in one or more voting shares included in one of those classes and the total votes attached to that share or those shares is not less than 5 per cent. of the total votes attached to all the voting shares included in that class. A person having a substantial shareholding in a company is required to make certain disclosures to the company, and if that company is listed on the SGX-ST, the SGX-ST, under the Act and the SFA, including the particulars of his interests in that company, any change in the percentage level of that interest and the circumstances by which he or she has such interests.

“Percentage level”, in relation to a substantial shareholder, means the percentage figure ascertained by expressing the total votes attached the voting shares in which the substantial shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares in the Issuer, or where the share capital of the company is divided into two or more classes of shares, all the voting shares included in the class concerned, and if it is not a whole number, rounding that figure down to the next whole number.

Minority Rights

Section 216 of the Act protects the rights of (among others) minority shareholders of Singapore incorporated companies by giving the Singapore courts a general power to make any order, upon application by any of the shareholders, as they think fit to remedy any of the following situations:

- if the affairs of the Issuer are being conducted or the powers of the Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of the shareholders or holders of debentures of the Issuer including the applicant; or

- if the Issuer takes any action, or threatens to take any action, or the shareholders or holders of debentures of the Issuer, or any class of them, pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of the shareholders or holders of debentures of the Issuer, including the applicant.

The Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those listed in the Act itself. Without prejudice to the foregoing, the Singapore courts may:

- direct or prohibit any act or cancel or vary any transaction or resolution;

- regulate the conduct of the affairs of the Issuer in the future;

- authorise civil proceedings to be brought in the name of the Issuer, or on behalf of the Issuer, by a person or persons and on such terms as the courts may direct;

- provide for the purchase of the Shares or debentures of the Issuer by other shareholders or holders of debentures of the Issuer or by the Issuer itself and, in the case of the Issuer's purchase of Shares, a corresponding reduction of the Shares;

- direct that the Memorandum and Articles of Association of the Issuer be amended; and

- direct that the Issuer be wound up.

TAXATION

Singapore Taxation

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore, announced 2009 budget measures and administrative guidelines issued by the relevant authorities in force as of the date of this Offering Circular and are subject to the enactment of such budget measures, and any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The following is a summary of the material Singapore tax consequences to a holder of the Bonds and a holder of Shares. The statements below are not to be regarded as advice on the tax position of any holder of the Bonds or Shares or of any person acquiring, selling or otherwise dealing with the Bonds or Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds or Shares. The statements made herein do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds or Shares and do not purport to deal with the tax consequences applicable to all categories of investors some of which (such as dealers in securities) may be subject to special rules. Prospective holders of the Bonds or Shares are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposition of the Bonds or Shares including, in particular, the effect of any foreign state or local tax laws to which they are subject.

General

Individual Taxpayers

An individual is a tax resident in Singapore in a year of assessment if in the preceding year he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more or if he resides in Singapore.

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore on or after 1 January 2004 by a Singapore tax resident individual (except for income received through a partnership in Singapore) is exempt from Singapore income tax if the Comptroller of Income Tax (the "Comptroller") is satisfied that the tax exemption would be beneficial to the individual.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the Income Tax Act, Chapter 134 of Singapore (the "ITA") as follows:

(a) "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

(b) "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

(c) "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

A Singapore tax resident individual is taxed at progressive rates ranging from 0 per cent. to 20 per cent. for the Year of Assessment ("YA") 2009 with a tax rebate of 20 per cent. (subject to a cap of S$2,000).

Non-resident individuals, subject to certain exemptions, are subject to Singapore income tax on income accruing in or derived from Singapore. A non-resident individual is taxed at the tax rate of 20 per cent.

Corporate Taxpayers

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accruing in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore. Foreign-sourced income in the form of dividends, branch profits and services income received or deemed to be received in Singapore by Singapore tax resident companies on or after 1 June 2003 are exempt from tax if certain prescribed conditions are met. These conditions are lifted on a temporary basis in respect of all foreign-sourced income earned or accrued outside Singapore on or before 21 January 2009 and remitted or deemed remitted between 22 January 2009 to 21 January 2010.

Non-resident corporate taxpayers, with certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore.

The corporate tax rate in Singapore has been reduced from 18 per cent. to 17 per cent. with effect from YA 2010. In addition, three-quarters of up to the first S$10,000, and one-half of up to the next S$290,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax.

From YA 2008 onwards, subject to certain conditions, a qualified new start-up company is granted tax exemption on up to S$300,000 of the normal chargeable income, excluding Singapore dividends (100 per cent. exemption on the first S$100,000; 50 per cent. exemption on the next S$200,000), for any of its first three consecutive years of assessment. The first YA refers to the YA relating to the basis period during which the company is incorporated. From YA 2010, the start-up exemption scheme would be extended to companies limited by guarantee, subject to the same conditions imposed on companies limited by shares.

Convertible Bonds

Interest Payments

Under tax laws currently effective in Singapore, payments falling within Section 12(6) of the ITA (including interest) are deemed to be derived from Singapore where the payments are:

(a) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore except in respect of a business carried on outside Singapore through a permanent establishment outside Singapore;

(b) deductible against any income accruing in or derived from Singapore; or

(c) income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Further, where such payments are made to a person not known to be a resident in Singapore for tax purposes, such payments are subject to withholding tax in Singapore at the rate of 18 per cent. for companies (which is expected to be reduced to 17 per cent. with effect from YA 2010) and 20 per cent. for individuals. However, if the payment is derived by a person not resident in Singapore from sources other than its trade, business, profession or vocation carried on or exercised in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the withholding tax rate is 15 per cent. The rate of 15 per cent. may, however, be reduced by applicable tax treaties.

However, as the issue of the Bonds is lead-managed by J.P. Morgan (S.E.A.) Limited and Standard Chartered Bank, both of which are Financial Sector Incentive (Bond Market) Companies (as defined in the ITA), the Bonds would be qualifying debt securities for the purposes of the ITA to which the following treatments apply:

(a) subject to certain conditions having been fulfilled (including the submission by or on behalf of the Issuer of a return on debt securities to the Monetary Authority of Singapore ("MAS") and the Comptroller within such period as the Comptroller may specify and such other particulars that the Comptroller may require and subject to the Issuer including in all offering documents relating to the Bonds a statement to the effect that where interest, discount , prepayment fee, redemption premium or break cost is derived from the Bonds by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption in this paragraph does not apply if such person acquires the Bonds using funds from Singapore operations), interest, discount income (not including discount income from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "Specified Income") on the Bonds received by a holder who is not resident in Singapore and who does not have a permanent establishment in Singapore is exempt from Singapore income tax. Non-residents who have permanent establishments in Singapore can also benefit from this exemption provided that they do not acquire the Bonds using any funds from Singapore operations. Funds from Singapore operations means, in relation to a person, the funds and profits of that person's operations through a permanent establishment in Singapore;

(b) subject to certain conditions having been fulfilled (including the submission by or on behalf of the Issuer of a return on debt securities to the MAS and the Comptroller within such period as the Comptroller may specify and such other particulars that the Comptroller may require) Specified Income from the Bonds received by any company in Singapore is subject to income tax at a concessionary rate of 10 per cent.;

(c) Specified Income from the Bonds received by any body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent.; and

(d) subject to:

(i) the Issuer including in all offering documents relating to the Bonds a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Bonds is not exempt from tax shall include such income in a return of income made under the ITA; and

(ii) the Issuer or such other person as the Comptroller may direct, furnishing to the Comptroller a return on the debt securities within such period as the Comptroller may specify and such other particulars that the Comptroller may require and such other particulars in connection with those Bonds as the Comptroller may require,

Specified Income derived from the Bonds is not subject to the withholding of tax by the Issuer.

However, notwithstanding the foregoing:

(a) if during the primary launch of the Bonds, the Bonds are issued to fewer than four persons and 50 per cent. or more of the principal amount of the Bonds is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Bonds would not qualify as qualifying debt securities; and

(b) even though the Bonds are "qualifying debt securities", if, at any time during the tenure of the Bonds, 50 per cent. or more of the principal amount of the Bonds is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from the Bonds held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire the Bonds are obtained, directly or indirectly from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax of 10 per cent.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person directly or indirectly are under the control of a common person.

Notwithstanding that payments under the Bonds may be made without deduction or withholding of tax under Sections 45 and 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Bonds is not exempt from tax is required under the ITA to include such income in a return of income made under the ITA.

Specified Income from the Bonds derived by individuals (excluding income that is derived through a partnership or is considered as gains or profits from any trade, business or profession) will be exempted from Singapore income tax.

Gains on disposal (including by way of conversion) of the Bonds

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains arising from the disposal of the Bonds may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller would regard as the carrying on of a trade or business in Singapore.

Certain tax consequences of a conversion of Bonds

A conversion of Bonds into Shares or cash may be regarded as a disposal of the Bonds for Singapore income tax purposes and a Bondholder may consequently need to recognise a gain or loss. Such gain or loss may be income or capital in nature depending on the circumstances of the holder (e.g. whether he is trading in securities) and may or may not be taxable or deductible accordingly. In addition, it is not entirely clear whether the value of the Shares at the relevant time would be regarded as the proceeds of such disposal to be used to compute the gain or loss. Investors are advised to seek their own tax advice on the tax consequences to them of a conversion of the Bonds into Shares or cash.

Holders of the Bonds who are adopting Financial Reporting Standards 39 — Financial Instruments: Recognition and Measurement ("FRS 39") for Singapore income tax purposes may be required to recognise gains or losses on the Bonds, irrespective of disposal, in accordance with FRS 39. Please see the section on "Adoption of FRS 39 treatment for Singapore income tax purposes".

Adoption of FRS 39 treatment for Singapore income tax purposes

With effect from 1 January 2005, companies have to comply with FRS 39 for accounting purposes.

The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications arising from the adoption of FRS 39-Financial instruments: Recognition and Measurement" (the "FRS 39 Circular"). The FRS 39 Circular noted that to minimise tax adjustments, the income tax treatment of financial assets and liabilities would be changed so as to more closely follow the accounting treatment (although the tax treatment will continue to differ from the accounting treatment in various respects). Legislative amendments to give effect to the FRS 39 Circular have been enacted in Section 34A of the ITA.

The FRS 39 Circular and Section 34A of the ITA generally apply, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Under FRS 39, the holder of a financial instrument with an embedded derivative may be required to separately account for the embedded derivative if certain conditions are fulfilled. This would typically include the equity conversion option in a convertible bond although a derivative which is embedded in a financial asset which as a hybrid instrument is itself reported at fair value through profit or loss is generally not required to be separated.

If a convertible bond must be separately accounted for, it would typically also include as the host contract a "discount" financial instrument which, in the case of a holder required to measure the value of the financial instrument on an amortised cost basis, yields to the holder "interest income" computed on the basis of the effective interest method set out in FRS 39 (which is described in the FRS 39 Circular as "an accounting concept on interest income (which) includes the interest based on the coupon/contractual rate, amortised discount/premium and transaction cost of the debt instrument/loan"). In the FRS 39 Circular, it is also stated that for assets which are "held to maturity" or loans and receivables measured on an amortised cost basis and which are on revenue account, the interest income calculated using the effective interest method will be brought to tax and that for debt securities that are on capital account, interest income will be brought to tax based on the contractual interest rate. The FRS 39 Circular does not expressly deal with how interest income on assets which are available-for-sale or reported at fair value through profit or loss is to be computed for tax purposes.

In this regard, Section 34A of the ITA provides that where interest from debt securities is chargeable to tax under Section 10(1)(d) of the ITA (i.e. as passive income rather than as income from a trade or business), such interest will be computed based on the contractual interest rate and not the effective interest rate.(In this section, "contractual interest rate" in relation to any financial instrument, means the interest rate specified in the financial instrument.) As such, holders of the Bonds who may be subject to the tax treatments under the FRS 39 Circular should consult their own accounting and tax advisers regarding the amount of income from the Bonds to be reported for Singapore income tax purposes, but presumably it would be on the basis of the contractual interest rate.

The FRS 39 Circular also does not specifically deal with the consequences of conversion of a convertible bond (whether or not any embedded derivative has to be separately accounted for) although generally speaking, FRS 39 provides that if, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset, the entity shall recognise the new financial asset at fair value.

Notwithstanding the above, holders of the Bonds who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or conversion of the Bonds.

Shares

Dividend Distributions

Dividends received in respect of the Shares by either a resident or non-resident of Singapore are not subject to Singapore withholding tax.

Dividend Distributions — New One-tier Corporate Tax System

With effect from 1 January 2008, all companies operate under the one-tier corporate tax system. Under this new system, the tax on corporate profits is final and dividends paid by a Singapore resident company will be tax exempt in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Gains on Disposal of Shares

Singapore does not impose tax on capital gains. However, there are currently no specific laws or regulations which address the characterisation of capital gains and hence gains arising from the disposal of the Shares may be construed to be of an income nature and subject to tax especially if they arise from activities which the Comptroller regards as the carrying on of a trade or business in Singapore.

Holders of the Shares who are adopting FRS 39 for Singapore income tax purposes may be required to recognise gains or losses on the Shares, irrespective of disposal, in accordance with FRS 39. Please see the section on "Adoption of FRS 39 treatment for Singapore income tax purposes".

Stamp Duty

There is no stamp duty payable in respect of the issuance and holding of Shares. Where Shares evidenced in certificated form are acquired in Singapore, stamp duty is payable on the instrument of transfer of the Shares at the rate of S$0.20 for every S$100 or part thereof of the consideration for, or market value of, the Shares, whichever is higher. The stamp duty is borne by the purchaser unless there is an agreement to the contrary. Where an instrument of transfer is executed outside Singapore or no instrument of transfer is executed, no stamp duty is payable on the acquisition of Shares. However, stamp duty may be payable if the instrument of transfer is executed outside Singapore and is received in Singapore.

Stamp duty is not applicable to electronic transfers of the Shares through the scripless trading system operated by CDP.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION AND SALE

J.P. Morgan (S.E.A.) Limited and Standard Chartered Bank have, pursuant to a subscription agreement dated 2 September 2009 (the "Subscription Agreement"), agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe, or procure subscribers for 75 per cent. and 25 per cent., respectively, of the U.S.$400,000,000 principal amount of the Bonds at a price equal to 100 per cent. of their principal amount. The Issuer has granted to the Joint Lead Managers the upsize option exercisable at any time on or before the 30th day following the Closing Date, to subscribe for up to U.S.$100,000,000 principal amount of the Bonds. The Joint Lead Managers have on 1 October 2009 exercised the upsize option in full in respect of U.S.$100,000,000 in principal amount of the Bonds on the condition, *inter alia*, that shareholders of the Issuer approve:

(A) the placement of the Optional Bonds by the Joint Lead Managers to Breedens Investments Pte. Ltd., an indirect wholly-owned subsidiary of Temasek Holdings, pursuant to Rule 812(2) of the SGX-ST Listing Manual;

(B) the issue of the Optional Bonds and the new Shares arising from the conversion of the Optional Bonds; and

(C) the possible transfer of a controlling interest to Temasek Holdings, under the circumstances to be further elaborated in the circular to be dispatched to the shareholders of the Issuer to seek their specific approval in respect of the matters set out in paragraphs (A) and (B) above and this paragraph (C).

The Option Closing Date shall be postponed to such later date as the Issuer may require, in order to permit the Issuer to obtain all the relevant approvals, being the approvals of the Issuer's shareholders for the placement of the Optional Bonds to persons falling within Rule 812(1) of the Listing Manual and/or for the issue of the New Shares issuable upon conversion of any Optional Bonds and/or for the transfer of a controlling interest to Temasek Holdings.

The Issuer shall notify the Joint Lead Managers of the Option Closing Date as soon as practicable, but in any case at least three business days prior to the Option Closing Date.

The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Issuer has undertaken to the Joint Lead Managers that neither the Issuer nor any of its subsidiaries or other affiliates over which they exercise management or voting control, nor any person acting on its or their behalf, will, for a period from the date of the Subscription Agreement until 90 days after the Closing Date (and if any Optional Bonds (as defined in the Trust Deed) are issued, after the last Option Closing Date (as defined in the Subscription Agreement)), without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld), issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) securities issued by the Issuer and having a maturity of more than one year from the date of issue, any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, including equity swaps, forward sales and options representing the right to receive any Shares, save for Shares issued pursuant to any scrip dividend scheme of the Issuers from time to time, the conversion provisions of the Bonds, the Existing Bonds, the New Bonds, the options granted and/or to be granted (and/or the vesting of such options) pursuant to the publicly disclosed share option scheme of the Issuer and the Shares to be issued arising from the exercise of such options.

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

The Joint Lead Managers and certain of its subsidiaries or affiliates have performed certain investment banking and advisory services for the Issuer and/or its subsidiaries from time to time for which they have received customary fees and expenses. The Joint Lead Managers may, from time to time, engage in transactions with and perform services for the Issuer and/or its subsidiaries in the ordinary course of their business.

