



PROSPECTUS DATED 31 January 2005

(Registered with the Monetary Authority of Singapore on 31 January 2005)

This document is important. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

We have applied to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for quotation of, all the ordinary shares of \$0.10 each (the "Shares") in the capital of Olam International Limited (the "Company") already issued (including the existing Shares for which the Vendors invite applications to purchase pursuant to this Invitation (the "Vendor Shares")), the new Shares which are the subject of this Invitation (the "New Shares"), the additional new Shares (the "Additional Shares") which may be issued upon the exercise of the over-allotment option described below (the "Over-Allotment Option"), the new Shares which may be issued upon the exercise of the options to be granted under the Olam Employee Share Option Scheme (as defined herein) (the "Option Shares") as well as the new Shares which may be issued upon the exercise of the options granted to our Chief Executive Officer (the "Management Option Shares"). Such permission will be granted when our Company has been admitted to the Official List of the SGX-ST.

The dealing in and quotation of our Shares will be in Singapore dollars.

Acceptance of applications will be conditional upon permission being granted by the SGX-ST to deal in and for the quotation of all of our existing issued Shares (including the Vendor Shares), the New Shares, the Additional Shares, the Option Shares and the Management Option Shares. If the said permission is not granted for any reason or for whatever reason the completion of the Invitation does not occur, moneys paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenues or other benefit arising therefrom, and you will not have any claims against us, the Vendors, DBS Bank Ltd ("DBS"), or CLSA Merchant Bankers Limited ("CLSA", together with DBS referred to as the "Joint Global Co-ordinators") or CLSA Singapore Pte Ltd. In connection with the Invitation, we have granted DBS the Over-Allotment Option (in connection with the Over-Allotment Option, the "Stabilising Manager"), exercisable in whole or in part during the period commencing on the date of commencement of trading of our Shares on the SGX-ST and ending 30 days thereafter. Pursuant to the Over-Allotment Option, the Stabilising Manager may, in consultation with CLSA, subscribe and/or procure subscribers for up to an aggregate of 56,250,000 Additional Shares, representing up to 15 per cent. of the Invitation Shares (comprising the New Shares and the Vendor Shares), at the Invitation Price, solely for the purpose of covering over-allotments (if any) made in connection with the Invitation. The Stabilising Manager may, in consultation with CLSA, over-allot and effect transactions which stabilise or maintain the market prices of our Shares at levels which might not otherwise prevail in the open market, subject to compliance with all applicable laws and regulations. Such stabilisation, if commenced, may be discontinued by the Stabilising Manager at any time at the discretion of the Stabilising Manager (in consultation with CLSA), subject to compliance with all applicable laws and regulations.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our Shares (including the Vendor Shares), the New Shares, the Option Shares, the Management Option Shares or the Additional Shares (if the Over-Allotment Option is exercised). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act (Cap. 289), of Singapore ("SFA"), or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the merits of our Shares (including the Vendor Shares), the New Shares, the Option Shares, the Management Option Shares or the Additional Shares (if the Over-Allotment Option is exercised), as the case may be, being offered or in respect of which an invitation is made, for investment. We have not lodged or registered this Prospectus in any other jurisdiction. The Shares are being offered and sold outside the United States in an offshore transaction as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended.

Investing in our Shares involves risks, which are described in the section entitled "Risk Factors" beginning on page 41 of this Prospectus.

No Shares shall be allotted or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus.



OLAM INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore on 4 July 1995)

(Registration Number: 199504676H)

Invitation in respect of 375,000,000 Invitation Shares of \$0.10 each comprising 312,188,606 New Shares and 62,811,394 Vendor Shares as follows:-

- (a) 30,000,000 Offer Shares at \$0.62 for each Offer Share by way of public offer; and
 - (b) 345,000,000 Placement Shares by way of placement, comprising:-
 - (i) 332,750,000 Placement Shares at \$0.62 each for applications by way of application forms;
 - (ii) 1,000,000 Internet Placement Shares at \$0.62 each for applications made through the Internet website of DBS Vickers Securities Online (Singapore) Pte Ltd; and
 - (iii) 11,250,000 Reserved Shares at \$0.62 each reserved for the management, staff and business associates of our Group and others who have contributed to the success of our Group,
- payable in full on application (subject to exercise of the Over-Allotment Option (as defined herein)).

Financial Adviser



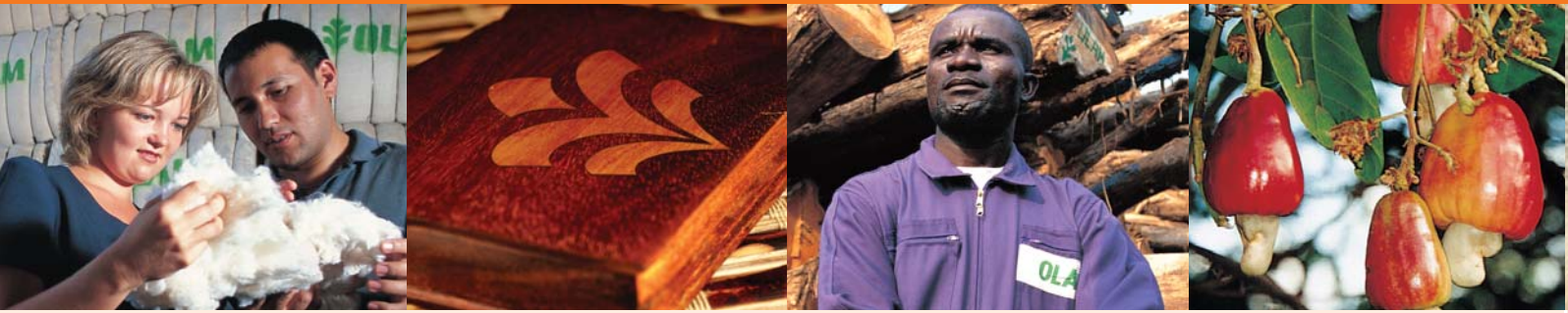
Joint Global Co-ordinators, Joint Lead Managers and Joint Bookrunners



Co-Lead Managers

Cazenove Asia Limited

Nomura Singapore Limited



We believe we are one of the world's leading integrated supply chain managers of agricultural products and food ingredients

Business Overview

Olam International Limited is a leading global integrated supply chain manager of agricultural products and food ingredients.