In connection with this offering, the Joint Lead Managers (or their respective affiliates) may, for their own accounts, enter into swaps or other derivative transactions relating to the Shares at the same time as the offering or in secondary market transactions. As a result of such transactions (including hedging of such transactions), the Joint Lead Managers (or their respective affiliates) may hold long or short positions in such Shares or derivatives. These transactions may comprise a substantial portion of the offering.

General

No action has been or will be taken by the Issuer or the Joint Lead Managers that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular or any offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Bonds, or distribution or publication of any offering material relating to the Bonds, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Joint Lead Managers.

United States

The Bonds and the Shares to be issued on conversion of the Bonds as well as any shares to be issued in lieu of the payment of redemption monies pursuant to the terms of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

United Kingdom

The Joint Lead Managers represented, warranted and agreed that:

(i) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Hong Kong

The Joint Lead Managers represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Joint Lead Managers represented and agreed that the Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "Financial Instruments and Exchange Law") and that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other applicable laws and regulations of Japan.

Singapore

The Joint Lead Managers have acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the MAS and the Bonds are offered by the Issuer pursuant to exemptions invoked under Sections 274 and 275 of the SFA. Accordingly, the Joint Lead Managers have represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the SFA, (2) to a relevant person pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1 A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of which is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA, except:

(1) to institutional investors under Section 274 of the SFA or to relevant persons (as defined in Section 275(2) of the SFA) and in accordance with the conditions, specified in Section 275 of the SFA;

(2) (in the case of a corporation) where the transfer arises from an offer referred to in Section 275(1A) of the SFA, or (in the case of a trust) where the transfer arises from an offer that is made on terms that such rights or interests are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;

(3) where no consideration is or will be given for the transfer; or

(4) where the transfer is by operation of law.

Where the Bonds are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the Bonds and/or the new Shares to be issued on conversion of the Bonds shall not be sold within the period of six months from the date of the initial acquisition of the Bonds, except to any of the following persons:

(i) an institutional investor (as defined in Section 4A of the SFA);

(ii) a relevant person (as defined in Section 275 (2) of the SFA); or

(iii) any person pursuant to an offer referred to in Section 275 (1A) of the SFA,

unless the securities acquired are of the same class as other securities of the Issuer:

(a) an offer of which has previously been made in or accompanied by a prospectus; and

(b) which are listed for quotation on a securities exchange.

GENERAL INFORMATION

(1) The Issuer is incorporated in Singapore under the Act as a public company limited by shares and its registration number is 199504676H. The registered office of the Issuer is 3 Church Street, #08-01 Samsung Hub, Singapore 049483.

(2) The terms of the Offering and the issue of the Bonds were approved by resolutions of the Directors of the Issuer passed on 4 September 2009. The issue of the Bonds pursuant to the upsize option is subject to the fulfillment of certain conditions. See "Subscription and Sale".

(3) Approval in-principle has been received for the listing of the Bonds and the new Shares to be issued on the conversion of the Bonds. Approval in-principle for the listing of the Bonds and the new Shares to be issued on conversion of the Bonds is not to be taken as an indication of the merits of the Bonds, the Shares, the Issuer and/or its subsidiaries.

(4) Copies of the Memorandum and Articles of Association of the Issuer and copies of the Trust Deed and the Agency Agreement will be available for inspection during usual business hours on any weekday (except Saturdays, Sundays and public holidays) at the Issuer's registered office for so long as any of the Bonds are outstanding.

(5) The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg, with a Common Code of 045042332. The International Securities Identification Number for the Bonds is XS0450423321.

(6) The Issuer has obtained all consents, approvals and authorisations in Singapore required in connection with the issue and performance of the Bonds.

(7) Except as disclosed in this Offering Circular up to date hereof, there has been no significant change in the financial position of the Issuer since 30 June 2009 and no material adverse change in the financial position of the Issuer since 30 June 2009.

(8) The Issuer is not involved in any litigation or arbitration proceedings or any regulatory investigations relating to claims or amounts which are material in the context of the issue of the Bonds nor, so far as the Issuer is aware, is any such litigation or arbitration pending or threatened.

(9) The Trustee is entitled under the Trust Deed to rely, without liability to the Bondholders, on certificates prepared by the Directors of the Issuer and any certificate or report of the Issuer's auditors or any other expert appointed pursuant to the Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the liability of such auditors or expert in respect thereof is limited by a monetary cap or otherwise limited or excluded.

(10) Copies of the Agency Agreement and the published financial statements of the Issuer will be available at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Bonds are outstanding.

(11) Ernst & Young LLP has audited and rendered an unqualified audit report on the Group's consolidated financial statements as at and for the years ended 30 June 2008 and 2009 and have given and not withdrawn their consent to the issue of this document with the inclusion in it, where relevant, of references to them and their report in the form and context in which they are included.

(12) Submission by the Issuer to the jurisdiction of the English courts and the appointment of an agent for service of process, are valid and binding under Singapore law. The choice of English laws as the governing laws, under the laws of Singapore, is a valid choice of law and should be honoured by the courts of Singapore, subject to proof thereof and considerations of public policy.

INDEX TO THE FINANCIAL STATEMENTS

Independent Auditors' Reports
To the Members of Olam International Limited

We have audited the accompanying financial statements of Olam International Limited (the Company) and its subsidiaries (collectively, the Group) set out on pages FS-3 to FS-89, which comprise the balance sheets of the Group and the Company as at 30 June 2009, profit and loss accounts and statements of changes in equity of the Group and the Company and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion,

(a) the consolidated financial statements of the Group and the balance sheet, profit and loss account and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and the results, changes in equity of the Group and the Company and cash flows of the Group for the financial year ended on that date; and

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

Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore
2 October 2009

Olam International Limited and Subsidiary Companies

Profit and Loss Accounts for the year ended 30 June 2009

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Revenue - Sale of goods	3	8,587,932	8,111,910	6,332,124	6,054,274
Other income	4	138,452	40,525	130,095	13,275
		8,726,384	8,152,435	6,462,219	6,067,549
Costs and expenses					
Cost of goods sold	5	(6,980,032)	(6,504,908)	(5,523,237)	(5,246,570)
Shipping and logistics		(825,720)	(879,506)	(382,822)	(413,530)
Commission and claims		(74,812)	(61,014)	(71,663)	(58,312)
Employee benefits expenses	30	(184,603)	(169,163)	(57,106)	(50,896)
Depreciation	9	(40,532)	(33,771)	(1,312)	(600)
Net measurement of derivative instruments	6	61,114	11,023	67,138	(2,652)
(Loss) / gain on foreign exchange		(39,423)	7,145	(7,044)	11,250
Other operating expenses	6	(186,287)	(155,714)	(74,406)	(25,431)
Finance costs	7	(239,179)	(201,395)	(179,138)	(137,840)
		(8,509,474)	(7,987,303)	(6,229,590)	(5,924,581)
Share of results from jointly controlled entities	12	40,411	(163)	–	–
Share of results from associate	13	703	–	–	–
Profit before taxation		258,024	164,969	232,629	142,968
Taxation	8	(5,995)	2,708	(11,600)	(9,285)
Profit for the financial year		252,029	167,677	221,029	133,683
Attributable to:					
Equity holders of the Company		252,029	167,704	221,029	133,683
Minority interest		–	(27)	–	–
		252,029	167,677	221,029	133,683
Earnings per share (cents)					
Basic	38	14.71	10.28		
Diluted	38	12.38	10.08		

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

Olam International Limited and Subsidiary Companies

Balance Sheets at 30 June 2009

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Non-current assets					
Property, plant and equipment	9	533,963	403,391	2,974	1,928
Intangible assets	10	127,538	130,259	8,940	861
Investments in subsidiary companies	11	–	–	314,556	249,977
Deferred tax assets	8	74,704	36,709	13,096	14,972
Interests in jointly controlled entities	12	294,407	2,422	254,586	2,930
Investment in associate	13	106,520	–	105,817	–
Long term investment	14	–	24,475	–	24,475
Other non-current assets	20	11,154	23,750	10,922	19,148
		1,148,286	621,006	710,891	314,291
Current assets					
Amounts due from subsidiary companies	15	–	–	747,613	502,608
Trade receivables	16	732,500	724,352	237,296	339,886
Margin accounts with brokers	17	64,839	254,273	55,521	189,435
Inventories	18	1,966,419	1,790,236	550,729	500,397
Advance payments to suppliers	19	277,683	380,047	1,020,863	1,235,798
Other current assets	20	342,075	292,648	85,651	84,007
Fixed deposits	33	239,688	163,580	228,009	33,988
Cash and bank balances	33	294,130	175,544	59,628	52,134
Fair value of derivative financial instruments	35	349,796	837,557	279,242	729,499
		4,267,130	4,618,237	3,264,552	3,667,752
Current liabilities					
Trade payables and accruals	21	(658,988)	(519,853)	(420,115)	(356,607)
Other current liabilities	22	(58,595)	(51,863)	(35,871)	(34,567)
Amounts due to bankers	23	(1,869,640)	(1,789,582)	(1,166,700)	(1,199,066)
Medium term notes	24	(128,005)	(70,000)	(128,005)	(70,000)
Provision for taxation		(11,410)	(24,578)	(14,732)	(10,565)
Fair value of derivative financial instruments	35	(403,528)	(1,015,796)	(347,333)	(888,376)
		(3,130,166)	(3,471,672)	(2,112,756)	(2,559,181)
Net current assets		1,136,964	1,146,565	1,151,796	1,108,571

Balance Sheets at 30 June 2009

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Non-current liabilities					
Deferred tax liabilities	8	(62,812)	(4,175)	–	–
Amounts due to bankers	23	(1,008,312)	(935,125)	(764,602)	(648,482)
Medium term notes	24	–	(189,857)	–	(189,857)
Convertible bonds	25	(168,234)	–	(168,234)	–
		(1,239,358)	(1,129,157)	(932,836)	(838,339)
Net assets		1,045,892	638,414	929,851	584,523
Equity attributable to equity holders of the Company					
Share capital	26	708,586	704,870	708,586	704,870
Reserves		337,260	(66,456)	221,265	(120,347)
		1,045,846	638,414	929,851	584,523
Minority interest		46	–	–	–
Total equity		1,045,892	638,414	929,851	584,523

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

Olam International Limited and Subsidiary Companies

Statements of Changes in Equity for the year ended 30 June 2009

2009 Group	Share capital (Note 26)	Capital reserves (4)	Foreign currency translation reserves (1)	Fair value adjustment reserves (2)	Share-based compensation reserves (3)	Revenue reserves	Total reserves	Minority interest	Total Equity
		Attributable to equity holders of the Company							
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2008	704,870	–	(84,434)	(325,878)	13,474	330,382	(66,456)	–	638,414
Net gain on fair value changes during the period	–	–	–	32,669	–	–	32,669	–	32,669
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	113,266	–	–	113,266	–	113,266
Gain on buy back of convertible bonds	–	(20,445)	–	–	–	20,445	–	–	–
Foreign currency translation adjustment	–	–	(601)	–	–	–	(601)	–	(601)
Net (expense)/ income recognised directly in equity	–	(20,445)	(601)	145,935	–	20,445	145,334	–	145,334
Profit for the financial year	–	–	–	–	–	252,029	252,029	–	252,029
Total recognised expenses and income for the year	–	(20,445)	(601)	145,935	–	272,474	397,363	–	397,363
Issue of shares on exercise of share options	3,716	–	–	–	–	–	–	–	3,716
Share-based expense	–	–	–	–	4,291	–	4,291	–	4,291
Dividends on ordinary shares (Note 27)	–	–	–	–	–	(42,833)	(42,833)	–	(42,833)
Equity portion of convertible bonds	–	44,895	–	–	–	–	44,895	–	44,895
Acquisition of subsidiary company	–	–	–	–	–	–	–	46	46
At 30 June 2009	708,586	24,450	(85,035)	(179,943)	17,765	560,023	337,260	46	1,045,892

Olam International Limited and Subsidiary Companies

Statements of Changes in Equity for the year ended 30 June 2009

		Attributable to equity holders of the Company							
2008 Group	**Share capital (Note 26)** $'000	**Capital reserves** [(4)]	**Foreign currency translation reserves** [(1)] $'000	**Fair value adjustment reserves** [(2)] $'000	**Share-based compensation reserves** [(3)] $'000	**Revenue reserves** $'000	**Total reserves** $'000	**Minority interest** $'000	**Total Equity** $'000
At 1 July 2007	397,730	–	(39,929)	(150,827)	8,616	217,132	34,992	27	432,749
Net loss on fair value changes during the period	–	–	–	(301,023)	–	–	(301,023)	–	(301,023)
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	125,972	–	–	125,972	–	125,972
Foreign currency translation adjustment	–	–	(44,505)	–	–	–	(44,505)	–	(44,505)
Net expense recognised directly in equity	–	–	(44,505)	(175,051)	–	–	(219,556)	–	(219,556)
Profit for the financial year	–	–	–	–	–	167,704	167,704	(27)	167,677
Total recognised expenses and income for the year	–	–	(44,505)	(175,051)	–	167,704	(51,852)	(27)	(51,879)
Issue of shares on exercise of share options	3,801	–	–	–	–	–	–	–	3,801
Issue of shares on preferential offering	303,339	–	–	–	–	–	–	–	303,339
Dividends on ordinary shares (Note 27)	–	–	–	–	–	(54,454)	(54,454)	–	(54,454)
Share-based expense	–	–	–	–	4,858	–	4,858	–	4,858
At 30 June 2008	704,870	–	(84,434)	(325,878)	13,474	330,382	(66,456)	–	638,414

Olam International Limited and Subsidiary Companies

Statements of Changes in Equity for the year ended 30 June 2009

2009 Company	**Share Capital (Note 26)** $'000	**Capital reserves [4]** $'000	**Foreign currency translation reserves [1]** $'000	**Fair value adjustment reserves [2]** $'000	**Share-based compensation reserves [3]** $'000	**Revenue reserves** $'000	**Total reserves** $'000	**Total equity** $'000
		Attributable to equity holders of the Company						
At 1 July 2008	704,870	–	(84,230)	(291,729)	13,474	242,138	(120,347)	584,523
Net loss on fair value changes during the period	–	–	–	(99,094)	–	–	(99,094)	(99,094)
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	170,656	–	–	170,656	170,656
Gain on buy back of convertible bonds	–	(20,445)	–	–	–	20,445	–	–
Foreign currency translation adjustment	–	–	42,668	–	–	–	42,668	42,668
Net (expense)/ income recognised directly in equity	–	(20,445)	42,668	71,562	–	20,445	114,230	114,230
Profit for the financial year	–	–	–	–	–	221,029	221,029	221,029
Total recognised expenses and income for the year	–	(20,445)	42,668	71,562	–	241,474	335,259	335,259
Issue of shares on exercise of share options	3,716	–	–	–	–	–	–	3,716
Share-based expense	–	–	–	–	4,291	–	4,291	4,291
Dividends on ordinary shares (Note 27)	–	–	–	–	–	(42,833)	(42,833)	(42,833)
Equity portion of convertible bonds	–	44,895	–	–	–	–	44,895	44,895
At 30 June 2009	708,586	24,450	(41,562)	(220,167)	17,765	440,779	221,265	929,851

Statements of Changes in Equity for the year ended 30 June 2009

2008 Company	**Share capital (Note 26)** $'000	**Foreign currency translation reserves** [1] $'000	**Fair value adjustment reserves** [2] $'000	**Share-based compensation reserves** [3] $'000	**Revenue reserves** $'000	**Total reserves** $'000	**Total equity** $'000
		Attributable to equity holders of the Company					
At 1 July 2007	397,730	(35,583)	(148,563)	8,616	162,909	(12,621)	385,109
Net loss on fair value changes during the period	–	–	(277,027)	–	–	(277,027)	(277,027)
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	133,861	–	–	133,861	133,861
Foreign currency translation adjustment	–	(48,647)	–	–	–	(48,647)	(48,647)
Net expense recognised directly in equity	–	(48,647)	(143,166)	–	–	(191,813)	(191,813)
Profit for the financial year	–	–	–	–	133,683	133,683	133,683
Total recognised expenses and income for the year	–	(48,647)	(143,166)	–	133,683	(58,130)	(58,130)
Issue of shares on exercise of share options	3,801	–	–	–	–	–	3,801
Issue of shares on preferential offering	303,339	–	–	–	–	–	303,339
Dividends on ordinary shares (Note 27)	–	–	–	–	(54,454)	(54,454)	(54,454)
Share-based expense	–	–	–	4,858	–	4,858	4,858
At 30 June 2008	704,870	(84,230)	(291,729)	13,474	242,138	(120,347)	584,523

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

(1) **Foreign currency translation reserves**

The foreign currency translation reserves are used to record exchange differences arising from the translation of the financial statements of the Company and its subsidiaries whose functional currencies are different from that of the Group's presentation currency.

(2) **Fair value adjustment reserves**

Fair value adjustment reserves record the portion of the fair value changes on derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be effective hedges.

(3) **Share-based compensation reserves**

Share-based compensation reserves represent the equity-settled shares and share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shares and share options and is reduced by the expiry of the share options.

(4) **Capital reserves**

Capital reserves represent the residual amount of convertible bonds net of proportionate share of transaction costs, after deducting the fair value of the debt and derivative component on date of issuance.

Olam International Limited and Subsidiary Companies

Consolidated Cash Flow Statement for the year ended 30 June 2009

	2009 $'000	2008 $'000
Cash flows from operating activities		
Profit before taxation	258,024	164,969
Adjustments for:-		
Share of results from jointly controlled entities	(40,411)	163
Share of results from associate	(703)	–
Inventories written-down/(written back)	11,248	(1,971)
Allowance for doubtful debts/(written back)	19,425	(550)
Depreciation of property, plant and equipment	40,532	33,771
Loss/(gain) on disposal of property, plant and equipment	909	(648)
Gain on convertible bonds buy back	(100,674)	–
Net measurement of derivative instruments	(61,114)	(11,023)
Negative goodwill arising from acquisition of subsidiary (Note 10)	(3,748)	(5,254)
Impairment of assets	14,176	–
Cost of share-based payment	4,291	5,583
Interest income	(18,872)	(19,632)
Interest expense	239,179	201,395
Amortisation of intangible assets	2,738	2,191
Operating cash flows before reinvestment in working capital	365,000	368,994
Increase in inventories	(187,431)	(454,077)
Decrease/ (increase) in receivables	217,569	(427,760)
Decrease/ (increase) in advance payments to suppliers	94,556	(117,085)
Increase in payables	141,951	124,577
Cash generated from/ (used in) operations	631,645	(505,351)
Interest income received	22,020	19,632
Interest expense paid	(217,360)	(218,805)
Tax paid	(5,357)	(6,996)
Net cash flows from/ (used in) operating activities	430,948	(711,520)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	7,222	7,047
Purchase of property, plant and equipment	(207,003)	(74,205)
Purchase of software	(1,080)	–
Investment in government security bills	–	13,461
Acquisition of subsidiary, net of cash acquired (Note 10)	(15,911)	(161,997)
(Loan to)/ repayment from jointly controlled entities	(251,774)	315
Investment in associate	(75,737)	–
Investment in jointly controlled entities	165	(124)
Net cash flows used in investing activities	(544,118)	(215,503)

Consolidated Cash Flow Statement for the year ended 30 June 2009

	2009 $'000	**2008** $'000
Cash flows from financing activities		
Proceeds from loans from banks	62,966	1,110,356
Proceeds from issuance of shares on exercise of share options	3,716	3,801
Proceeds from issuance of convertible bonds	417,374	–
Payment on convertible bonds buy back	(110,570)	–
Proceeds from issuance of shares on preferential share offer	–	303,339
Dividends paid on ordinary shares by the Company	(42,833)	(54,454)
Repayment of medium term notes	(131,852)	(410,811)
Net cash flows from financing activities	198,801	952,231
Net effect of exchange rate changes on cash and cash equivalents	18,784	(48,583)
Net increase/ (decrease) in cash and cash equivalents	104,415	(23,375)
Cash and cash equivalents at beginning of year	164,262	187,637
Cash and cash equivalents at end of year (Note 32)	268,677	164,262

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

1. Corporate information

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

The principal activities of the Company are those of sourcing, processing, packaging and merchandising of agricultural products. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The registered office of the Company is located at 3 Church Street #08-01 Samsung Hub, Singapore 049483. The place of business of the Company is at 9 Temasek Boulevard, #11-02 Suntec Tower Two, Singapore 038989.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.3.

The financial statements are presented in Singapore Dollars ($ or SGD) and all values in the tables are rounded to the nearest thousand ($'000) as indicated.

2.2 *Future changes in accounting policies*

The Group and the Company have not applied the following FRS and INT FRS that have been issued but are not yet effective:

			Effective date (Annual periods beginning on or after)
FRS 1	:	Revised FRS 1 – Presentation of Financial Statements	1 January 2009
FRS 23	:	Amendment to FRS 23, Borrowing Costs	1 January 2009
FRS 32	:	Financial Statements Presentation – Amendments to FRS 32 and FRS 1 regarding Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 102	:	Amendments of FRS 102 Share-based Payment – Vesting Conditions and Cancellation	1 January 2009
FRS 108	:	Operating Segments	1 January 2009
INT FRS 117	:	Distributions of Non-cash assets to owners	1 July 2009
INT FRS 118	:	Transfer of assets to customers	1 July 2009

The adoption of the above pronouncements is not expected to have any material impact on the financial statements in the period of initial application, subject to comments below.

2. Summary of significant accounting policies (cont'd)

2.2 *Future changes in accounting policies (cont'd)*

Revised FRS 1 - Presentation of Financial Statements

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

FRS 23 Borrowing costs

FRS 23 Borrowing costs has been revised to require capitalisation of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements in the Standard, the Group will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after 1 January 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.

FRS 102 Share-based Payment – Vesting Conditions and Cancellation

FRS 102 has been amended to restrict the definition of "vesting condition"' to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions which have to be taken into account when estimating the fair value of the equity instrument granted. In the case that an award does not vest as a result of failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this must be accounted for as a cancellation. The change in accounting policy is to be applied retrospectively.

FRS 108 Operating Segments

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

2. Summary of significant accounting policies (cont'd)

2.3 *Significant accounting judgments and estimates*

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements made in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effects on the amounts recognised in the financial statements:

(a) ***Determination of functional currency***

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of the goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(b) ***Employee share options***

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options at the date on which they are granted. Judgement is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. Management is also required to use judgement in determining the most appropriate inputs to the valuation model including expected life of the option, volatility and dividend yield. The assumptions and model used are disclosed in Note 30.

(c) ***Fair value of derivative financial instruments and debt components of convertible bonds***

The Company assesses the fair value of derivative financial instruments and debt components of the convertible bonds that require judgment in determining the most appropriate valuation models and inputs including share volatility and interest yield rates.

(d) ***Income taxes***

The Group has exposure to income taxes in numerous jurisdictions. A degree of judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes would be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payables at the balance sheet date was $11,410,000 (2008: $24,578,000). Deferred tax assets and liabilities at the balance sheet date were $74,704,000 (2008: $36,709,000) and $62,812,000 (2008: $4,175,000) respectively.

2. Summary of significant accounting policies (cont'd)

2.3 *Significant accounting judgments and estimates (cont'd)*

Key sources of estimation uncertainty

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

(a) ***Impairment of investments in subsidiary companies***

The Company assesses at each reporting date whether there is an indication that the investments in subsidiaries may be impaired. This requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiary companies as at 30 June 2009 is $314,556,000 (2008: $249,977,000)

(b) ***Impairment of goodwill***

On an annual basis, the Group determines whether goodwill is impaired. This requires an estimation of the value in use of the cash generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 30 June 2009 is $100,184,000 (2008: $97,075,000). More details are given in Note 10.

(c) ***Useful lives of plant and machinery***

The cost of plant and machinery is depreciated on a straight-line basis over the plant and machinery's estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be within 5 to 10 years with the exception of ginning assets where the estimated useful lives of ginning assets are up to 100 years. These are common life expectancies applied in the agri-commodities industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at the balance sheet date is disclosed in Note 9 to the financial statements.

2. Summary of significant accounting policies (cont'd)

2.3 ***Significant accounting judgments and estimates (cont'd)***

Key sources of estimation uncertainty (cont'd)

(d) **Impairment of non-financial assets**

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date.

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or the cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

(e) **Impairment of loans and receivables**

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset under loans and receivables is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

2.4 ***Functional and foreign currency***

The Company's functional currency is the United States Dollar ("USD"), which reflects the economic substance of the underlying events and circumstances of the Company. Although the Company is domiciled in Singapore, most of the Company's transactions are denominated in USD and the selling prices for the Company's products are sensitive to movements in the foreign exchange rate with the USD.

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

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

The financial statements are presented in Singapore Dollar ("SGD") as the Company's principal place of business is in Singapore and it is felt that presenting the financial statements in SGD would be more appropriate.

2. Summary of significant accounting policies (cont'd)

2.4 *Functional and foreign currency (cont'd)*

The financial statements are translated from USD to SGD as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate ruling at that balance sheet date;
- Income and expenses for each profit and loss account are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All exchange differences arising on the translation are included in the foreign currency translation reserves.

2.5 *Subsidiary companies and principles of consolidation*

Subsidiary companies

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less any impairment losses.

A list of the Group's subsidiary companies is shown in Note 11.

Principles of consolidation

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

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

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. The accounting policy for goodwill is set out in Note 2.9(a). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the profit and loss account on the date of acquisition.

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

2. Summary of significant accounting policies (cont'd)

2.6 *Jointly controlled entities*

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

The consolidated financial statements included the Group's share of the total recognised gains and losses of its jointly controlled entities on an equity accounted basis, from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds the carrying amount of the investment, the investment is reported as nil and recognition of losses is discontinued except to the extent of the Group's commitment.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment loss. The carrying amounts of the jointly controlled entities are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated and any impairment loss is recognised whenever the carrying amount exceeds the recoverable amount. The impairment loss is charged to profit and loss account.

2.7 *Associates*

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

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

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

The financial statements of the associate are prepared as of the same reporting date as the Company.

2. Summary of significant accounting policies (cont'd)

2.8 *Property, plant and equipment*

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

Subsequent to recognition, all property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and is therefore is not depreciated. Leasehold land and buildings is depreciable over the shorter of the estimated useful life of the asset or the lease period.

Depreciation of an asset begins when it is available for use and is computed on a straight line basis over the estimated useful life except for ginning assets of Queensland Cotton Holdings which are depreciated using the units of use method. The estimated useful life of the assets is as follows:-

Leasehold land and buildings	-	20 to 50 years
Plant and machinery	-	5 to 10 years; 100 years for ginning assets
Motor vehicles	-	3 to 5 years
Furniture and fittings	-	5 years
Office equipment	-	5 years
Computers	-	3 years

Capital work-in-progress are not depreciated as these assets are not yet available for use.

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

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

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

2. Summary of significant accounting policies (cont'd)

2.9 *Intangible assets*

(a) *Goodwill*

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may by impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit and loss account. Impairment losses recognised for goodwill are not reversed in subsequent period.

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

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.4.

(b) *Other intangible assets*

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

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

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

2. Summary of significant accounting policies (cont'd)

2.10 *Impairment of non-financial assets*

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

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the profit and loss account.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Reversal of an impairment loss is recognised in the profit and loss account.

2.11 *Financial assets*

Financial assets within the scope of FRS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On such derecognition, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised initially in equity is recognised in the profit and loss account.

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

2. Summary of significant accounting policies (cont'd)

2.11 *Financial assets (cont'd)*

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

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

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

Financial assets designated under the fair value option includes those that contain an embedded derivatives that would otherwise need to be separated.

(b) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount and minus any reduction for impairment or inability to collect. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in profit and loss account when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(c) *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are designated as held-to-maturity when the Group has the positive intention and ability to hold the assets to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. For investments carried at amortised cost, gains and losses are recognised in the profit and loss account when the investments are derecognised or impaired, as well as through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.11 *Financial assets (cont'd)*

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

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

The fair value of investments in equity instruments that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of the business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment losses.

The Group's long and short term investments are designated as available-for-sale investments.

2.12 *Financial liabilities*

Financial liabilities include trade payables, which are normally settled within the credit terms, other amounts payable and interest-bearing loans and borrowings. Financial liabilities are recognised on the balance sheet when, and only when the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

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

2.13 *Cash and cash equivalents*

Cash and cash equivalents consist of cash and bank balances and short-term fixed bank deposits which are subject to an insignificant risk of changes in value. These include bank overdrafts that form an integral part of the Group's cash management.

Cash and cash equivalents carried in the balance sheets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.11.

2. Summary of significant accounting policies (cont'd)

2.14 *Receivables*

Trade receivables, which are on trade terms, margin accounts with brokers as well as receivables from subsidiary companies, advance payments to suppliers and other current assets (excluding prepayments and deferred M&A expenses) and other non-current assets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.11.

An allowance is made for doubtful debts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.15 below.

2.15 *Impairment of financial assets*

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

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

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

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

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

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

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

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

2. Summary of significant accounting policies (cont'd)

2.15 *Impairment of financial assets (cont'd)*

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

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

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

2.16 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Inventories are valued on first-in-first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for damaged, obsolete and slow-moving items.

2.17 *Borrowing costs*

Borrowing costs are recognised as expenses in the period in which they are incurred.

2.18 *Financial guarantees*

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

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

2.19 *Provisions*

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2. Summary of significant accounting policies (cont'd)

2.20 *Employee benefits*

(a) *Defined contribution plan*

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

(b) *Employee leave entitlement*

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

(c) *Employee share subscription/options scheme*

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment for services rendered ("equity-settled transactions").

The cost of these equity-settled transactions with employees is measured with reference to the fair value at the date on which the share subscriptions / options are granted. In valuing the share options, no account is taken of any performance conditions.

This cost is recognised in the profit and loss account, with a corresponding increase in the share-based compensation reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to the profit and loss account for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest. Where the terms of an equity-settled award are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for a modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

2. Summary of significant accounting policies (cont'd)

2.21 *Operating leases*

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.22 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised:-

Physical commodities

Revenue from the sale of physical goods is recognised upon passage of title to the customer which generally coincides with their delivery and acceptance.

Interest income

Interest income is recognised using the effective interest method.

2.23 *Government grants, export incentives and subsidies*

Government grants, export incentives and subsidies are recognised at their fair values where there is reasonable assurance that the grant will be received and all conditions attached to the grant will be complied with. When the grant relates to an expense item, it is recognised in the profit and loss account over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to the profit and loss account over the expected useful life of the relevant asset by equal annual instalments.

2.24 *Income taxes*

(a) ***Current tax***

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

Current taxes are recognised in the profit and loss account except that tax relating to items recognised directly in equity is recognised directly in equity.

(b) ***Deferred tax***

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

2. Summary of significant accounting policies (cont'd)

2.24 *Income taxes (cont'd)*

(b) *Deferred tax (cont'd)*

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

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

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

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

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

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

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

(c) *Sales tax*

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

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

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

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

2. Summary of significant accounting policies (cont'd)

2.25 *Segment reporting*

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

2.26 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

2.27 *Contingencies*

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

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

2.28 *Derivative financial instruments and hedging activities*

Derivative financial instruments such as forward currency contracts, commodity futures and options, and interest rate contracts are used to hedge risks associated with foreign currency, commodity price and interest rate fluctuations. Certain derivatives are also used for trading purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts and interest rate derivatives are calculated by reference to current forward exchange rates and interest rates respectively for contracts with similar maturity profiles. The fair values of commodity futures are determined by reference to market values for similar instruments.

Any gains or losses arising from changes in fair value on derivative financial instruments that are ineffective hedges or are held for trading are taken to the profit and loss account for the year.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

2. Summary of significant accounting policies (cont'd)

2.28 *Derivative financial instruments and hedging activities (cont'd)*

When the hedge accounting is applied, all hedges are classified as cash flow hedges because they are held for hedging the exposure to variability in cash flows that is attributable to highly probable risk exposure and could affect profit or loss.

For cash flow hedges which meet the criteria for hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised directly in the fair value adjustment reserves, while the ineffective portion is recognised in the profit and loss account.

Amounts taken to fair value adjustment reserves are transferred to the profit and loss account when the hedged transaction affects profit or loss, such as when a forecasted sale occurs, or when financial income or financial expense is recognised.

If the forecast transaction is no longer expected to occur, amounts previously recognised in fair value adjustment reserves are transferred to the profit and loss account. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in fair value adjustment reserves remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit and loss account.

2.29 *Convertible bonds*

When convertible bonds are issued, the total proceeds net of transaction costs are allocated to the debt component, the fair value of derivative financial instruments component and the equity component, which are separately presented on the balance sheet.

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

The derivative financial instruments component is determined by the fair value of the embedded derivatives on the date of issue. The fair value is reassessed at every balance sheet date and the difference is recognised in the profit and loss account.

The balance after reducing the debt component and the fair value of the embedded derivatives component from the net proceeds is presented as capital reserve under equity. The carrying amount of the equity component is not adjusted in subsequent periods. When the conversion option is exercised, the carrying amount of the equity component will be transferred to share capital account. When the conversion option lapses, its carrying amount will be transferred to retained earnings.

3. Sale of goods

Sale of goods represents sale of physical commodities, net of discounts and returns. It excludes interest income, realised gain or loss on derivatives and in respect of the Group, intra-group transactions.

4. Other income

Other income included the following:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Interest income from loans and receivables	18,872	19,632	8,319	11,625
Gain on convertible bonds buy back [1]	100,674	–	100,674	–
Miscellaneous income [2]	15,158	15,639	21,102	1,650
Negative goodwill arising from acquisition of subsidiary (Note 10)	3,748	5,254	–	–
	138,452	40,525	130,095	13,275

(1) Net gain on convertible bonds buy back after adjusting for finance cost (Note 7) of $20,043,000, is $80,631,000. Refer to Note 25 for details of convertible bonds buy back.

(2) Miscellaneous income for the Group comprised mainly of sales of export licences, scrap and by-products from processing operations.