- We source 14 products directly from over 35 Origin Countries. Our products include:
 - Edible nuts, spices and beans
 - Confectionery and beverage ingredients
 - Food staples and packaged foods
 - Fibre and wood products.
- We supply our products to over 3,000 customers in more than 50 destination markets worldwide. Our customers include leading multi-national corporations which own internationally recognised brands such as Cadbury, Kraft, Lavazza, Mars, and Nestle
- We believe we have leading global market positions in various products:
 - one of the world's largest suppliers of raw cashew nuts
 - one of the world's largest suppliers of Robusta coffee
 - one of the three largest suppliers of cocoa worldwide; and
 - one of the world's largest suppliers of teak
- Our Shareholders include:
 - Kewalram Singapore Limited
 - Russell-AIF Singapore Investments Limited
 - Seletar Investments Pte Ltd (a wholly-owned subsidiary of Temasek Holdings (Pte) Ltd)
 - International Finance Corporation
 - Our Management Team

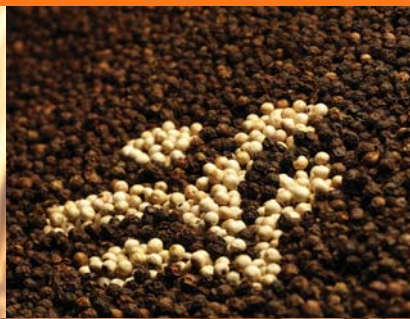
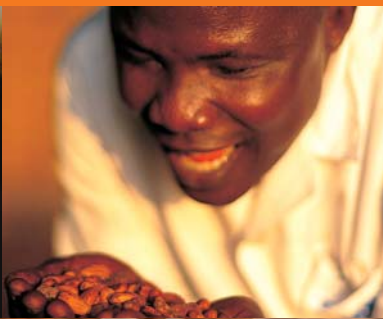
Integration Across The Supply Chain



- We have integrated end-to-end capabilities across the supply chain in each of our products which allows us to control our supply chain, provide value added services to our customers and potentially increase our margins

We believe we are one of few industry participants who have successfully combined origin capabilities with market capabilities





United States of America

Brazil

Papua New Guinea

Origin

- Benin
- Brazil
- Burkina Faso
- Cameroon
- China
- Cote D'Ivoire
- Democratic Republic of Congo
- Gabon
- Ghana
- Guinea Bissau
- Guinea
- India
- Indonesia
- Italy
- Kazakhstan
- Kenya

- Madagascar
- Mali
- Mozambique
- Nigeria
- Papua New Guinea
- Poland
- Singapore
- South Africa
- Tanzania
- Thailand
- Togo
- Turkmenistan
- Uganda
- United States of America
- Uzbekistan
- Vietnam
- Zimbabwe

Marketing Office

- Benin
- Burkina Faso
- Cameroon
- China
- Cote D'Ivoire
- France
- Gabon
- Ghana
- Guinea Bissau
- Guinea
- India
- Indonesia
- Italy
- Kenya

- Madagascar
- Mali
- Nigeria
- Russia
- Singapore
- South Africa
- Tanzania
- The Netherlands
- Turkmenistan
- Uganda
- United Arab Emirates
- United Kingdom
- United States of America
- Vietnam

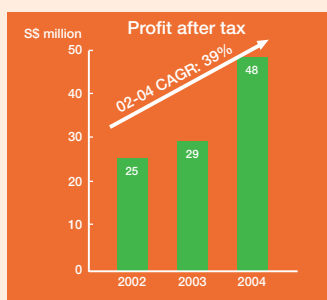
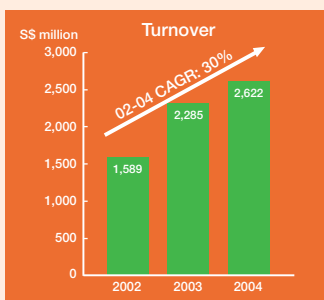


We have a proven and flexible business model which enables us to achieve rapid, cost-effective and profitable organic growth

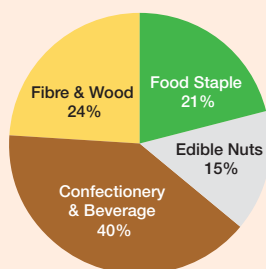
Diversified across businesses & geographies

We integrate our knowledge and expertise across products, geographic markets and supply chain activities to create a diversified portfolio of products and services.

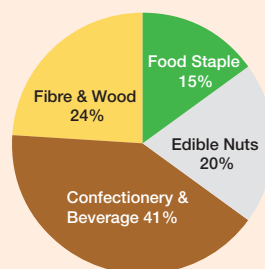
Financial Highlights



Turnover (FY2004)



Net Contribution (FY2004)

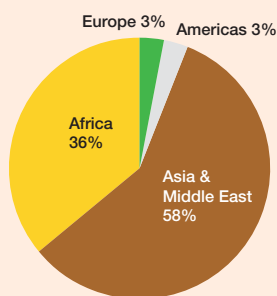


We are present in both key producing countries and destination markets. This combination has allowed us to develop privileged relationships with our key customers. Our geographic diversity results in us not being overexposed to any single region for any given product.