5. Cost of goods sold

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
This is stated after (charging)/crediting:-				
Realised loss on derivatives [1]	(113,266)	(125,972)	(170,656)	(133,861)
Foreign exchange gain on cost of goods sold [2]	25,461	20,536	–	–
Export incentives and subsidies received [3]	104,541	72,085	–	–
Inventories (written down)/ written back	(11,248)	1,971	(5,094)	3,120

(1) Realised loss on derivatives recognised on occurrence of sales and purchases of physical commodities.

(2) Foreign exchange gain arising between the time of receiving payments for purchase of goods and the time of sale of such goods.

(3) Export incentives and subsidies relate to income from government agencies of various countries for export of agricultural products.

6. Other operating expenses/ net measurement of derivative instruments

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Operating expenses are stated after (charging)/crediting:-				
Non-audit fees paid to auditors	(125)	(232)	(98)	(146)
Gain on disposal of property, plant and equipment	909	648	–	–
Amortisation of intangible assets (Note 10)	(2,738)	(2,191)	–	–
Bank charges	(20,586)	(19,915)	(12,957)	(11,539)
Impairment:-				
- Plant and machinery	(10,849)	–	–	–
- Intangible assets	(3,327)	–	–	–
- Investment in subsidiary companies	–	–	(8,898)	–
Bad debts written off:-				
- Trade receivables (Note 16)	(368)	–	–	–
- Advance payments to suppliers (Note 19)	(12)	(2,157)	–	–
(Allowance for doubtful debts)/ write back:-				
- Amounts due from subsidiary companies (Note 15)	–	–	711	–
- Trade receivables (Note 16)	(11,618)	720	(6,366)	(136)
- Advance payments to suppliers (Note 19)	(7,807)	(170)	–	–
Rental expenses	(41,120)	(41,955)	(6,467)	(4,125)
Travelling expenses	(26,090)	(27,442)	(7,020)	(7,064)
Net measurement of derivative instruments are stated after crediting/ (charging):-				
- Convertible bonds (Note 25)	34,683	–	34,683	–
- Commodity derivatives held for trading	26,431	11,023	32,455	(2,652)
	61,114	11,023	67,138	(2,652)

7. Finance costs

Finance costs included the following:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Interest expense:-				
- On bank overdrafts	18,025	2,775	6	32
- On bank loans	176,128	174,096	141,973	117,852
- On medium term notes	4,647	19,824	4,647	19,824
- On convertible bonds [1]	32,306	–	32,306	–
Others	8,073	4,700	206	132
	239,179	201,395	179,138	137,840

[1] Includes interest of $20,043,000 relating to convertible bonds that were bought back during the year.

8. Income tax

(a) *Various components of income tax expense*

Various components of income tax expense are:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Profit and loss account				
Current income tax:-				
Singapore	11,600	9,285	11,600	9,285
Foreign	(1,036)	16,879	–	–
Under provision in respect of prior years	–	182	–	–
	10,564	26,346	11,600	9,285
Deferred income tax:-				
Foreign	(4,569)	(29,054)	–	–
Income tax expense/ (credit)	5,995	(2,708)	11,600	9,285

The Company is an approved company under the Global Trader Programme ("GTP") of International Enterprise Singapore and Development and Expansion Incentive ("DEI") under the International Headquarters ("IHQ") award of Singapore Economic Development Board. By virtue of this, the Company is entitled to a concessionary income tax rate of 5% for a period of 5 years from 1 July 2008 to 30 June 2013 on qualifying activities, products and income.

Revision in Singapore corporate tax rate

On 22 January 2009, Singapore corporate tax rate was revised from 18% to 17% with effect from Year of Assessment 2010.

8. Income tax (cont'd)

(a) ***Various components of income tax expense (cont'd)***

	Group		Company	
	2009 $'000	**2008** $'000	**2009** $'000	**2008** $'000
Statements of changes in equity				
Deferred income tax related to items (charged) /credited directly to equity:-				
Net change in fair value adjustment reserves for derivative financial instruments designated as hedging instruments in cash flow hedges	(22,544)	11,101	(2,864)	8,290
Deferred tax recorded in equity	(22,544)	11,101	(2,864)	8,290

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

A reconciliation of the statutory tax rate to the Group's and Company's effective tax rate is as follows:-

	Group		Company	
	2009 %	**2008** %	**2009** %	**2008** %
Statutory tax rate	17.0	18.0	17.0	18.0
Tax effect of non-deductible expenses	2.7	3.3	2.2	4.5
Higher statutory tax rates of other countries	1.0	1.6	–	–
Tax effect of income taxed at concessionary rate	(10.5)	(8.7)	(6.7)	(15.9)
Tax effect on non-taxable income	(5.2)	(1.2)	(6.7)	–
Tax effect of consolidation of tax groups of a subsidiary [(1)]	–	(12.9)	–	–
Tax effect of temporary differences not recognised	–	(1.6)	–	–
Tax effect of jointly controlled entities	(2.7)	–	–	–
Tax effect of others, net	–	(0.1)	(0.8)	(0.1)
	2.3	(1.6)	5.0	6.5

[(1)] Post the acquisition of Queensland Cotton Holdings, the Group opted to consolidate the tax groups of Queensland Cotton Group and Olam Group in Australia. This required a reset of carrying value of assets held by Queensland Cotton Group for tax purposes as per the Australian tax laws, resulting in a one-off tax credit.

8. Income tax (cont'd)

(c) *Deferred income tax*

	Group				Company	
	Consolidated balance sheet		**Consolidated profit and loss account**		**Balance sheet**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax liabilities:						
Differences in depreciation	36,492	30,878	3,481	(10,352)	8	7
Fair value adjustment on acquisition of subsidiary	2,018	–	–	–	–	–
Revaluation of financial instruments to fair value	4,232	–	–	–	–	–
Others	1,853	751	1,051	189	–	–
Gross deferred tax liabilities	44,595	31,629			8	7
Deferred tax assets:						
Allowance for doubtful debts	1,045	632	(370)	285	471	442
Inventories written-down	–	143	–	833	153	143
Revaluation of financial instruments to fair value	–	17,177	–	–	12,480	14,394
Unabsorbed losses	55,442	43,380	(9,068)	(29,884)	–	–
Others	–	2,831	337	9,875	–	–
Gross deferred tax assets	56,487	64,163			13,104	14,979
Net deferred tax assets	11,892	32,534			13,096	14,972
Deferred income tax credit			(4,569)	(29,054)		

The Group has tax losses of $24,957,000 (2008: $14,506,000) and capital allowances of $12,758,000 (2008: $10,494,000) that are available for offset against future taxable profits of the companies in which the losses arose for which no deferred tax asset has been recognised. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

9. Property, plant and equipment

Group	Freehold land $'000	Leasehold land and buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Capital work-in-progress $'000	Total $'000
Cost									
As at 1 July 2007	9,056	38,105	71,413	27,135	7,401	7,966	4,961	11,962	177,999
Additions	1,561	13,181	37,920	6,674	3,125	2,917	1,884	6,943	74,205
Acquired through business combination	20,915	104,948	105,122	7,014	289	262	22	6,268	244,840
Disposals	(886)	(1,510)	(7,643)	(3,308)	(170)	(374)	(383)	(219)	(14,493)
Reclassification	(2,221)	7,612	5,360	125	(936)	1,458	(7)	(11,391)	–
Foreign currency translation adjustment	(122)	(790)	(3,385)	(1,363)	(561)	(411)	(336)	(756)	(7,724)
As at 30 June 2008 and 1 July 2008	28,303	161,546	208,787	36,277	9,148	11,818	6,141	12,807	474,827
Additions	14,094	18,539	30,322	5,735	596	24,990	2,767	109,959	207,002
Acquired through business combinations	–	–	15,911	–	–	–	–	–	15,911
Disposals	–	(5,860)	(1,956)	(3,568)	(378)	(587)	(309)	(2)	(12,660)
Reclassification	–	3,196	4,962	(542)	(44)	41	31	(7,644)	–
Foreign currency translation adjustment	(2,676)	(13,900)	(17,702)	(3,300)	(467)	135	(253)	185	(37,978)
As at 30 June 2009	39,721	163,521	240,324	34,602	8,855	36,397	8,377	115,305	647,102
Accumulated depreciation and impairment									
As at 1 July 2007	–	3,089	20,463	14,019	3,794	4,482	2,804	–	48,651
Charge for the year	–	7,474	16,138	6,653	1,200	1,271	1,035	–	33,771
Disposals	–	(326)	(4,990)	(2,391)	(105)	(38)	(243)	–	(8,093)
Reclassification	–	178	(287)	220	(106)	(47)	42	–	–
Foreign currency translation adjustment	–	(370)	(963)	(792)	(325)	(236)	(207)	–	(2,893)
As at 30 June 2008 and 1 July 2008	–	10,045	30,361	17,709	4,458	5,432	3,431	–	71,436
Charge for the year	–	6,950	23,344	5,697	1,062	1,787	1,692	–	40,532
Impairment of assets	–	–	10,849	–	–	–	–	–	10,849
Disposals	–	(1,497)	(363)	(2,339)	(157)	(37)	(136)	–	(4,529)
Reclassification	–	3	101	(87)	(18)	(10)	11	–	–
Foreign currency translation adjustment	–	(425)	(2,403)	(1,676)	(181)	(344)	(120)	–	(5,149)
As at 30 June 2009	–	15,076	61,889	19,304	5,164	6,828	4,878	–	113,139
Net carrying value									
As at 30 June 2009	39,721	148,445	178,435	15,298	3,691	29,569	3,499	115,305	533,963
As at 30 June 2008	28,303	151,501	178,426	18,568	4,690	6,386	2,710	12,807	403,391

9. Property, plant and equipment (cont'd)

Company	**Buildings** $'000	**Motor vehicles** $'000	**Furniture and fittings** $'000	**Office equipment** $'000	**Computers** $'000	**Total** $'000
Cost						
As at 1 July 2007	172	713	1,589	827	1,226	4,527
Additions	–	253	602	139	421	1,415
Foreign currency translation adjustment	(19)	(92)	(208)	(100)	(158)	(577)
As at 30 June 2008 and 1 July 2008	153	874	1,983	866	1,489	5,365
Additions	–	362	14	71	1,784	2,231
Foreign currency translation adjustment	10	57	131	57	98	353
As at 30 June 2009	163	1,293	2,128	994	3,371	7,949
Accumulated depreciation						
As at 1 July 2007	71	300	1,281	755	821	3,228
Charge for the year	8	138	152	40	262	600
Foreign currency translation adjustment	(8)	(40)	(151)	(87)	(105)	(391)
As at 30 June 2008 and 1 July 2008	71	398	1,282	708	978	3,437
Charge for the year	8	191	213	75	825	1,312
Foreign currency translation adjustment	4	26	84	47	65	226
As at 30 June 2009	83	615	1,579	830	1,868	4,975
Net carrying value						
As at 30 June 2009	80	678	549	164	1,503	2,974
As at 30 June 2008	82	476	701	158	511	1,928

10. Intangible assets

Group	Goodwill $'000	Customer relationships* $'000	Trademark $'000	Trade name $'000	Software $'000	Marketing agreement $'000	Total $'000
Cost							
As at 1 July 2007	76,137	20,066	–	–	–	–	96,203
Acquired through business combinations	27,455	–	861	7,586	4,568	3,556	44,026
Disposal	–	–	–	–	(995)	–	(995)
Foreign currency translation adjustment	(6,517)	(2,256)	–	932	561	436	(6,844)
As at 30 June 2008 and 1 July 2008	97,075	17,810	861	8,518	4,134	3,992	132,390
Additions	–	–	–	–	1,080	–	1,080
Foreign currency translation adjustment	3,109	1,175	56	(897)	(425)	(419)	2,599
As at 30 June 2009	100,184	18,985	917	7,621	4,789	3,573	136,069
Accumulated amortisation and impairment							
As at 1 July 2007	–	–	–	–	–	–	–
Amortisation	–	1,246	–	213	732	–	2,191
Foreign currency translation adjustment	–	(60)	–	–	–	–	(60)
As at 30 June 2008 and 1 July 2008	–	1,186	–	213	732	–	2,131
Amortisation	–	1,266	–	177	1,295	–	2,738
Impairment	–	–	–	–	–	3,327	3,327
Foreign currency translation adjustment	–	78	–	(8)	19	246	335
As at 30 June 2009	–	2,530	–	382	2,046	3,573	8,531
Net carrying value							
As at 30 June 2009	100,184	16,455	917	7,239	2,743	–	127,538
As at 30 June 2008	97,075	16,624	861	8,305	3,402	3,992	130,259
Average remaining amortisation period (years) – 2009	***	13 **	***	38 **	1.5 **	–	
Average remaining amortisation period (years) – 2008	***	14 **	***	39**	3 **	3	

* Customer relationships acquired as part of the Universal Blancher's business combination were initially recognised at their fair value at the date of acquisition and are subsequently carried at cost less accumulated amortisation.

** The intangible assets are amortised on a straight-line basis over the estimated useful life except for the marketing agreement which is amortised on the basis of expected units of production.

*** These intangible assets are not subject to amortisation.

10. Intangible assets (cont'd)

Company	**Goodwill** $'000	**Trademark** $'000	**Trade name** $'000	**Total** $'000
Cost				
As at 1 July 2007, 30 June 2008 and 1 July 2008	–	861	–	861
Transfer – Brazilian Cotton from Queensland Cotton Holdings	7,174	–	1,790	8,964
Foreign currency translation adjustment	(754)	56	(187)	(885)
As at 30 June 2009	6,420	917	1,603	8,940
Net carrying amount				
As at 30 June 2009	6,420	917	1,603	8,940
As at 30 June 2008	–	861	–	861

(a) ***Acquisition of subsidiary company***

On 2 February 2009, the Group acquired 100% of the issued share capital of Olam Alimentos S.A. (formerly known as Industrias Martin Cubero) through Olam Argentina S.A., a wholly owned subsidiary for a cash consideration of $10,145,000. The fair values of the identifiable assets and liabilities as at date of acquisition were as follows:-

	Fair value recognised on acquisition $'000	**Carrying amount before combination** $'000
Property, plant and equipment	15,911	4,737
Deferred tax liability	(2,018)	–
Net identifiable assets	13,893	4,737
Negative goodwill arising on acquisition of subsidiary	(3,748)	
Total purchase consideration satisfied by cash in current year	10,145	

(b) ***Acquisition of assets***

On 31 October 2008, the Group acquired sugar mill assets of Girdharilal Sugar and Allied Industries Limited through Olam Exports (India) Limited, a wholly owned subsidiary for a cash consideration of $14,938,000. At the date of this report, goodwill has been provisionally determined as $NIL. Goodwill will be adjusted accordingly following the completion of the valuation of these assets.

10. Intangible assets (cont'd)

(c) *Impairment testing of goodwill and other intangible assets*

Goodwill and trade mark arising from business combinations have been allocated to the following cash-generating units ("CGU") for impairment testing:

- Universal Blanchers
- Queensland Cotton Holdings
- Olam International – Brazilian Cotton
- Naarden Agro Products B.V.
- Qingdao Key Foods

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

	Goodwill		Trademark		Total	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000	$'000	$'000
Universal Blanchers	71,802	67,358	–	–	71,802	67,358
Queensland Cotton Holdings [1]	9,631	10,762	–	–	9,631	10,762
Olam International – Brazilian Cotton [2]	6,420	7,174	–	–	6,420	7,174
Naarden Agro Products B.V.	2,340	2,471	–	–	2,340	2,471
Qingdao Key Foods	9,991	9,310	917	861	10,908	10,171
	100,184	97,075	917	861	101,101	97,936

(1) The CGUs relating to Queensland Cotton Holdings are as follows:

	2009	**2008**
	$'000	$'000
CGU 1 – Australian Cotton	5,618	6,278
CGU 2 – USA Cotton	2,407	2,690
CGU 3 – Australian Pulses	1,606	1,794
	9,631	10,762

(2) The goodwill relating to Brazilian Cotton business was re-allocated from Queensland Cotton Holdings to the Company during the year.

10. Intangible assets (cont'd)

(c) ***Impairment testing of goodwill and other intangible assets (cont'd)***

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a 5-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolated cash flows beyond the 5-year period are as follows:

	Growth rates		**Pre-tax discount rates**	
	2009	**2008**	**2009**	**2008**
	%	**%**	**%**	**%**
Universal Blanchers	2.00	3.30	10.40	10.40
Queensland Cotton Holdings (1)	4.00	2.50	13.00	9.87
Olam International – Brazilian Cotton	4.00	2.50	13.00	9.87
Naarden Agro Products B.V.	2.00	2.00	7.73	7.73
Qingdao Key Foods	2.00	2.00	12.00	12.51

(1) The growth rates and pre-tax discount rates used is the same for all CGUs relating to Queensland Cotton Holdings.

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Budgeted gross margins – Gross margins are based on average values achieved at prevailing market conditions at the start of the budget period.