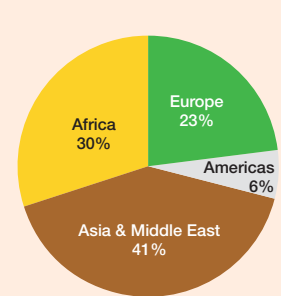
Growth Strategies and Future plans

We aim to grow by capitalising on adjacent business opportunities in geographies, products and supply chains

Volume by Origin (FY2004)



Turnover by Market (FY2004)







Olam International Limited
9 Temasek Boulevard
#11-02 Suntec Tower Two
Singapore 038989

Telephone (65) 6339 4100
Facsimile (65) 6339 9755
Website www.olamonline.com
Contact us enquiries@olamnet.com

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CORPORATE INFORMATION

- Board of Directors** : Murli Kewalram Chanrai (*Non-Executive Chairman*)
Rangareddy Jayachandran (*Non-Executive Vice-Chairman*)
Sunny George Verghese (*Group Managing Director and Chief Executive Officer*)
Sridhar Krishnan (*Executive Director*)
Shekhar Anantharaman (*Executive Director*)
- Narain Girdhar Chanrai (*Non-Executive Director*)
Peter Francis Amour (*Non-Executive Director*)
Tse Po Shing (*Non-Executive Director*)
Wong Heng Tew (*Non-Executive Director*)
Lim Sheau Ming (*alternate to Wong Heng Tew*)
- Mark Haynes Daniell (*Independent Director*)
Michael Lim Choo San (*Independent Director*)
Robert Michael Tomlin (*Independent Director*)
- Company Secretary** : Chua Sui Choo Anne, LL.B (Hons)
- Registered Office :** 80 Raffles Place
#25-01 UOB Plaza 1
Singapore 048624
- Principal Place of Business** : 9 Temasek Boulevard
#11-02 Suntec Tower Two
Singapore 038989
Telephone Number: (65) 6339 4100
Facsimile Number: (65) 6339 9755
- Financial Adviser** : DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809
- Joint Global Co-ordinators and Joint Lead Managers** : DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809
- CLSA Merchant Bankers Limited
9 Raffles Place
#19-20/21 Republic Plaza II
Singapore 048619
- Joint Bookrunners** : DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809
- CLSA Singapore Pte Ltd
9 Raffles Place
#19-20/21 Republic Plaza II
Singapore 048619
- Share Registrar and Share Transfer Agent** : Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315

Receiving Bank : DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809

Auditors and Reporting Accountants : Ernst & Young
Certified Public Accountants
10 Collyer Quay
#21-01 Ocean Building
Singapore 049315
Partner-in-Charge: Liew Choon Wei

Legal Adviser to the Company in the Invitation as to Singapore law : KhattarWong
80 Raffles Place
#25-01 UOB Plaza 1
Singapore 048624

Legal Adviser to the Joint Global Co-ordinators, Joint Lead Managers and Joint Bookrunners as to Singapore law : Wong Partnership
80 Raffles Place
#58-01 UOB Plaza 1
Singapore 048624

Principal Bankers : ABSA Bank Limited, Singapore Branch
7 Temasek Boulevard
#16-01 Suntec Tower One
Singapore 038987

BNP Paribas (Suisse) SA
2, Place de Hollande,
Geneva, Switzerland

DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809

The Hongkong and Shanghai Banking Corporation Limited
21 Collyer Quay
#07-00 Hongkong Bank Building
Singapore 049320

Standard Chartered Bank
6 Battery Road
Singapore 049909

Vendors : Kewalram Singapore Limited
65 Chulia Street
#45-01 OCBC Centre
Singapore 049513

Dragon Orient Holdings Limited
P.O. Box 957,
Offshore Incorporation Centre
Road Town, Tortola
The British Virgin Islands

Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose (as trustees for The Olam International Limited Employee Share Benefit Scheme)
c/o 9 Temasek Boulevard
#11-02 Suntec Tower Two
Singapore 038989

Dexia Trust Services Singapore Limited (as trustee for The Olam International Limited Employee Share Subscription Scheme)
9 Raffles Place
#42-01 Republic Plaza
Singapore 048619

Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose (as trustees for The Olam International Limited Employee Share Subscription Scheme)
c/o 9 Temasek Boulevard
#11-02 Suntec Tower Two
Singapore 038989

DEFINITIONS

In this Prospectus and the accompanying Application Forms, and in relation to the Electronic Applications, the instructions appearing on the screens of ATMs of Participating Banks, the IB websites of the relevant Participating Banks, or the Internet website of DBS Vickers Online, the following definitions apply, where the context so admits and unless otherwise stated:-

OUR GROUP

- “Company” or “Olam”** : Olam International Limited
- “Group”** : Our Company, our Subsidiaries and our Associated Company as at the date of this Prospectus

GENERAL

- “Additional Shares”** : Up to 56,250,000 new Shares to be issued by our Company pursuant to the exercise of the Over-Allotment Option
- “Application Forms”** : The printed application forms to be used for the purpose of the Invitation and which form part of this Prospectus
- “Application List”** : The list of applications for subscription and/or purchase of the Invitation Shares
- “Articles of Association”** : The articles of association of our Company
- “Associated Company”** : In the context of this Prospectus, “Associated Company” refers to a company in which our Company holds at least 20 per cent. but not more than 50 per cent. or a company, the policies of which our Company and/or any of our Subsidiaries, is able to control or influence materially. In the context of the ESOS, “Associated Company” refers to a company in which at least 20 per cent. but not more than 50 per cent. of such company’s shares are held by our Company or the Group and over whose management the Company has control
- “ATM”** : Automated teller machines of a Participating Bank
- “Audit Committee”** : The audit committee of our Company as at the date of this Prospectus
- “Authority” or “MAS”** : The Monetary Authority of Singapore
- “Board” or “Board of Directors”** : The board of directors of our Company as at the date of this Prospectus
- “CDP” or “Depository”** : The Central Depository (Pte) Limited
- “CICL”** : Chanrai Investment Corporation Limited
- “CLSA”** : CLSA Merchant Bankers Limited
- “CLSA Singapore”** : CLSA Singapore Pte Ltd
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended from time to time