Growth rates – The growth rates indicated are as estimated by the management based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Pre-tax discount rates – Discount rates reflect management's estimate of risks specific to each CGU. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

11. Investments in subsidiary companies

	Company 2009 $'000	Company 2008 $'000
Unquoted shares at cost	214,625	147,889
Loans to subsidiary companies	109,495	102,718
Provision for impairment loss	(9,564)	(630)
	314,556	249,977

Included in loans to subsidiary companies is a loan amounting to $NIL (2008: $952,000) which is unsecured, bears interest at 2% per annum and is repayable not later than January 2010. The remaining loans to subsidiary companies are unsecured, interest free and have no fixed terms of repayment. They are not expected to be repayable in the next 12 months.

Assessment of impairment in investment in subsidiary companies is carried out every year and the necessary provisions are accordingly made. The Company has provided impairment loss of $8,898,000 on the investment in subsidiaries as the carrying amounts exceed the fair values based on the net asset values of the subsidiaries.

Subsidiary companies of Olam International Limited are:-

Name of company	Country of incorporation	Principal activities	Cost of investment 2009 $'000	Cost of investment 2008 $'000	Percentage of equity held by the Company 2009 %	Percentage of equity held by the Company 2008 %
Caraway Pte Ltd [1]	Singapore	(a)	177	166	100	100
Olam Burkina Sarl [2]	Burkina Faso	(a)	277	260	100	100
Olam Cam Sarl [2]	Cameroon	(a)	475	446	100	100
Olam Europe B.V. [2]	Netherlands	(a)	28	27	100	100
Olam Ghana Limited [2]	Ghana	(a)	4,262	3,997	100	100
Olam Ivoire Sarl. [2]	Ivory Coast	(a)	452	424	100	100
Olam Nigeria Ltd [2]	Nigeria	(a)	4,380	4,108	100	100
Outspan Nigeria Ltd [2]	Nigeria	(a)	402	377	100	100
Olam Tanzania Ltd [2]	Tanzania	(a)	3,497	3,279	100	100
Outspan Ivoire SA [3]	Ivory Coast	(a)	8,483	7,957	100	100
Olam Gabon Sarl. [2]	Gabon	(a)	9,812	254	100	100
Olam Mozambique, Limitada [4]	Mozambique	(a)	1,526	1,431	100	100
Olam Madagascar Sarl. [4]	Madagascar	(a)	14	14	100	100

11. Investments in subsidiary companies (cont'd)

Name of company	Country of incorporation	Principal activities	Cost of investment		Percentage of equity held by the Company	
			2009	**2008**	**2009**	**2008**
			$'000	$'000	%	%
Olam Polska Sp Z.o.o. [2]	Poland	(a)	2,314	2,170	100	100
Outspan Ghana Limited [2]	Ghana	(a)	146	137	100	100
Olam Vietnam Limited [2]	Vietnam	(a)	1,449	1,360	100	100
Olam South Africa (Proprietary) Limited [2]	South Africa	(a)	2,884	1,346	100	100
Olam Congo (R.D.C) [2]	Democratic Republic of Congo	(a)	36	34	100	100
Outspan PNG Limited [4]	Papua New Guinea	(a)	145	136	100	100
Olam France Sarl. [3]	France	(a)	10	9	100	100
Olam Guinee Sarl. [2]	Guinee Conakry	(a)	4	3	100	100
Olam Brasil Ltda [3]	Brazil	(a)	2,620	2,458	100	100
Olam Kazakhstan Ltd [4]	Kazakhstan	(a)	739	14	100	100
Olam Middle East L.L.C [2]	United Arab Emirates	(a)	118	111	100	100
Olam Europe Limited [2]	United Kingdom	(a)	572	536	100	100
Olam (Uganda) Ltd [2]	Uganda	(a)	140	132	100	100
PT Olam Indonesia [2]	Indonesia	(a)	1,594	1,495	100	100
Olam Zimbabwe (Private) Limited [4]	Zimbabwe	(a)	2,332	2,188	100	100
Outspan Brasil Importacão e Exportacão Ltda [3]	Brazil	(a)	4,174	3,915	100	100
Olam Dairy B.V. [4]	Netherlands	(a)	188	176	100	100
Olam Ukraine LLC [4]	Ukraine	(a)	2,319	136	100	100
Olam Shanghai Limited [2]	China	(a)	1,449	1,360	100	100
Olam Shandong Limited [2]	China	(a)	2,029	1,903	100	100

11. Investments in subsidiary companies (cont'd)

Name of company	Country of incorporation	Principal activities	Cost of investment 2009 $'000	Cost of investment 2008 $'000	Percentage of equity held by the Company 2009 %	Percentage of equity held by the Company 2008 %
Outspan Peru S.A.C. [2]	Peru	(a)	725	680	100	100
LLC Caraway Foods [2]	Russian Federation	(a)	9,643	549	100	100
Olam Argentina S.A. [4]	Argentina	(a)	13,522	4,055	100	100
Panasia International FZCO [2]	United Arab Emirates	(a)	217	204	100	100
PT Agronesia Bumi Persada [3]	Indonesia	(a)	74	69	51	51
Caraway Foods International (Nigeria) Limited [2]	Nigeria	(a)	27	26	100	100
Caraway Foods International South Africa (Pty) Ltd [4]	South Africa	(a)	1,710	1,604	100	100
Olam Liberia Limited [4]	Liberia	(a)	7	7	100	100
Mantra Ivoire S.A [3]	Ivory Coast	(a)	577	542	100	100
Outspan Colombia S.A [2]	Colombia	(a)	1,949	1,829	100	100
Olam Armazen Gerais Ltda [3]	Brazil	(a)	70	65	100	100
Olam R.O.C. S.A.R.L. [4]	Democratic Republic of Congo	(a)	^	^	100	100
Olam Honduras S.A [3]	Honduras	(a)	145	136	100	100
Olam Egypt L.L.C [2]	Egypt	(a)	5,147	120	100	100
Olam Zambia Limited [4]	Republic of Zambia	(a)	^	^	100	100
Olam Dalian Limited	China	(a)	@	680	-	100
Rudra International Ltd [4]	United Arab Emirates	(a)	3,406	3,194	100	100
Multipro Gambia Limited [2]	Gambia	(a)	70	*	100	100
Café Outspan Vietnam Limited [3]	Vietnam	(a)	5,797	5,769	100	100

11. Investments in subsidiary companies (cont'd)

Name of company	Country of incorporation	Principal activities	Cost of investment 2009 $'000	Cost of investment 2008 $'000	Percentage of equity held by the Company 2009 %	Percentage of equity held by the Company 2008 %
Naarden Agro Products B.V. 4	Netherlands	(a)	7,654	7,260	100	100
LLC Outspan International [2]	Russian Federation	(a)	12,827	70	100	100
EURL Agri Commodities [2]	Algeria	(a)	389	365	100	100
Olam Investments Limited [2]	Mauritius	(b)	14	14	100	100
Olam Investments Australia Pty Ltd [2]	Australia	(b)	69,098	64,821	100	100
Key Foods Hong Kong Limited [3]	Hong Kong	(b)	12,685	11,900	100	100
Far East Agri Pte Ltd [1]	Singapore	(b)	*	*	100	100
Olam Information Services Pvt Ltd [2]	India	(c)	4	4	100	100
Olam Insurance Limited [2]	Isle of Man	(d)	725	680	100	100
Olam Benin Sarl. [2]	Benin	(e)	486	456	100	100
Olam Togo Sarl. [2]	Togo	(e)	454	426	100	100
Olam Bissau Limitada [2]	Guinea Bissau	(e)	5	5	100	100
Olam Online Ltd [1]	Singapore	(e)	*	*	100	100
Olam (Thailand) Ltd [5]	Thailand	(a)	211	–	100	-
Outspan Bolovens Limited [4]	Laos	(a)	164	–	100	-
Outspan Angola Ltda [2]	Republic of Angola	(a)	143	–	100	-
Olam Tarim Ürünleri Yem Maddeleri Sanayi Ve Ticaret Limited Sirketi [5]	Turkey	(a)	12	–	100	-
Lamco SRL [3] #	Italy	(f)	375	–	100	40
Olam Exports (India) Limited [2]	India	(a)	7,246	–	34.42	-
			214,625	147,889		

11. Investments in subsidiary companies (cont'd)

Name of company		Percentage of equity held by the Company 2009 %	2008 %
Subsidiary companies of **Olam Investments Limited** are as follow:-			
Olam Exports (India) Limited[2] (India)	Sourcing, processing, packaging and merchandising of agricultural products	65.57	100
Outspan (India) Private Limited[3] (India)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Olam (Uganda) Limited** is as follows:-			
Victoria Commodities Limited [2] (Uganda)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Olam Nigeria Limited** is as follows:-			
Novus Nigeria Limited [4] (Nigeria)	Dormant	100	100
Subsidiary company of **Olam Egypt L.L.C** is as follows:-			
Agri Commodities L.L.C [3] (Egypt)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Olam Investments Australia Pty Ltd** is as follows:-			
Olam Australia Pty Ltd [4] (Australia)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Olam Australia Pty Ltd** is as follows:-			
Queensland Cotton Holdings Pty Ltd [4] (Australia)	Investment holding	100	100
Subsidiary companies of **Queensland Cotton Holdings Pty Ltd** are as follows:-			
QC International Pty Ltd [4] (Australia)	Investment holding	100	100
Australian Cotton Corporation Pty Ltd [4] (Australia)	Investment holding	100	100
Queensland Cotton Corporation Pty Ltd (Australia) [4]	Commodity trading, cotton ginning	100	100

11. Investments in subsidiary companies (cont'd)

Name of company		Percentage of equity held by the Company 2009 %	2008 %
Subsidiary companies of **Queensland Cotton Corporation Pty Ltd** are as follows:			
QC Management Pty Ltd [4] (Australia)	Leasing services	100	100
QC Brazil Pty Ltd [4] (Australia)	Procurement, processing, warehousing, sale and distribution of cotton	99.9	100
Subsidiary company of **QC Brazil Pty Ltd** is as follow:			
Queensland Cotton Exportacao de Algodao Brasil Ltda [4] (Brazil)	Marketing and exporting of cotton	99.9	99.9
Subsidiary company of **Queensland Cotton Exportacao de Algodao Brasil Ltd** is as follow:			
QC Import e Export Logistica Brasil Ltda (Brazil) [4]	Warehousing of cotton	70	70
Subsidiary company of **QC International Pty Ltd** is as follows:-			
QC Holdings Partnership [2] (USA)	Investment holding	99	99
Subsidiary companies of **QC Holdings Partnership** are as follows:-			
Olam US Holdings Inc. [2] (USA)	Investment holding	100	100
QC (US) International Inc. [2] (USA)	Investment holding	100	100
Subsidiary company of **QC (US) International Inc.** is as follows:-			
QC (US) Inc. [2] (USA)	Investment holding	100	100
Subsidiary companies of **QC (US) Inc.** are as follows:			
Anderson Clayton Corp. [2] (USA)	Procurement, processing, warehousing, sale and distribution of cotton	100	100
QC (US) Marketing Inc. [2] (USA)	Procurement, processing, warehousing, sale and distribution of cotton	100	100

11. Investments in subsidiary companies (cont'd)

Name of company		Percentage of equity held by the Company 2009 %	2008 %
Subsidiary companies of **Anderson Clayton Corp.** are as follows:			
ACCO Finance Co. [2] (USA)	Financing services	100	100
Sacramento Valley Ginning Company LLC [2] (USA)	Processing of commodities	52	52
Jointly controlled companies of **Anderson Clayton Corp.** are as follows:			
ACCO/Winburne LLC [2] (USA)	Brokerage services	50	50
CRIT/ACCO Joint Venture [2] (USA)	Processing of commodities	50	50
Associated companies of **Anderson Clayton Corp.** are as follows:			
El Dorado Ginning Partners [2] (USA)	Procurement, processing, warehousing, sale and distribution of cotton	33.3	33.3
Subsidiary companies of **Olam US Holdings Inc.** are as follows:-			
Universal Blanchers, L.L.C [2] (USA)	Peanut blancher and ingredient processor	100	100
Olam Americas, Inc. [2] (USA)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary companies of **Olam Americas, Inc.** are as follows:-			
Olam West Coast, Inc. (USA) [2]	Dehydration of vegetables	100	-
Olam Canada Holdings, Inc. (USA) [2]	Sourcing, processing, packaging and merchandising of agricultural products	100	-
Olam Tomato Processors Inc. (USA) [2]	Sourcing, processing, packaging and merchandising of agricultural products	100	-
Subsidiary company of **Universal Blanchers, L.L.C** is as follows:-			
Seabrook Enterprises, Inc. [2] (USA)	Peanut blancher and ingredient processor	100	100

11. Investments in subsidiary companies (cont'd)

Name of company		**Percentage of equity held by the Company 2009 %**	**2008 %**
Subsidiary company of **Rudra International Limited** is as follows:-			
Graton Investments Pvt Ltd [3] (Zimbabwe)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Key Foods Hong Kong Limited** is as follows:-			
Qingdao Key Foods Co Ltd [2] (China)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Far East Agri Pte Ltd** is as follows:-			
PT Dharmapala Usaha Sukses [3] (Indonesia)	Sourcing, processing, packaging and merchandising of agricultural products	100	100
Subsidiary company of **Olam Argentina S.A.** is as follows:-			
Olam Alimentos S.A. [3] (Formerly known as Industrias Martin Cubero) (Argentina)	Peanut shelling and blanching company	100	–
Subsidiary companies of **Panasia International FZCO** are as follows:-			
SOSEMA Sarl [4] (Senegal)	Sourcing, processing, packaging and merchandising of agricultural products	100	–
SOGUIMA Sarl [4] (Conakry, Guinea)	Sourcing, processing, packaging and merchandising of agricultural products	100	–
Crest SA [3] (Douala)	Provision of stevedore services	90	–

11. Investments in subsidiary companies (cont'd)

Name of company		**Percentage of equity held by the Company 2009 %**	**2008 %**
Subsidiary company of **Outspan Ivoire S.A**. is as follows:-			
Société d'exploitation cotonnière de Ouangolo (SECO) [2] (Ivory Coast)	Sourcing, processing, packaging and merchandising of agricultural products	100	–

* These costs of investment were less than a thousand dollars each.
^ No payments were made for these subsidiaries.
@ This investment was de-registered during the year.
# This joint venture investment became a wholly-owned subsidiary during the year

(a) Sourcing, processing, packaging and merchandising of agricultural products.
(b) Investment holding.
(c) Provision of information technology services.
(d) Provision of insurance related services.
(e) Dormant.
(f) Trading of agricultural commodities.

1 Audited by Ernst & Young LLP, Singapore.
2 Audited by associated firms of Ernst & Young LLP, Singapore.
3 Audited by other CPA firms.
4 Not required to be audited by the law of the country of incorporation.
5 First year of incorporation.

12. Interests in jointly controlled entities

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Unquoted shares at cost	2,186	2,351	2,186	2,351
Loans to jointly controlled entities	252,512	829	252,512	829
Share of post-acquisition reserves	39,915	(454)	–	–
Currency realignment	(206)	(304)	(112)	(250)
	294,407	2,422	254,586	2,930

Loans to jointly controlled entities include loans to Nauvu Investments Pte Ltd and Olam Wilmar Investment Holdings Pte Ltd amounting to $173,979,000 (2008: $NIL) and $77,422,000 (2008: $NIL) respectively. These loans are unsecured, non-interest bearing and are not expected to be repayable within the next year.

The remaining loans to jointly controlled entities are unsecured and bear interest of 4% (2008: 4%) per annum and at 3 months Euribor + 4% (2008: 4%) per annum. They are repayable in quarterly instalments until October 2011.

Details of the jointly controlled entities at end of financial years are as follows:-

Name of company	**Country of incorporation**	**Principal activities**	**Percentage of equity held**	
			2009	**2008**
			%	%
Held by the Company				
Nauvu Investments Pte Ltd [1]	Singapore	(a)	50	–
Olam Wilmar Investment Holdings Pte Ltd [1]	Singapore	(a)	50	–
LAMCO SRL [2]	Italy	(b)	–	40
Solimar Foods Ingredients S.L. [3]	Spain	(c)	49	49
Usicam S.A. [4]	Cameroon	(c)	50	50

During the year, LAMCO SRL became a subsidiary upon acquisition of the remaining 60% equity interest.

Details of the investments made during the year by jointly controlled entities are as follow:

Name of company	**Country of incorporation**	**Principal activities**	**Percentage of equity held %**
Nauvu Investments Pte Ltd			
SIFCA SA	Ivory Coast	(c)	27.1
Sania Cie SA	Ivory Coast	(c)	50.5
Palm-Ci SA	Ivory Coast	(c)	26.6
Olam Wilmar Investment Holdings Pte Ltd			
PureCircle Limited	Bermuda	(c)	20.0

(a) Investment holding
(b) Trading of agricultural commodities
(c) Processing and trading of agricultural commodities

[1] Audited by Ernst & Young LLP, Singapore
[2] Audited by associated firm of Ernst & Young LLP, Singapore
[3] Not required to be audited by the law of the country of incorporation.
[4] Audited by other CPA firm
[5] First year of incorporation

12. Interests in jointly controlled entities (cont'd)

The Group's share of the jointly controlled entities' underlying assets and liabilities, and results are as follows:-

	Group	
	2009	**2008**
	$'000	$'000
Assets and liabilities:-		
Current assets	1,158	4,596
Long term assets	292,005	2,583
Total assets	293,163	7,179
Current liabilities	(1,617)	(5,568)
Long term liabilities	(249,949)	(706)
Total liabilities	(251,566)	(6,274)
Results:-		
Income	43,629	31,677
Expenses	(3,218)	(31,840)
Profit / (loss) after tax for the financial year	40,411	(163)

13. Investment in associate

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Unquoted shares at cost	105,817	–	105,817	–
Share of post-acquisition reserves	703	–	–	–
	106,520	–	105,817	–

Details of the associate at end of financial year are as follows:-

Name of company	Country of incorporation	Principal activities	Percentage of equity held 2009 %	Percentage of equity held 2008 %
Held by the Company				
Open Country Dairy Limited [1]	New Zealand	Processing and trading of agricultural commodities	24.75	–

[1] Audited by other CPA firm

The Group's share of the associate's underlying assets and liabilities, and results are as follows:-

	Group 2009 $'000	Group 2008 $'000
Assets and liabilities:-		
Current assets	10,218	–
Long term assets	62,997	–
Total assets	73,215	–
Current liabilities	(11,636)	–
Long term liabilities	(16,437)	–
Total liabilities	(28,073)	–
Results:-		
Income	64,708	–
Expenses	(64,005)	–
Profit after tax for the financial year	703	–

14. Long term investment

Long term investment in 2008 relates to a 19.9% shareholding in Open Country Cheese Co. Limited ("OCC"). During the year, the Company swapped the entire stake in OCC as part of the acquisition of a 24.75% equity interest in Open Country Dairy Limited.

15. Amounts due from subsidiary companies

	Company	
	2009	**2008**
	$'000	$'000
Trade receivables	480,534	402,931
Loan to subsidiaries [(1)]	159,054	61,630
Non-trade receivables [(2)]	108,025	38,047
	747,613	502,608
Amounts due from subsidiary companies are stated after deducting allowance for doubtful debts of		
- Trade	2,174	1,825
- Non-trade	3,623	4,279
	5,797	6,104

The movement of the allowance accounts is as follows:-

Movement in allowance accounts:		
At 1 July	6,104	6,879
Charge for the year	3,851	–
Reversal for the year	(4,562)	–
Foreign exchange translation adjustment	404	(775)
At 30 June	5,797	6,104

(1) Loan to subsidiaries includes an amount $93,468,000 (2008: $44,526,000) which is unsecured and bears interest at 7% (2008: 7%) per annum and is repayable on demand. The remaining amounts are non-interest bearing, unsecured and repayable on demand.

(2) The non-trade receivables are interest-free, unsecured and are repayable within the next 12 months.

16. Trade receivables

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Trade receivables	630,873	635,108	237,023	339,516
GST, VAT and other indirect tax receivables	101,627	89,244	273	370
	732,500	724,352	237,296	339,886

Trade receivables are non-interest bearing and are generally on 30 to 60 day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables in 2008 is an amount of $1,825,000 due from a jointly controlled entity which during the current financial year became a subsidiary.

Receivables that are impaired

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

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Trade receivables – nominal amounts	648,353	641,832	247,840	343,695
Allowance for doubtful debts	(17,480)	(6,724)	(10,817)	(4,179)
	630,873	635,108	237,023	339,516
Movement in allowance accounts:				
At 1 July	6,724	9,604	4,179	4,561
Charge/ (write back) for the year	11,618	(720)	6,366	136
Written off	(237)	(1,196)	–	–
Foreign currency translation adjustment	(625)	(964)	272	(518)
At 30 June	17,480	6,724	10,817	4,179

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

16. Trade receivables (cont'd)

Receivables not impaired

The analysis of ageing at the balance sheet date is as follows:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Trade receivables:				
Less than 30 days	404,208	403,988	149,953	210,582
30 to 60 days	176,271	163,312	61,768	90,966
61 to 90 days	31,204	37,834	21,008	28,162
91 to 120 days	7,367	14,055	358	5,513
121 to 180 days	8,493	8,675	3,492	1,571
More than 180 days	3,330	7,244	444	2,722
	630,873	635,108	237,023	339,516

17. Margin accounts with brokers

Margin accounts are maintained with recognised futures dealers and brokers for trades done on the futures exchanges. These margin accounts move in relation to trades done on futures, variation margins required and prices of the commodities traded.

The amounts reflect the payments made to futures dealers as initial and variation margins and depends on the volume of trades done and price movements.

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Margin deposits with brokers	70,238	264,038	57,205	199,200
Amounts due to brokers	(5,399)	(9,765)	(1,684)	(9,765)
	64,839	254,273	55,521	189,435

18. Inventories

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Balance sheet:				
Total inventories at lower of cost and net realisable value	1,966,419	1,790,236	550,729	500,397
Profit and loss account:				
Inventories recognised as an expense in cost of goods sold	(6,907,329)	(6,384,326)	(5,355,701)	(5,118,099)
Inclusive of the following (charge)/credit				
- Inventories written-down	(13,037)	(2,911)	(6,883)	(1,762)
- Reversal of write-down of inventories	1,789	4,882	1,789	4,882

The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts.

19. Advance payments to suppliers

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Third parties	277,683	380,047	85,527	126,670
Subsidiary companies	–	–	935,336	1,109,128
	277,683	380,047	1,020,863	1,235,798

These represent advance payments to suppliers and subsidiary companies for procurement of physical commodities.

Advance payments to suppliers relating to third parties for the Group are stated after deducting allowance for doubtful debts of $6,573,000 (2008: $1,523,000).

The movement in the allowance accounts is a follows:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Movement in allowance accounts:				
As at 1 July	1,523	4,028	–	6,235
Charge for the year	7,807	170	–	–
Written off	(2,765)	(2,271)	–	(5,534)
Foreign currency translation adjustment	8	(404)	–	(701)
At 30 June	6,573	1,523	–	–

20. Other current/ non-current assets

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Current:-				
Staff advances (1)	4,810	4,809	418	791
Deposits	14,056	10,213	3,238	4,277
Option premium receivable	19,112	25,282	19,112	25,282
Insurance receivables (2)	28,165	5,930	27,719	4,675
Interest receivables	52	3,201	52	3,201
Export incentives and subsidies receivable (3)	96,365	119,718	–	–
Sundry receivables	61,348	44,231	389	14,537
	223,908	213,384	50,928	52,763
Deferred M&A expenses (4)	1,236	1,746	1,236	1,746
Prepayments	116,931	77,518	33,487	29,498
	342,075	292,648	85,651	84,007
Non-current:-				
Other non-current assets	232	4,602	–	–
Fair value purchase contracts (5)	10,922	19,148	10,922	19,148
	11,154	23,750	10,922	19,148

(1) Staff advances are interest-free, unsecured and are repayable within the next 12 months.

(2) Insurance receivables pertain to pending marine, political and inventories insurance claims. The outstanding claims are currently being processed by the insurance companies for final settlement.

(3) These relate to incentives and subsidies receivable from the Government agencies from various countries.

(4) Deferred merger and acquisition expenses incurred are in connection with the incomplete acquisition. The expenses will be recognised to profit and loss account when the respective transactions are completed.

(5) This relates to the fair value of purchase contracts arising from the acquisition of Queensland Cotton Holdings – Brazilian operations.

21. Trade payables and accruals

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Trade payables	439,175	398,189	377,324	320,625
Accruals	151,997	102,893	42,791	35,982
Advances received from customers	59,199	10,499	–	–
GST payable and equivalent	8,617	8,272	–	–
	658,988	519,853	420,115	356,607

Trade payables are non-interest bearing. Trade payables are normally settled on demand while other payables have an average term of two months.

Trade payables include an amount of $2,090,000 (2008: $NIL) due to an associate.

22. Other current liabilities

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Interest payable on bank loans	14,328	10,362	12,384	7,842
Sundry payables	17,105	13,836	–	–
Option premium payable	23,479	26,725	23,479	26,725
	54,912	50,923	35,863	34,567
Provision for withholding tax	3,683	940	8	–
	58,595	51,863	35,871	34,567

23. Amounts due to bankers

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Current:-				
Bank overdrafts (Note 33)	265,141	174,862	–	–
Bank loans	1,604,499	1,614,720	1,166,700	1,199,066
	1,869,640	1,789,582	1,166,700	1,199,066
Non-current:-				
Term loans	1,008,312	935,125	764,602	648,482
	2,877,952	2,724,707	1,931,302	1,847,548

The bank loans for the Company are repayable within 12 months and bear interest in the range of 1.07% to 7.25% (2008: 2.72% to 8.40%) per annum.

The bank loans and bank overdrafts for the subsidiary companies are repayable within 12 months and bear interest in the range of 2% to 29% (2008: 4% to 18%) per annum.

Bank loans include:

(a) amounts of $10,521,000 (2008: $NIL) secured by a floating charge over inventories and $4,348,000 (2008: $NIL) secured by the assets of a subsidiary.

(b) an amount of $30,678,000 (2008: $NIL) which bears interest rate of 12.65% per annum repayable over a tenure of 5 years. These debts are secured by the guarantee given by the Company.

Term loans from banks

Term loans from banks bear interest at floating interest rates ranging from 4.62% to 5.11% (2008: 3.61% to 9.06%) per annum. Term loans for the Company are unsecured and are repayable between 2 to 3 years.

Term loans from banks include:

(a) Industrial Development Bonds of $11,956,000 (2008: $11,488,000) which were issued by one of the subsidiary companies that bear interest at IRB ("Industrial Revenue Bond") rate + 1.125% and matures in annual instalments ranging from $200,000 to $4,200,000 through 1 August 2023. These debts are secured by the assets of the subsidiary and are backed by a letter of credit from a bank.

(b) Syndicated loan amounting to $233,205,000 (2008: $260,453,000) which is unsecured, bears interest at Australian BBR ("Bank Borrowing Rate") + 0.90% per annum and repayable in equal half-yearly instalments commencing after its second anniversary.

24. Medium term notes

The Company has a multicurrency medium term notes programme with a maximum aggregate principal amount of $800,000,000 (2008: $800,000,000). These medium term notes are unsecured, bear interest at floating rates ranging from 2.16% to 3.64% (2008: 2.42% to 4.26%) per annum. The repayment schedule is as follows:-

	Group and Company	
	2009	**2008**
	$'000	$'000
Less than one year	128,005	70,000
Between one and three years	–	189,857
	128,005	259,857

25. Convertible bonds

On 3 July 2008, the Company issued 1% interest bearing convertible bonds of USD300,000,000. The bonds will mature 5 years from the issue date at their redemption value of USD358,140,000 or can be converted any time between 13 August 2008 and 23 May 2013 into fully paid ordinary shares of the Company at an initial conversion price of $3.8464 per share with a fixed exchange rate of $1.3644 to USD1.00. During the year bonds aggregating to principal amount of USD280,800,000 were bought back. Refer to Note 4 for the gain on buy back.

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

	Group and Company	
	2009	**2008**
	$'000	$'000
Principal amount of convertible bonds issued on 3 July 2008	434,760	–
Principal amount of convertible bonds bought back in December 2008	(179,121)	–
Principal amount of convertible bonds bought back in March 2009	(227,814)	–
Principal amount of balance convertible bonds	27,825	–
Less: Proportionate share of expenses on issue of convertible bonds	(697)	–
Less: Fair value of embedded derivatives at issuance	(1,205)	–
Less: Equity component	(5,490)	–
Add: Accretion of interest	3,250	–
	23,683	–

25. Convertible bonds (cont'd)

On 4 March 2009, the Company issued 1.281% interest bearing convertible bonds of USD122,616,000 in exchange for the existing bonds issued on 3 July 2008 with a nominal value of USD157,200,000. The new bonds will mature on 3 July 2013 at their redemption value of USD185,763,240 or can be converted any time between 12 April 2009 and 23 May 2013 into fully paid ordinary shares of the Company at an initial conversion price of $1.656 per share with a fixed exchange rate of $1.5067 to USD1.00.

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

	Group and Company	
	2009	**2008**
	$'000	$'000
Principal amount of convertible bonds net of transaction costs issued in March 2009	177,695	–
Less: Fair value of embedded derivatives at issuance	(20,985)	–
Less: Equity component	(18,960)	–
Add: Accretion of interest	6,801	–
	144,551	–
Total convertible bonds	168,234	–

26. Share capital

	Group and Company	
	2009	**2008**
	$'000	$'000
Ordinary shares issued and fully paid [(1)]		
Balance at the beginning		
1,713,212,824 (2008: 1,555,095,400) ordinary shares	704,870	397,730
Issue of shares on preferential offering [(2)]	–	303,339
Issues of shares on exercise of share options [(3)]	3,716	3,801
Balance at end		
1,715,894,324 (2008: 1,713,212,824) ordinary shares	708,586	704,870

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

(2) A total of 155,628,689 ordinary shares were issued upon the exercise of preferential offer during the financial year ended 30 June 2008.

(3) A total of 2,681,500 (2008: 2,488,735) ordinary shares were issued upon the exercise of share options.

27. Dividends

A one-tier tax exempted first and final dividend of $0.0125 per ordinary share amounting to $21,416,500 and a special dividend of $0.0125 per ordinary share amounting to $21,416,500, totalling $42,833,000 in respect of financial year ended 30 June 2008 were paid out during the financial year.

A one-tier tax exempted first and final dividend of $0.0175 per ordinary share amounting to $27,227,000 and a special dividend of $0.0175 per ordinary share amounting to $27,227,000, totalling $54,454,000 in respect of financial year ended 30 June 2007 were paid out during the financial year ended 30 June 2008.

28. Operating lease commitments

Rental expenses of the Group and Company (principally for offices, warehouses and employees' residences) were $41,120,000 (2008: $41,955,000) and $6,467,000 (2008: $4,125,000), respectively. Most leases contain options for renewing the leases. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Future minimum rentals under non-cancellable leases were as follows:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Within one year	11,503	12,279	5,131	4,787
After one year but not more than five years	11,497	16,957	2,327	5,559
More than five years	3,412	4,163	–	–
	26,412	33,399	7,458	10,346

29. Contingent liabilities

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Contingent liabilities not provided for in the accounts:-				
Financial guarantee contracts given to subsidiary companies [1]	–	–	1,196,863	1,406,988

[1] Amounts utilised by subsidiary companies on the bank facilities secured by corporate guarantees amounted to $602,983,400 (2008: $564,763,000).

The Company has agreed to provide continuing financial support to certain subsidiary companies.

30. Employee benefits expenses

Employee benefits expenses (including executive directors):-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Salaries and employee benefits	168,301	153,172	54,763	48,271
Central Provident Fund contributions and equivalents	11,610	8,408	1,399	1,173
Retrenchment benefits	459	2,000	–	–
Share-based expense	4,233	5,583	944	1,452
	184,603	169,163	57,106	50,896

(a) ***Employee share subscription scheme***

The Olam International Limited Employee Share Subscription Scheme 2004 was implemented on 26 October 2004. The ESSS comprised 73,913,044 ordinary shares of $0.23 per share, which were fully allotted and issued by the Company.

The share-based expense to be recognised by the Group and Company over the three years amounted to $2,457,000 and $1,027,000 respectively. The share-based expense was based on the fair value price of $0.2965 per share which represented a discount from the estimated value of the Company's pre-IPO share price.

(b) ***Employee share option scheme***

The Olam Employee Share Option Scheme (the "ESOS") was approved by shareholders at an Extraordinary General Meeting held on 4 January 2005. Under the amended rules, the directors (including Non-Executive Directors and Independent Directors) and employees of the Group are eligible to participate in the ESOS and all subsequent options issued to Group's employees and Executive Directors shall have a life of 10 years instead of 5. For Options granted to the Company's Non-Executive Directors and Independent directors, the Option Period shall be no longer than 5 years

The shares issued upon the options being exercised carry full dividend and voting rights.

Under the amended rules of the ESOS, the directors (including Non-Executive Directors and Independent Directors) and employees of the Group are eligible to participate in the ESOS. Controlling Shareholders and associates of Controlling Shareholders are not eligible to participate in the ESOS.

On 4 January 2005, 15,000,000 share options were issued to the group managing director and CEO, Mr Sunny George Verghese. These share options are exercisable and hence vested in 3 equal tranches over the three years from the Company's listing date (11 February 2005). The total share-based expense to be recognised over the vesting period with respect to these options amounted to $736,512. The contractual life of the options is 10 years. There are no cash settlement alternatives.

30. Employee benefits expenses (cont'd)

(b) ***Employee share option scheme (cont'd)***

Further, the following options were issued as of 30 June 2008. All these options have a contractual life of 5 years with no cash settlement alternatives.