“Controlling Shareholder”	:	A person (including a corporation) who:- (a) directly or indirectly holds 15 per cent. or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this definition is not a controlling shareholder; or (b) in fact exercises control over a company
“Convertible Redeemable Shares”	:	52,161,689 convertible redeemable shares of \$0.20 each in the share capital of our Company, which were converted into 52,161,689 ordinary shares of \$0.20 each on 21 October 2004
“CPF”	:	The Central Provident Fund
“DBS”	:	DBS Bank Ltd
“DBS Vickers Online”	:	DBS Vickers Securities Online (Singapore) Pte Ltd
“Depository Agent”	:	An entity registered as a depository agent with the CDP for the purpose of maintaining a Securities Account
“Dexia Trust”	:	Dexia Trust Services Singapore Limited
“Directors”	:	The directors of our Company as at the date of this Prospectus
“EPS”	:	Earnings per Share
“ESBS”	:	The Olam International Limited Employee Share Benefit Scheme
“ESOS”	:	Olam Employee Share Option Scheme
“ESSS”	:	The Olam International Limited Employee Share Subscription Scheme
“Executive Directors”	:	The executive directors of our Company as at the date of this Prospectus
“Executive Officers”	:	The executive officers of our Company as at the date of this Prospectus
“FY”	:	Financial year ended / ending 30 June or 31 March, as the case may be
“GDP”	:	Gross domestic product
“IMF”	:	The International Monetary Fund
“Independent Directors”	:	The independent directors of our Company as at the date of this Prospectus
“Internet Placement Shares”	:	The 1,000,000 Placement Shares which are reserved for applications made through the Internet website of DBS Vickers Online, in accordance with the terms and conditions of this Prospectus
“Invitation”	:	The invitation by our Company and the Vendors to the public in Singapore to subscribe for and/or purchase the Invitation Shares at the Invitation Price, on the terms and subject to the conditions set out in this Prospectus

“Invitation Price”	:	\$0.62 for each Invitation Share
“Invitation Shares”	:	The 375,000,000 Shares which are the subject of the Invitation comprising 312,188,606 New Shares and 62,811,394 Vendor Shares
“Joint Bookrunners”	:	DBS and CLSA Singapore
“Joint Global Co-ordinators” and/or “Joint Lead Managers”	:	DBS and CLSA
“KC Group”	:	Kewalram Chanrai Group
“Kewalram”	:	Kewalram Singapore Limited
“Kewalram Logo”	:	The trade mark owned by Kewalram Chanrai Holdings Ltd as set out in the licence agreement dated 21 October 2004 entered into between Kewalram Chanrai Holdings Ltd and our Company
“Latest Practicable Date”	:	29 December 2004, being the latest practicable date before the lodgment of this Prospectus with the Authority
“Listing Manual”	:	The SGX-ST Listing Manual
“Management and Underwriting Agreement”	:	The agreement entered into between our Company, the Vendors, the Joint Global Co-ordinators and the Joint Bookrunners dated 31 January 2005 relating to the management of the Invitation and the underwriting of the Offer Shares
“Management Option Shares”	:	The 15,000,000 new Shares which may be allotted and issued upon the exercise of options granted to our Chief Executive Officer on 4 January 2005
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NA”	:	Not applicable
“New Shares”	:	The 312,188,606 new Shares for which our Company invites applications to subscribe for under the Invitation
“Nominating Committee”	:	The governance and nomination committee of our Company as at the date of this Prospectus
“Non-Executive Directors”	:	The non-executive directors of our Company as at the date of this Prospectus
“NTA”	:	Net tangible assets
“Offer”	:	The offer by our Company and the Vendors to the public in Singapore for subscription and/or purchase of the Offer Shares at the Invitation Price, on the terms and subject to the conditions set out in this Prospectus
“Offer Shares”	:	The 30,000,000 Invitation Shares which are the subject of the Offer
“Official List”	:	Official List of the SGX-ST
“Option Shares”	:	Up to 224,750,160 new Shares which may be allotted and issued upon the exercise of options granted under the ESOS

“Over-Allotment Option”	:	The over-allotment option granted by our Company to the Stabilising Manager which is exercisable by the Stabilising Manager, in consultation with CLSA, in whole or in part within 30 days of the commencement of the trading of our Shares on the SGX-ST to subscribe and/or procure subscribers for up to an additional 56,250,000 Additional Shares which in aggregate represents no more than 15 per cent. of the Invitation Shares (before the exercise of the Over-Allotment Option), at the Invitation Price, solely for the purpose of covering over-allotments (if any) made in connection with the Invitation. Unless we indicate otherwise, all information in this Prospectus assumes that the Stabilising Manager does not exercise the Over-Allotment Option
“Participating Banks”	:	DBS (including POSB), Oversea-Chinese Banking Corporation Limited (“OCBC”), and United Overseas Bank Limited and its subsidiary (“UOB Group”)
“Period Under Review”	:	The period which comprises the 12-month periods ended 30 June 2002, 30 June 2003 and 30 June 2004
“Placement”	:	The placement by the Joint Bookrunners on behalf of our Company and the Vendors of the Placement Shares for subscription and/or purchase at the Invitation Price, on the terms and subject to the conditions set out in this Prospectus
“Placement Agreement”	:	The agreement entered into between our Company, the Vendors, the Joint Global Co-ordinators and the Joint Bookrunners dated 31 January 2005 relating to the placement of the Placement Shares
“Placement Shares”	:	The 345,000,000 Invitation Shares (including the Internet Placement Shares and the Reserved Shares), which are the subject of the Placement
“Prospectus”	:	This prospectus dated 31 January 2005
“Receiving Bank”	:	DBS Bank Ltd
“Remuneration Committee”	:	The remuneration committee of our Company as at the date of this Prospectus
“Reserved Shares”	:	Up to 11,250,000 Placement Shares reserved for subscription and/or purchase by the management, staff and business associates of our Group and others who have contributed to the success of our Group
“Securities Account”	:	A securities account maintained by a depositor with CDP, which, for the avoidance of doubt, does not include a securities sub-account
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares of \$0.10 each in the share capital of our Company