Date of issue	No. of share options issued	Total share-based expense $'000	Vesting period	In annual tranches of %
1 June 2006	42,995,160	10,068	4 years	22, 32, 37, 9
2 January 2007	900,000	285	4 years	10, 20, 30, 40
2 July 2007	2,300,000	1,531	3 years	25, 35, 40
5 September 2007	2,000,000	1,231	3 years	25, 35, 40
8 October 2007	1,855,000	1,197	3 years	25, 35, 40
29 October 2007	400,000	259	3 years	25, 35, 40
9 January 2008	2,250,000	1,345	3 years	25, 35, 40
12 June 2008	1,780,000	1,161	3 years	25, 35, 40
	54,480,160	17,077		

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options during the financial year:-

	2009		2008	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at the beginning of the year	61,259,425	1.54	58,234,160	1.29
Granted during the year [(1)]	–	–	10,585,000	2.98
Forfeited during the year	(2,277,100)	2.20	(5,071,000)	1.76
Exercised during the year [(2)]	(2,681,500)	1.53	(2,488,735)	1.53
Outstanding at the end of the year [(3)]	56,300,825	1.52	61,259,425	1.54
Exercisable at end of year	48,028,211	1.37	36,469,527	1.25

(1) The weighted average fair value of options granted during 2008 was $0.64.

(2) The weighted average share price when the options were exercised was $1.63 (2008: $2.81).

(3) The range of exercise prices for options outstanding at the end of the year was $0.62 to $3.14 (2008: $0.62 to $2.04). The weighted average remaining contractual life for these options is 3.26 years (2008: 4.19 years).

30. Employee benefits expenses (cont'd)

(b) ***Employee share option scheme (cont'd)***

The fair value of share options as at the date of grant, is estimated by the Company using the Black Scholes Model, taking into account the terms and conditions upon which the options are granted. The expected life of the option is based on the assumption that the options would be exercised within six months of the vesting date. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. The inputs to the model used for each scheme are shown below:-

Grant date	**2 July 2007**		
Vested in	1 Year	2 Year	3 Year
Dividend yield (%)	1.11	1.39	1.74
Expected volatility (%)	44	45	30
Risk free interest rate (%)	2.28	2.37	2.42
Expected life of the option (years)	1.5	2.5	3.5
Share price of underlying equity ($)	3.14	3.14	3.14

Grant date	**5 September 2007**		
Vested in	1 Year	2 Year	3 Year
Dividend yield (%)	1.16	1.44	1.80
Expected volatility (%)	44	45	30
Risk free interest rate (%)	1.55	1.21	1.38
Expected life of the option (years)	1.5	2.5	3.5
Share price of underlying equity ($)	3.03	3.03	3.03

Grant date	**8 October 2007**		
Vested in	1 Year	2 Year	3 Year
Dividend yield (%)	1.11	1.39	1.74
Expected volatility (%)	45	45	30
Risk free interest rate (%)	1.55	1.21	1.38
Expected life of the option (years)	1.5	2.5	3.5
Share price of underlying equity ($)	3.14	3.14	3.14

Grant date	**29 October 2007**		
Vested in	1 Year	2 Year	3 Year
Dividend yield (%)	1.11	1.39	1.74
Expected volatility (%)	45	45	30
Risk free interest rate (%)	1.55	1.21	1.38
Expected life of the option (years)	1.5	2.5	3.5
Share price of underlying equity ($)	3.14	3.14	3.14

Grant date	**9 January 2008**		
Vested in	1 Year	2 Year	3 Year
Dividend yield (%)	1.21	1.51	1.89
Expected volatility (%)	45	46	31
Risk free interest rate (%)	1.55	1.21	1.38
Expected life of the option (years)	1.5	2.5	3.5
Share price of underlying equity ($)	2.89	2.89	2.89

30. Employee benefits expenses (cont'd)

(b) ***Employee share option scheme (cont'd)***

Grant date	**12 June 2008**		
Vested in	1 Year	2 Year	3 Year
Dividend yield (%)	1.65	2.06	2.58
Expected volatility (%)	49	49	48
Risk free interest rate (%)	0.70	1.04	1.54
Expected life of the option (years)	1.5	2.5	3.5
Share price of underlying equity ($)	2.65	2.65	2.65

31. Related party disclosures

An entity or individual is considered a related party of the Group for the purposes of the financial statements if: i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; ii) it is subject to common control or common significant influence.

The following are the significant related party transactions entered into by the Company and Group in the ordinary course of business on terms agreed between the parties:-

	Group		**Company**	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
Subsidiary companies:-				
- Sales	–	–	1,179,756	1,030,752
- Purchases	–	–	2,692,216	2,492,297
- Insurance premiums paid	–	–	200	218
- Commissions paid	–	–	18,285	12,206
- Interest received on loan	–	–	4,558	4,558
- Consultancy fee paid	–	–	4,657	3,214
Transfer of goodwill	–	–	7,174	–
Transfer of trade name	–	–	1,790	–
Sales to a jointly controlled entity	–	8,457	–	8,457
Purchases from associate	7,391	–	7,391	–
Shareholder related companies:-				
- Purchase of motor vehicles and other assets	541	950	–	–

32. Compensation of directors and key management personnel

The remuneration of directors and key management personnel during the years are as follows:-

	Group		Company	
	2009 $'000	**2008** $'000	**2009** $'000	**2008** $'000
Directors fees	808	775	808	775
Salaries and employee benefits	10,361	6,552	8,163	5,016
Central Provident Fund contributions and equivalents	178	125	62	66
Share-based expense	405	1,369	174	512
	11,752	8,821	9,207	6,369
Comprising amounts paid to:				
- Directors of the Company	6,043	4,199	6,043	4,199
- Key management personnel	5,709	4,622	3,164	2,170
	11,752	8,821	9,207	6,369

Directors' interest in employee share benefit plans

The number of share options which were issued/allocated to the directors and key management personnel under existing employee benefit schemes is given below:-

	2009 Share options	**2008 Share options**
Employee Share Option Scheme:-		
Directors	–	400,000
Key management personnel	–	2,000,000

33. Cash and short term fixed deposits

	Group		Company	
	2009 $'000	**2008** $'000	**2009** $'000	**2008** $'000
Cash and bank balances	294,130	175,544	59,628	52,134
Fixed deposits	239,688	163,580	228,009	33,988
	533,818	339,124	287,637	86,122

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.01% to 4.00% (2008: 0.25% to 1.75%) per annum. Short term deposits are made for varying periods between 1 and 365 days (2008: 1 to 365 days) depending on the immediate cash requirements of the Group, and earn interests at floating rate ranging from 1.00% to 10.00% (2008: 2.22% to 4.75%) per annum.

33. Cash and short term fixed deposits (cont'd)

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:-

	Group	
	2009	**2008**
	$'000	$'000
Cash and bank balances	294,130	175,544
Fixed deposits	239,688	163,580
Bank overdrafts (Note 23)	(265,141)	(174,862)
	268,677	164,262

Bank overdrafts are included in the determination of cash and cash equivalents because they form an integral part of the Group's cash management.

34. Financial risk management policies and objectives

The Group's principal financial instruments, other than derivative financial instruments and investment in security, comprise bank loans, medium term notes, term loans from banks and cash and bank balances, fixed deposits and bank overdrafts. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including interest rate swaps, commodity options, swaps and futures contracts and foreign currency forward contracts. The purpose is to manage the commodity price risk, foreign currency risk and interest rate risk arising from the Group's operations and its sources of financing.

The main risks arising from the Group's financial instruments are commodity price risk, credit risk, foreign currency risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees on the policies for managing each of these risks and they are summarised below:-

(a) ***Commodity price risk***

Commodities traded by the Group are subject to fluctuations due to a number of factors that result in price risk. The Group purchases and sells various derivative products, primarily exchange traded futures and options with the purpose of managing market exposure to adverse price movements in these commodities. The Group has established policies and exposure limits that restrict the amount of unhedged fixed price physical positions in each commodity.

The Group also enters into commodity derivatives for trading purposes. The Group's trading market risk appetite is determined by the Board of Directors, with detailed exposure limits recommended by the Executive Risk Committee and approved by the Board Risk Committee.

At balance sheet date, if commodities price index moved by 1.0% with all other variables held constant, the Group's profit net of tax would have changed by $4,030,000 (2008: $3,888,000) and equity would have changed inversely by $8,359,000 (2008: $13,933,000) arising as a result of fair value on Group's commodity futures and options contracts. This effect would have been mitigated by the Group's physical sales and purchases commitments as well as the inventory held at balance sheet date.

34. Financial risk management policies and objectives (cont'd)

(b) *Credit risk*

Credit risk is limited to the risk arising from the inability of a customer to make payment when due. It is the Group's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses.

The carrying amounts of trade and other receivables, advances to suppliers, margin accounts with brokers, fixed deposits and cash and bank balances, including derivatives with positive fair value represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. Deposits and cash balances are placed with reputable banks.

The Group has no significant concentration of credit risk with any single customer.

Exposure to credit risk

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

The Group's maximum exposure to credit risk for trade debtors at the balance sheet date is as follows:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000
By business segments:				
Edible nuts, spices and beans	162,024	156,849	77,203	110,603
Confectionery and beverage ingredients	189,121	234,726	95,961	117,434
Industrial Raw Materials	134,168	108,073	51,125	53,125
Food staples and package foods	145,560	135,460	12,734	58,354
	630,873	635,108	237,023	339,516

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 16 (Trade receivables).

34. Financial risk management policies and objectives (cont'd)

(c) ***Foreign currency risk***

The Group trades its products in several countries and, as a result, is exposed to movements in foreign currency exchange rates. The primary purpose of the Group's foreign currency hedging activities is to protect against the volatility associated with foreign currency purchases and sales of raw materials and other assets and liabilities created in the normal course of business. The Group primarily utilises foreign currency forward exchange contracts to hedge firm commitments. The Group does not use foreign currency forward exchange contracts for trading purposes.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly United States Dollar (USD), Great Britain Pound (GBP), Euro (EUR) and Singapore Dollar (SGD).

The following table demonstrates the sensitivity to a reasonably possible change in the USD, GBP, EUR and SGD exchange rates, with all other variables held constant, the Group's profit net of tax and equity.

	Group			
	2009		**2008**	
	Profit net of tax	**Equity**	**Profit net of tax**	**Equity**
	$'000	$'000	$'000	$'000
	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)
USD - strengthened 0.5%	(2,166)	(882)	(2,024)	887
GBP - strengthened 0.5%	(371)	(655)	(478)	922
EUR - strengthened 0.5%	(116)	(20)	(397)	(54)
SGD - strengthened 0.5%	(51)	3,384	7	4,668

34. Financial risk management policies and objectives (cont'd)

(d) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

To ensure continuity of funding, the Group primarily uses short-term bank facilities which are transaction-linked and self-liquidating in nature. The Group also has a multicurrency medium term notes programme, as well as term loans from banks, to fund its ongoing working capital requirement and growth needs.

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

		2009			**2008**	
	1 year or less	**1 to 5 years**	**Total**	**1 year or less**	**1 to 5 years**	**Total**
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Trade and other payables	658,988	–	658,988	519,853	–	519,853
Other current liabilities	40,584	–	40,584	50,923	–	50,923
Amounts due to bankers	1,878,546	1,013,115	2,891,661	1,789,582	935,125	2,724,707
Medium term notes	131,205	–	131,205	70,000	189,857	259,857
Fair value of derivative financial instruments	403,528	–	403,528	1,015,796	–	1,015,796
	3,112,851	1,013,115	4,125,966	3,446,154	1,124,982	4,571,136
Company						
Trade and other payables	420,115	–	420,115	356,607	–	356,607
Other current liabilities	23,479	–	23,479	34,567	–	34,567
Amounts due to bankers	1,173,807	769,260	1,943,067	1,199,066	648,482	1,847,548
Medium term notes	131,205	–	131,205	70,000	189,857	259,857
Fair value of derivative financial instruments	347,333	–	347,333	888,376	–	888,376
	2,095,939	769,260	2,865,199	2,548,616	838,339	3,386,955

34. Financial risk management policies and objectives (cont'd)

(e) ***Interest rate risk***

The Company's and the Group's exposure to market risk for changes in interest rates relate primarily to its term loan from banks as well as the medium term notes. Interest rate risk is managed by management on an on-going basis such as managing the risk through interest rate derivatives with the primary objective of limiting the extent to which net interest exposure could be affected by adverse movements in interest rates. The details of the interest rates relating to the interest-earning financial assets and interest-bearing financial liabilities are disclosed in various notes of the financial statements.

At the balance sheet date, if interest rates had moved by 25 basis points with all other variables held constant, the Group's profit net of tax would have changed inversely by $8,363,000 (2008: $6,194,000).

35. Fair values of financial instruments

The following methods and assumptions are used to determine the fair value of each class of financial instruments:-

(a) ***Cash and bank balances, fixed deposits, trade receivables, other current assets, margin accounts with brokers, trade payables and accruals and other current liabilities***

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short-term maturity.

(b) ***Amount due to bankers and medium term notes***

The carrying amount of these loans approximate their fair value at the balance sheet date as they are subjected to frequent repricing (floating rates).

(c) ***Available-for-sale investment***

The fair value of available-for-sale investment is determined based on the accounting policy described in Note 2.11(d).

35. Fair values of financial instruments (cont'd)

(d) *Derivative financial instruments*

The fair value of derivative financial instruments is determined based on the accounting policy described in Note 2.28. The contract notional amounts of these derivative instruments and the corresponding fair value are as follows:-

	Group			Company		
	Contract notional Amount	**Fair value Gain**	**Fair value Loss**	**Contract notional amount**	**Fair value Gain**	**Fair value Loss**
	$'000	$'000	$'000	$'000	$'000	$'000
2009						
Derivatives held for hedging						
Foreign exchange derivatives						
Foreign exchange forwards	3,461,106	107,472	68,477	2,908,706	71,071	46,945
Foreign exchange options	91,763	2,178	951	76,152	832	943
Commodity derivatives						
Commodity futures	15,121,834	121,723	167,963	14,282,805	92,334	136,947
Commodity options	146,425	29,607	21,235	138,385	26,189	17,596
Interest rate derivatives						
Swaps	1,304,280	–	68,892	1,304,280	–	68,892
Total derivatives held for hedging		260,980	327,518		190,426	271,323
Derivatives held for trading						
Commodity Derivatives						
Commodity futures	2,795,629	4,702	24,676	2,795,629	4,702	24,676
Commodity options	270,976	70,396	50,089	270,976	70,396	50,089
Convertible bonds		13,718	1,245		13,718	1,245
Total derivatives held for trading		88,816	76,010		88,816	76,010
Total derivatives		349,796	403,528		279,242	347,333

35. Fair values of financial instruments (cont'd)

(d) *Derivative financial instruments (cont'd)*

	Group			Company		
	Contract notional amount	**Fair value Gain**	**Fair value Loss**	**Contract notional amount**	**Fair value Gain**	**Fair value Loss**
	$'000	$'000	$'000	$'000	$'000	$'000
2008						
Derivatives held for hedging						
Foreign exchange derivatives						
Foreign exchange forwards	2,494,572	34,345	11,777	2,257,273	27,716	10,264
Foreign exchange options	113,261	793	42	83,358	247	–
Commodity derivatives						
Commodity futures	17,859,697	703,415	881,941	17,080,003	615,740	768,745
Commodity options	96,648	59,736	68,276	74,994	46,527	55,607
Total derivatives held for hedging		798,289	962,036		690,230	834,616
Derivatives held for trading						
Commodity derivatives						
Commodity futures	903,295	14,630	21,795	903,295	14,631	21,795
Commodity options	38,640	24,638	31,965	38,640	24,638	31,965
Total derivatives held for trading		39,268	53,760		39,269	53,760
Total derivatives		837,557	1,015,796		729,499	888,376

35. Fair values of financial instruments (cont'd)

(d) *Derivative financial instruments (cont'd)*

As at 30 June 2009, the settlement dates on open foreign exchange derivatives and commodity derivatives ranged between 1 and 35 months (2008: 1 and 23 months).

The foreign exchange derivatives held for hedging are being used to hedge the foreign currency risk of future purchases or sales whilst the commodity derivatives held for hedging are being used to hedge the commodity price risk related to these forecasted transactions. The interest rate derivatives held for hedging are used to hedge the interest rate risk related to the floating rate loans. In addition, a portion of the commodity derivatives are used for trading purposes.

For all the foreign exchange and commodity derivatives used for hedging purposes, the forecasted transactions are expected to occur within 35 months (2008: 23 months). In all cases, the fair value of the derivative recorded in the fair value adjustment reserve will be recycled through the profit and loss accounts upon completion of the forecasted transactions.

Cash flow hedges of expected transactions that were assessed to be highly effective have resulted in a net fair value loss of $179,943,000 and $220,167,000 for the Group and Company respectively (2008: $325,878,000 and $291,729,000).

Cash flow hedges of expected transactions that were assessed to be ineffective under FRS 39 and derivatives that are held for trading purposes amounting to a net fair value gain of $26,431,000 (2008: gain of $11,023,000) for the Group and a net fair value gain of $32,455,000 (2008: loss of $2,652,000) for the Company, were recognised in the profit and loss accounts for the year.

36. Capital management

The primary objective of the Group's capital management is to achieve sustainable growth and maximise return to the shareholders.

The Group manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors viz., the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long term capital investments.

The Group calculates the level of debt capital required to finance the working capital requirements using traditional and modified financial metrics including leverage/gearing ratios and asset turnover ratios.

As of balance sheet date, leverage ratios are as follows:-

	Group	
	2009	**2008**
Gross debt to equity:		
- Before fair value adjustment reserve	2.59x	3.10x
- Before fair value adjustment reserve and after deducting intangibles	2.89x	3.58x
Net debt to equity:		
- Before fair value adjustment reserve	2.16x	2.74x
- Before fair value adjustment reserve and after deducting intangibles	2.41x	3.17x

The Group assesses the level of debt capital used to finance capital investment in respect of the projected risk and returns of these investments using a number of traditional and modified investment and analytical models including discounted cash flows. It also assesses the use of debt capital to fund such investments relative to the impact on the Group's overall debt capital position and capital structure.

In order to manage its capital structure, the Group may issue debt of either a fixed or floating nature, arrange credit facilities, issue MTNs, issue new shares or convertible bonds and adjust dividend payments.

37. Classification of financial assets and liabilities

Group	2009				
	Loans and receivables $'000	**Carried at amortised cost** $'000	**Held for hedging** $'000	**Available-for-sale assets** $'000	**Fair value through profit or loss/ held for trading** $'000
Financial assets:					
Loans to jointly controlled entities (Note 12)	252,512	–	–	–	–
Other non-current assets (Note 20)	232	–	–	–	10,922
Trade receivables (Note 16)	732,500	–	–	–	–
Margin accounts with brokers (Note 17)	64,839	–	–	–	–
Advance payments to suppliers (Note 19)	277,683	–	–	–	–
Other current assets (Note 20)	223,908	–	–	–	–
Fixed deposits, cash and bank balances (Note 33)	533,818	–	–	–	–
Fair value of derivative financial instruments (Note 35)	–	–	260,980	–	88,816
	2,085,492	–	260,980	–	99,738
Financial liabilities:					
Trade payables and accruals (Note 21)	–	658,988	–	–	–
Other payables (Note 22)	–	54,912	–	–	–
Amounts due to bankers (Note 23)	–	2,877,952	–	–	–
Medium term notes (Note 24)	–	128,005	–	–	–
Convertible bonds (Note 25)	–	168,234	–	–	–
Fair value of derivative financial instruments (Note 35)	–	–	327,518	–	76,010
	–	3,888,091	327,518	–	76,010

37. Classification of financial assets and liabilities (cont'd)

Group	2008				
	Loans and receivables $'000	**Carried at amortised cost** $'000	**Held for hedging** $'000	**Available-for-sale assets** $'000	**Fair value through profit or loss/ held for trading** $'000
Financial assets:					
Loans to jointly controlled entities (Note 12)	829	–	–	–	–
Other non-current assets (Note 20)	4,602	–	–	–	19,148
Long term investment (Note 14)	–	–	–	24,475	–
Trade receivables (Note 16)	724,352	–	–	–	–
Margin accounts with brokers (Note 17)	254,273	–	–	–	–
Advance payments to suppliers (Note 19)	380,047	–	–	–	–
Other current assets (Note 20)	213,384	–	–	–	–
Fixed deposits, cash and bank balances (Note 32)	339,124	–	–	–	–
Fair value of derivative financial instruments (Note 35)	–	–	798,289		39,268
	1,916,611	–	798,289	24,475	58,416
Financial liabilities:					
Trade payables and accruals (Note 21)	–	519,853	–	–	–
Other payables (Note 22)	–	50,923	–	–	–
Amounts due to bankers (Note 23)	–	2,724,707	–	–	–
Medium term notes (Note 24)	–	259,857	–	–	–
Fair value of derivative financial instruments (Note 35)	–	–	962,036	–	53,760
	–	3,555,340	962,036	–	53,760

37. Classification of financial assets and liabilities (cont'd)

Company	**2009**				
	Loans and receivables $'000	**Carried at amortised cost** $'000	**Held for hedging** $'000	**Available-for-sale assets** $'000	**Held for trading** $'000
Financial assets:					
Loans to subsidiaries (Note 11)	109,495	–	–	–	–
Loans to jointly controlled entities (Note 12)	252,512	–	–	–	–
Other non-current assets (Note 20)	–	–	–	–	10,922
Amounts due from subsidiary (Note 15)	747,613	–	–	–	–
Trade receivables (Note 16)	237,296	–	–	–	–
Margin accounts with brokers (Note 17)	55,521	–	–	–	–
Advances payments to suppliers (Note 19)	1,020,863	–	–	–	–
Other current assets (Note 20)	50,928	–	–	–	–
Fixed deposits, cash and bank balances (Note 33)	287,637	–	–	–	–
Fair value of derivative financial instruments (Note 35)	–	–	190,426	–	88,816
	2,761,865	–	190,426	–	99,738
Financial liabilities:					
Trade payables and accruals (Note 21)	–	420,115	–	–	–
Other payables (Note 22)	–	35,863	–	–	–
Amounts due to bankers (Note 23)	–	1,931,302	–	–	–
Medium term notes (Note 24)	–	128,005	–	–	–
Convertible bonds (Note 25)	–	168,234	–	–	–
Fair value of derivative financial instruments (Note 35)	–	–	271,323	–	76,010
	–	2,683,519	271,323	–	76,010

37. Classification of financial assets and liabilities (cont'd)

Company	2008				
	Loans and receivables	**Carried at amortised cost**	**Held for hedging**	**Available-for-sale assets**	**Held for Trading**
	$'000	$'000	$'000	$'000	$'000
Financial assets:					
Loans to subsidiaries (Note 11)	102,718	–	–	–	–
Loans to jointly controlled entities (Note 12)	829	–	–	–	–
Other non-current assets (Note 20)	–	–	–	–	19,148
Long term investment (Note 14)	–	–	–	24,475	–
Amounts due from subsidiary (Note 15)	502,608	–	–	–	–
Trade receivables (Note 16)	339,886	–	–	–	–
Margin accounts with brokers (Note 17)	189,435	–	–	–	–
Advances payments to suppliers (Note 19)	1,235,798	–	–	–	–
Other current assets (Note 20)	52,763	–	–	–	–
Fixed deposits, cash and bank balances (Note 33)	86,122	–	–	–	–
Fair value of derivative financial instruments (Note 35)	–	–	690,230	–	39,269
	2,510,159	–	690,230	24,475	58,417
Financial liabilities:					
Trade payables and accruals (Note 21)	–	356,607	–	–	–
Other payables (Note 22)	–	34,567	–	–	–
Amounts due to bankers (Note 23)	–	1,847,548	–	–	–
Medium term notes (Note 24)	–	259,857	–	–	–
Fair value of derivative financial instruments (Note 35)	–	–	834,616	–	53,760
	–	2,498,579	834,616	–	53,760

38. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive shares and options).

The following reflects the income and share data used in the basic and diluted earnings per share computations for the years ended 30 June:-

	2009	**2008**
Net profit attributable to ordinary shareholders for basic earnings per share ($'000)	252,029	167,704
Add back:		
Interest expense on convertible bonds	8,706	–
Net measurement gain on convertible bonds	(34,683)	–
Net profit attributable to ordinary shareholders for diluted earnings per share ($'000)	226,052	167,704
Weighted average number of ordinary shares on issue applicable to basic earnings per share	1,713,478,345	1,631,228,890
Dilutive effect of convertible bonds	100,287,842	–
Dilutive effect of share options	12,159,727	32,526,637
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	1,825,925,914	1,663,755,527

Other than disclosed in Note 40, there have been no other transactions involving ordinary shares or share options since the reporting date and before the completion of these financial statements.

39. Segmental information

The Group's businesses are organised and managed as 4 broad segments grouped in relation to different types and nature of products traded. The Group's supply chain activities of sourcing, processing and merchandising span across a broad range of agricultural products.

The segmentation of products has been done in the following manner:-

- Edible Nuts, Spices and Beans – cashews, peanuts, almonds, spices and dehydrates, sesame and beans including pulses, lentils and peas.
- Confectionery and Beverage Ingredients – cocoa, coffee and sheanuts.
- Industrial Raw Materials – cotton wool, wood products and rubber.
- Food Staples and Packaged Foods – rice, sugar, wheat, barley, palm, dairy products and packaged foods.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate cash and cash equivalents and certain fixed assets and receivables and corporate liabilities such as taxation, amount due to bankers and medium term notes. Assets which are unallocated are common and shared by segments and thus it is not practical to allocate them.

The turnover by geographical segments is based on the location of customers regardless of where the goods are produced. The assets and capital expenditure are attributed to the location of those assets.

Segment accounting policies are the same as the policies of the Group as described in Note 2. The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

39. Segmental information (cont'd)

(a) *Business segments*

	Edible nuts, spices and beans		Confectionery and beverage ingredients		Industrial Raw Materials		Food staples and packaged foods		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue :										
Sales to external customers	1,200,076	1,168,940	3,783,126	3,188,875	1,465,109	1,726,620	2,139,621	2,027,475	8,587,932	8,111,910
Segment result	88,339	81,400	125,881	117,899	83,271	82,894	68,774	67,374	366,265	349,567
Finance costs									(239,179)	(201,395)
Share of results from jointly controlled entities	–	–	1,332	(163)	23,053	–	16,026	–	40,411	(163)
Share of results from associate	–	–	–	–	–	–	703	–	703	–
Unallocated Income									89,824	16,960
Profit before taxation									258,024	164,969
Taxation (expense) / credit									(5,995)	2,708
Profit for the financial year									252,029	167,677
Segment assets	629,617	606,040	1,392,096	2,108,368	928,007	1,031,983	1,204,052	716,741	4,153,772	4,463,132
Unallocated assets									1,261,644	776,111
									5,415,416	5,239,243
Segment liabilities	102,440	44,919	121,483	1,060,718	253,430	209,572	585,162	220,440	1,062,515	1,535,649
Unallocated liabilities									3,307,009	3,065,180
									4,369,524	4,600,829
Other segmental information:										
Impairment of property, plant and equipment/ intangible assets	–	–	–	–	14,176	–	–	–	14,176	–
Depreciation and amortisation	10,087	10,016	6,448	7,358	15,373	12,128	11,362	6,460	43,270	35,962
Capital expenditure	46,097	1,766	40,851	1,044	38,169	233,424	97,796	33,118	222,913	269,352
Unallocated capital expenditure	–	–	–	–	–	–	–	–	–	49,693

39. Segmental information (cont'd)

(b) ***Geographical segments***

	Asia, Middle East and Australia		Africa		Europe		Americas		Eliminations		Consolidated	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue:												
Sales to external customers	3,505,193	3,303,608	1,659,678	1,773,648	2,341,073	1,946,735	1,081,988	1,087,919	–	–	8,587,932	8,111,910
Intersegment sales	1,096,997	992,953	1,733,043	1,650,066	224,036	308,153	817,894	508,874	(3,871,970)	(3,460,046)	–	–
	4,602,190	4,296,561	3,392,721	3,423,714	2,565,109	2,254,888	1,899,882	1,596,793	(3,871,970)	(3,460,046)	8,587,932	8,111,910
Other geographical information:												
Segment assets	2,734,760	2,995,826	1,493,609	1,070,649	515,900	618,456	671,147	554,312	–	–	5,415,416	5,239,243
Capital expenditure	128,946	278,217	51,159	25,440	356	3,828	42,452	11,560	–	–	222,913	319,045

40. Subsequent events

(a) Subsequent to financial year end, the directors have proposed a first and final ordinary dividend of $0.035 per ordinary share in respect of the financial year ended 30 June 2009, subject to approval of shareholders at the Annual General Meeting to be held on 29 October 2009. The Company is proposing a scrip dividend scheme in which shareholders may elect to receive new shares credited as fully paid in respect of their entitlement to the dividend instead of cash subject to the approval of the shareholders at the Extraordinary General Meeting of the Company to be held on 29 October 2009. The in-principle approval of the Singapore Exchange in respect of the Circular to Shareholders was obtained on 16 September 2009.

(b) On 6 July 2009, the Group completed the purchase of selected assets of U.S. tomato processor, SK Foods L.P. and its wholly owned subsidiary RHM Industrial/Specialty Foods Inc. in California for a purchase value of USD39.0 million ($56.5 million).

(c) On 15 July 2009, the Company raised gross proceeds of $437.5 million by allotting and issuing 273,459,000 new shares, equivalent to approximately 13.74% of the enlarged issued and paid-up share capital of the Company after completion of the placement to Breedens Investments Pte. Ltd. and Aranda Investments Pte. Ltd., both being indirect wholly-owned subsidiaries of Temasek Holdings (Private) Limited, at an issue price of $1.60.

(d) On 21 July 2009, the Company granted 48,625,000 options pursuant to the Olam Employee Share Option Scheme (ESOS). The exercise price of options is $2.28 with validity period of 10 years from the date of grant.

(e) On 27 August 2009, the Company announced that it had received commitments from its group of banks for a fully underwritten USD540 Million Syndicated Transferable Term Loan Facility. The facility comprises two tranches of USD324million and USD216 million of term loans of 3-year and 5-year respectively.

(f) On 27 August 2009, the Company announced that it had successfully closed a 12-month USD100 million Islamic Revolving Trade Finance Facility arranged by the Islamic Bank of Asia Limited.

(g) On 1 September 2009, the Company announced the acquisition of a 14.35% stake in New Zealand Dairy Farming Systems Uruguay, an operator of large scale Kiwi-style dairy farming operations in Uruguay for a cash consideration of NZ$14.37million ($14.31million).

(h) On 2 September 2009 the Company announced the issue of convertible bonds to raise USD400 million with an upsize option of USD100 million. The bonds have a 7-year maturity with no put option, bear a coupon of 6.0% per annum and have an initial conversion price of $3.0853 representing a 25% premium to the reference share price on the launch of offering.

(i) On 18 September 2009, the Company announced the signing of a definitive agreement to acquire 8,096 hectares of planted almond orchards, 40,825 mega litres of permanent water rights and 1,700 hectares of unplanted land from Timbercorp Limited and its associate entities for a cash consideration of A$128 million.

41. Comparatives

The following profit and loss account and balance sheet comparative figures have been reclassified to conform with current year's presentation: -

	As previously stated $'000	Adjustments $'000	As reclassified $'000
Group:-			
<u>Profit and loss</u>			
Cost of goods sold	(6,519,233)	14,325	(6,504,908)
(Loss)/ gain on foreign exchange	21,470	(14,325)	7,145
<u>Balance sheet</u>			
Non-current assets			
Deferred tax assets	32,534	4,175	36,709
Interest in jointly controlled entities	1,593	829	2,422
Other non-current assets	24,408	(658)	23,750
Current assets			
Other current assets	292,819	(171)	292,648
Fair value of derivative financial instruments	1,832,755	(995,198)	837,557
Current liabilities			
Fair value of derivative financial instruments	(2,010,994)	995,198	(1,015,796)
Non-current liabilities			
Deferred tax liabilities	–	(4,175)	(4,175)

41. Comparatives (cont'd)

Company:-			
<u>Profit and loss</u>			
Cost of goods sold	(5,240,360)	(6,210)	(5,246,570)
(Loss)/ gain on foreign exchange	5,040	6,210	11,250
<u>Balance sheet</u>			
Non-current assets			
Interest in jointly controlled entities	2,101	829	2,930
Other non-current assets	19,806	(658)	19,148
Current assets			
Other current assets	84,178	(171)	84,007
Fair value of derivative financial instruments	1,724,697	(995,198)	729,499
Current liabilities			
Fair value of derivative financial instruments	(1,883,574)	995,198	(888,376)

The Directors are of the view that the above changes will better reflect the Group's activities and result in a more appropriate presentation of the profit and loss account.

42. Authorisation of financial statements

The financial statements for the financial year ended 30 June 2009 were authorised for issue in accordance with a resolution of the directors on 2 October 2009.

ISSUER

Olam International Limited
3 Church Street
#08-01 Samsung Hub
Singapore 049483

AUDITORS OF THE ISSUER

Ernst & Young LLP
One Raffles Quay
Level 18, North Tower
Singapore 048583

TRUSTEE

The Bank of New York Mellon, London Branch
40th Floor One Canada Square
London E14 5AL
United Kingdom

PRINCIPAL PAYING, CONVERSION AND TRANSFER AGENT

The Bank of New York Mellon, London Branch
40th Floor One Canada Square
London E14 5AL
United Kingdom

REGISTRAR

The Bank of New York Mellon
101 Barclay Street
21st Floor West
New York, NY 10286
United States of America

LEGAL ADVISERS

To the Issuer as to Singapore law

WongPartnership LLP
One George Street #20-01
Singapore 049145

To the Joint Lead Managers and the Trustee as to English law

Linklaters Allen & Gledhill
One Marina Boulevard #28-00
Singapore 018989

To the Joint Lead Managers in relation to the exercise of the upsize option as to Singapore Law

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

TOPPAN VITE PTE. LTD. SCR0909032