“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose securities accounts are credited with the Shares
“Share Registrar”	:	Lim Associates (Pte) Ltd
“Stabilising Manager”	:	DBS Bank Ltd
“Sub-division of Shares”	:	Sub-division of each ordinary share of \$0.20 in the existing authorised and issued and paid-up share capital of our Company into two ordinary shares of \$0.10 each
“Subsidiary”	:	A company being a subsidiary for the time being of our Company within the meaning of section 5 of the Companies Act
“Substantial Shareholder”	:	A person who has an interest in shares the nominal amount of which is not less than 5 per cent. of the nominal amount of all the voting shares of a company
“Temasek”	:	Temasek Holdings (Pte) Ltd
“Turnover”	:	Revenue from sale of goods
“Vendors”	:	(1) Kewalram Singapore Limited, (2) Dragon Orient Holdings Limited, (3) Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose (as trustees for ESBS), (4) Dexia Trust (as trustee for ESSS) and (5) Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose (as trustees for ESSS)
“Vendor Shares”	:	The 62,811,394 existing Shares for which the Vendors invite applications to purchase pursuant to the Invitation, on the terms and subject to the conditions of this Prospectus
“WTO”	:	World Trade Organisation

OUR SUBSIDIARIES AND ASSOCIATED COMPANY

Subsidiaries of the Company

“Olam Americas”	:	Olam Americas, Inc., a company incorporated in the state of North Carolina, USA
“Olam Benin”	:	Olam Benin Sarl, a company incorporated in Benin
“Olam Bissau”	:	Olam Bissau Limitada, a company incorporated in Guinea-Bissau
“Olam Brazil”	:	Olam Brasil Ltda, a company incorporated in Brazil
“Olam Burkina”	:	Olam Burkina Sarl, a company incorporated in Burkina Faso
“Olam Cam”	:	Olam Cam Sarl, a company incorporated in Cameroon

“Olam Caraway”	: Caraway Pte. Ltd., a company incorporated in Singapore
“Olam Congo”	: Olam Congo (R.D.C.), a company incorporated in Congo
“Olam Europe BV”	: Olam Europe B.V., a company incorporated in the Netherlands
“Olam Europe (UK)”	: Olam Europe Limited, a company incorporated in the United Kingdom
“Olam France”	: Olam France Sarl, a company incorporated in France
“Olam Gab”	: Olam Gab Sarl, a company incorporated in Gabon
“Olam Ghana”	: Olam Ghana Limited, a company incorporated in Ghana
“Olam Guinee”	: Olam Guinee Sarl, a company incorporated in Guinea
“Olam India”	: Olam Exports (India) Limited, a company incorporated in India
“Olam Indonesia”	: PT Olam Indonesia, a company incorporated in Indonesia
“Olam Insurance”	: Olam Insurance Limited, a company incorporated in the Isle of Man
“Olam Ivoire”	: Olam Ivoire Sarl, a company incorporated in Cote d’Ivoire
“Olam Kazakhstan”	: Olam Kazakhstan Ltd., a limited liability partnership incorporated in Kazakhstan
“Olam Kenya”	: Olam (Kenya) Limited, a company incorporated in Kenya
“Olam Madagascar”	: Olam Madagascar Sarl, a company incorporated in Madagascar
“Olam Mauritius”	: Olam Investments Limited, a company incorporated in Mauritius
“Olam Middle East”	: Olam Middle East Limited Liability Company, a company incorporated in United Arab Emirates
“Olam Mocambique”	: Olam (Mocambique), Limitada, a company incorporated in Mozambique
“Olam Nigeria”	: Olam Nigeria Limited, a company incorporated in Nigeria
“Olam Novus”	: Novus Nigeria Limited, a company incorporated in Nigeria
“Olam Online”	: Olam Online Ltd, a company incorporated in Singapore
“Olam PNG”	: Outspan PNG Limited, a company incorporated in Papua New Guinea
“Olam Poland”	: Olam Polska Sp Z.o.o., a company incorporated in Poland
“Olam Russia”	: Limited Liability Company Olam Russia Ltd., a company incorporated in Russia

“Olam South Africa”	: Olam South Africa (Proprietary) Limited, a company incorporated in South Africa
“Olam Tanzania”	: Olam Tanzania Limited, a company incorporated in Tanzania
“Olam Togo”	: Olam Togo Sarl, a company incorporated in Togo
“Olam Uganda”	: Olam (Uganda) Ltd., a company incorporated in Uganda
“Olam Victoria”	: Victoria Commodities Limited, a company incorporated in Uganda
“Olam Vietnam”	: Olam Vietnam Limited, a company incorporated in Vietnam
“Olam Zimbabwe”	: Texturegate Investments (Private) Limited, a company incorporated in Zimbabwe
“Outspan Ghana”	: Outspan Ghana Limited, a company incorporated in Ghana
“Outspan India”	: Outspan (India) Private Limited, a company incorporated in India
“Outspan Ivoire”	: Outspan Ivoire S.A., a public limited company incorporated in Cote d’Ivoire
“Outspan Nigeria”	: Outspan Nigeria Limited, a company incorporated in Nigeria

Associated Company

“Olam Lamco”	: Lamco Spa, a company incorporated in Italy
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UNITS AND CURRENCIES

“AED”	: Emirati Dirham
“EUR”	: Euro
“GBP”	: British Pound
“GCD”	: Ghanaian Cedi
“INR”	: Indian Rupee
“K”	: Papua New Guinean Kina
“KES”	: Kenyan Shilling
“KZT”	: Kazakh Tenge
“MGF”	: Madagascan Ariary
“MZM”	: Mozambican Metical
“NGN”	: Nigerian Naira
“PLZ”	: Polish Zloty
“R\$”	: Brazilian Real
“RUR”	: Russian Federation Ruble
“TZS”	: Tanzanian Shilling
“UGS”	: Ugandan Shilling
“UKS”	: Uzbekistani Sum
“USD” or “US\$”	: United States dollar
“VND”	: Vietnamese Dong

“XAF”	: Communauté Financière Africaine franc (responsible authority: Bank of the Central African States)
“XOF”	: Communauté Financière Africaine franc (responsible authority: Central Bank of the West African States)
“ZAR”	: South African Rand
“ZIM”	: Zimbabwean Dollar
“\$”, “SGD” and “cent” or “¢”	: Singapore dollar and cent, respectively
“%” or “per cent.”	: Percentage or per centum
“cbm”	: Cubic metre
“lb”	: Pounds
“sq m”	: Square metres
“ton”	: 1,000 kilograms

COUNTRIES

“Bahamas”	: Commonwealth of The Bahamas
“Bangladesh”	: People’s Republic of Bangladesh
“Benin”	: Republic of Benin
“Brazil”	: Federative Republic of Brazil
“Cameroon”	: Republic of Cameroon
“Chad”	: Republic of Chad
“China”	: People’s Republic of China, including the Hong Kong Special Administrative Region
“CIS”	: The Commonwealth of Independent States
“Congo”	: Republic of the Congo
“Cote d’Ivoire”	: Republic of Cote d’Ivoire
“Equatorial Guinea”	: Republic of Equatorial Guinea
“EU”	: The European Union
“France”	: French Republic
“Gabon”	: Gabonese Republic
“Ghana”	: Republic of Ghana
“Guinea”	: Republic of Guinea
“Guinea-Bissau”	: Republic of Guinea-Bissau
“Hong Kong”	: Hong Kong Special Administrative Region
“Hungary”	: Republic of Hungary

“India”	: Republic of India
“Indonesia”	: Republic of Indonesia
“Jersey”	: Bailiwick of Jersey
“Kazakhstan”	: Republic of Kazakhstan
“Kenya”	: Republic of Kenya
“Liberia”	: Republic of Liberia
“Madagascar”	: Republic of Madagascar
“Malawi”	: Republic of Malawi
“Mali”	: Republic of Mali
“Mauritius”	: Republic of Mauritius
“Mozambique”	: Republic of Mozambique
“Myanmar”	: Union of Myanmar
“Nigeria”	: Federal Republic of Nigeria
“Pakistan”	: Islamic Republic of Pakistan
“Papua New Guinea”	: Independent State of Papua New Guinea
“Poland”	: Republic of Poland
“Russia”	: Russian Federation
“Singapore”	: Republic of Singapore
“South Africa”	: Republic of South Africa
“Sudan”	: Republic of the Sudan
“Tanzania”	: United Republic of Tanzania
“Togo”	: Togolese Republic
“Turkmenistan”	: Turkmenistan
“UAE”	: United Arab Emirates
“Uganda”	: Republic of Uganda
“USA”	: United States of America
“Uzbekistan”	: Republic of Uzbekistan
“Vietnam”	: Socialist Republic of Vietnam
“Zimbabwe”	: Republic of Zimbabwe

The expressions “our”, “ourselves”, “us”, “we” or their grammatical variations in this Prospectus shall, unless otherwise stated, mean our Company, our Subsidiaries, our Associated Company or our Group, as the context may require.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them, respectively, in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Prospectus, the Application Forms and the Electronic Applications to any enactment is a reference to that enactment as amended or re-enacted from time to time. Any word defined under, the Companies Act and the SFA or any statutory modification thereof or the Listing Manual, and used in this Prospectus, the Application Forms and the Electronic Applications, where applicable, shall have the meaning assigned to it under the Companies Act and the SFA, or such statutory modification, or the Listing Manual as the case may be.

Any reference in this Prospectus, the Application Forms or the Electronic Applications to Shares being allotted and/or allocated to an applicant includes allotment and/or allocation to CDP for the account of that applicant.

Any reference to a time of day in this Prospectus and the Application Forms will be a reference to Singapore time, unless otherwise stated.

Any discrepancies in the tables included in this Prospectus between the listed amounts and their aggregates are due to rounding up. Accordingly, figures shown as a total in certain tables may not be an aggregation of the figures that precede them.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary provides a description of some of the technical terms and abbreviations used in this Prospectus. The terms and their assigned meanings may not correspond to the standard industry or common meanings or usage, as the case may be.

“agri-business”	: The agricultural products physical supply value chain
“CAGR”	: Compounded annual growth rate
“cash traded products”	: Commodities for which there is no futures exchange
“CMA”	: Collateral Management Agreement
“Destination Markets” or “Destination Countries”	: Markets and countries in which we sell our food ingredients and/or agricultural products
“Factory Gate”	: Point of delivery to a customer
“Fair Trade Practice”	: The principles and guidelines prescribed by fair trade organisations to promote equitable trading relationships between consumers and economically disadvantaged producers
“Farm Gate”	: Point of collection from a supplier in a producing country
“FOB”	: Free on Board, where the risk of loss or damage to goods passes from seller to buyer upon the goods passing the ship’s rail at the port of loading
“forward contract”	: The purchase or sale of a specific amount of a commodity or financial instrument at a specific price, with delivery and settlement at a specified future date
“futures”	: Goods and stocks purchased for future collection or sold for future delivery
“futures contract”	: In the context of agri-business, a contract relating to the future delivery of commodities in accordance with the business rules or practices of a futures exchange or a futures market. The definition of this term also includes a futures option transaction
“futures exchange”	: Any organisation, association or group, which provides or maintains a futures market
“futures market”	: A market where futures are traded
“HACCP”	: Hazard Analysis and Critical Control Points System, a food safety system in which points in a food manufacturing process are identified and controls are put in place to ensure food safety hazards are eliminated
“LIFFE”	: London International Financial Futures and Options Exchange
“NYBOT”	: The New York Board of Trade
“Origins” or “Origin Countries”	: Producing countries from which we procure our food ingredients and/or agricultural products
“position”	: The amount of a security or asset which is either held (a long position) or an obligation to deliver it which is not currently held (a short position) by a trader or dealer. A position is closed when an exposure is eliminated by selling a long position or covering (buying) a short position
“product groups”	: In the context of our business, our product groups refer to (a) edible nuts, spices and beans, (b) confectionery and beverage ingredients, (c) food staples and packaged foods, and (d) fibre and wood products

- “spot”** : For immediate delivery
- “supply chain”** : Supply chain in terms of agricultural products includes origination, processing, exporting, shipping and logistics, importing, distribution and marketing and risk management
- “toll processing”** : A contract or agreement for the outsourcing of processing for our products
- “VaR”** : Value at Risk, a risk measurement system that calculates the maximum loss that a reference set of market instruments is likely to suffer
- “VMI”** : Vendor Managed Inventory, a process by which the vendor or supplier manages inventory for its customers

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by us or our Directors, our Executive Officers or our employees acting on our or the Vendors' behalf that are not statements of historical fact constitute "forward-looking statements". You can identify some of these forward-looking statements by terms such as "may", "will", "would", "could", "expect", "anticipate", "intend", "estimate", "believe", "plan", or similar words and phrases. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements are only predictions and include, but are not limited to, statements as to the following:-

- our revenue and profitability;
- expected growth in our industry;
- expected industry trends;
- our planned expansion; and
- other matters discussed in this Prospectus regarding matters that are not historical facts.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual future results, performance or achievements to be materially and/or adversely different from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, amongst others, the following:-

- changes in the social, economic and political conditions and regulatory environment in the countries/territories where we operate and/or where our customers and suppliers are located;
- the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- changes in competitive conditions in our industry and our ability to compete under these conditions;
- changes in our future capital needs and the availability of financing and capital to fund these needs;
- changes in currency exchange rates;
- changes in short-term and long-term interest rates;
- changes in customer preferences and needs; and
- other factors described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Results of Operations and Financial Position" beginning on pages 41 and 59 of this Prospectus, respectively.

These forward-looking statements are applicable only as of the date of this Prospectus.

All forward-looking statements by or attributable to us, or our Directors, our Executive Officers or our employees acting on our or the Vendors' behalf, contained in this Prospectus are expressly qualified in their entirety by such factors. Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially and/or adversely different than expressed or implied by the forward-looking statements in this Prospectus, we advise you not to place undue reliance on those statements.

Our Company, the Vendors, the Joint Global Co-ordinators and the Joint Bookrunners are not representing or warranting to you that our actual future results, performance or achievements will be as discussed in those statements. Our actual future results, performance or achievements may differ materially and/or adversely from those anticipated in these forward-looking statements. Further, our Company, the Vendors, the Joint Global Co-ordinators and the Joint Bookrunners disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances. We may, however, pursuant to Section 241 of the SFA, lodge a supplementary or replacement prospectus if, prior to the close of the Invitation, we become aware of (a) a false or misleading statement or matter in this Prospectus, (b) an omission from this Prospectus of any information that should have been included in it under Section 243 of the SFA or (c) a new circumstance that has arisen since this Prospectus was lodged with the Authority and would have been required by Section 243 of the SFA to be included in this Prospectus, if it had arisen before this Prospectus was lodged and that is materially adverse from the point of view of an investor. We are also subject to the provisions of the Listing Manual regarding corporate disclosure upon our admission to the Official List.

SELLING RESTRICTIONS

This Prospectus does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Invitation Shares in any jurisdiction in which such an offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such an offer, solicitation or invitation. The Shares are being offered and sold outside the USA in an offshore transaction as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, the USA or any other jurisdiction, except for the lodgment and registration of this Prospectus in Singapore in order to permit a public offering of the Invitation Shares and the public distribution of this Prospectus in Singapore.

The distribution of this Prospectus and the offering of the Invitation Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Prospectus are required by our Company, the Vendors, the Joint Global Co-ordinators and the Joint Bookrunners to inform themselves about, and to observe and comply with, any such restrictions at their own cost and expense and without liability to our Company, the Vendors, the Joint Global Co-ordinators or the Joint Bookrunners.

Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

Denmark

The Invitation Shares have not been offered or sold and will not be offered, sold or delivered directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Securities Trading Act as amended from time to time and any Executive Orders issued thereunder.

France

This Prospectus has not been prepared in the context of a public offering of securities in France within the meaning of article L.411-1 of the French Code monétaire et financier and articles 211-1 and following and 214-1 and following of the general regulations (*Réglement Général*) of the *Autorité des Marchés Financiers* and has therefore not been submitted to the *Autorité des Marchés Financiers* for prior approval. This Prospectus is made available only to qualified investors and/or to a limited circle of investors (as defined in article L.411-2 of the French Code monétaire et financier and in the Decree no. 98-880 dated 1 October 1998), on the condition that it shall not be passed on to any person nor reproduced (in whole or in part), that such investors act for their own account in accordance with the terms set out by the said decree and undertake not to re-transfer, directly or indirectly, the securities to the public in France, other than in compliance with applicable laws and regulations (articles L.411-1, L.411-2, L. 412 - 1 and L.621 - 8 of the French Code monétaire et financier) and that, in the case of an offering to a limited circle of investors, such investors have testified that they have personal family or personal business ties to a member of the governing body of the issuer.

In addition, neither the document nor any offering material relating to our Invitation Shares has been distributed or caused to be distributed and will be distributed or caused to be distributed in the Republic of France, other than to those investors to whom offers and sales of the Invitation Shares may be made as described above.

Hong Kong

Each of the underwriters has severally and not jointly represented, warranted and agreed that:

1. it has not offered or sold and will not offer or sell in Hong Kong, by names of any document, any Invitation Shares 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

2. it has not issued or had in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Invitation Shares, 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 Invitation Shares 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.

The Netherlands

Any Invitation Shares that are offered, as part of their initial distribution or by way of re-offering, in The Netherlands, shall only be offered, and each of the underwriters has severally and not jointly represented, warranted and agreed that it will only offer such Invitation Shares in The Netherlands, to individuals or legal entities who or which trade or invest in securities in the conduct of a business or profession (which includes banks, securities firms (including dealers and brokers), insurance companies, pension funds, collective investment institutions, central governments, large international and supranational organisations, other institutional investors and other parties, including treasury departments of commercial enterprises, which as an ancillary activity regularly invest in securities (“**Professional Investors**”), provided that in any documents or advertisements in which a forthcoming offering of the Invitation Shares is publicly announced in The Netherlands (whether electronically or otherwise) it is stated that in The Netherlands the Invitation is and will be exclusively made to such Professional Investors.

Ireland

Each of the underwriters has severally and jointly represented, warranted and agreed that:

- (i) otherwise than in circumstances which do not constitute an offer to the public within the meaning of the Companies Acts 1963 to 2003 of Ireland, it has not offered or sold and will not offer or sell in Ireland, by means of any document or other means of visual reproduction, any Invitation Shares, unless such offer or sale has been or is made to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent);
- (ii) it has not issued and will not issue in Ireland any application form for Invitation Shares;
- (iii) it has not made and will not make any offer of Invitation Shares to the public in Ireland to which the European Communities (Transferable Securities and Stock Exchange) Regulations, 1992 of Ireland would apply, except in accordance with the provisions of those Regulations;
- (iv) it has complied and will comply with all applicable provisions of the Investment Intermediaries Act, 1995 (as amended) with respect to anything done by it in relation to the offer, sale or delivery of the Invitation Shares in or involving Ireland; and
- (v) it has only issued or passed on, and will only issue or pass on, in Ireland, any document received by it in connection with the issue of the Invitation Shares in the Company to persons who are persons to whom the document may otherwise lawfully be issued or passed on.

Switzerland

The Invitation Shares will not be offered, directly or indirectly, to the public in Switzerland and this document does not constitute a public offering prospectus as that term is understood pursuant to art. 652a or art. 1156 of the Swiss Federal Code of Obligations. Our Company has not applied for a listing of the Invitation Shares being offered pursuant to this document on the SWX Swiss Exchange or on any other regulated securities market in Switzerland, and consequently, the information presented in this document does not necessarily comply with the information standards set out in the relevant listing rules. The Invitation Shares being offered pursuant to this document have not been registered with the Swiss Federal Banking Commission as foreign investment funds, and the investor protection afforded to acquirers of investment fund certificates does not extend to acquirers of Invitation Shares.

Germany

This document does not constitute a public offering of securities in the sense of section 1 of the German Securities Sales Prospectus Act (Verkaufsprospektgesetz – “**Prospectus Act**”) and there will be no prospectus within the meaning of the Prospectus Act. This document will be distributed and the Invitation Shares will be offered only to professional investors within the meaning of section 2 of the Prospectus Act. The Joint Global Co-ordinators have confirmed that they are aware of the fact that no German sales prospectus (Verkaufsprospekt) within the meaning of the Prospectus Act has been or will be published with respect to the Invitation Shares. In particular, the Joint Global Co-ordinators have represented that they have not engaged and have agreed that they will not engage in a public offering (öffentliches Angebot) within the meaning of the Prospectus Act with respect to any Invitation Shares otherwise than in accordance with the Prospectus Act and all other applicable legal and regulatory requirements.

Italy

The offering of the Invitation Shares has not been registered with the Commissione Nazionale per la Società e la Borsa (“CONSOB”) (the Italian securities exchange commission) pursuant to Italian securities legislation and, accordingly, the Invitation Shares cannot be offered, sold or delivered nor any copy of this Prospectus or any other document relating to the Invitation Shares can be distributed in the Republic of Italy (“Italy”) in a solicitation to the public at large (sollecitazione all’investimento), and sales of the Invitation Shares in Italy shall be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Syndicate Members has represented and agreed that it will not offer, sell or deliver any Invitation Shares or distribute copies of this Prospectus or any other document relating to the Invitation Shares in Italy except to “professional investors” (operatori qualificati), as defined in Article 31, paragraph 2 of CONSOB Regulation No. 11522 of 1 July 1998 as amended (“**Regulation No. 11522**”), pursuant to Article 30, paragraph 2 and Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (“**Decree No. 58**”), or in any other circumstances where an express exemption from compliance with the solicitation restrictions provided by Decree No. 58 or CONSOB Regulation No. 11971 of 14 May 1999, as amended applies.

Any such offer, sale or delivery of the Invitation Shares or distribution of copies of the Prospectus or any other document relating to the Invitation Shares in Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended (“**Decree No. 385**”), Decree No. 58, CONSOB Regulation No. 11522 and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Decree No. 385 and the implementing instructions of the Bank of Italy (*Istruzioni di Vigilanza della Banca d’Italia*), pursuant to which, *inter alia*, the issue and offer of securities in Italy is subject to prior and subsequent notification to the Bank of Italy, unless an exemption applies, depending, *inter alia*, on the aggregate amount and the characteristics of the Invitation Shares issued or offered in Italy; and

in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

United Kingdom

Each of the underwriters has severally and not jointly represented, warranted and agreed that:

- (1) it has not offered or sold and, prior to the expiry of a period of six months from the issue date of the Invitation Shares, will not offer or sell any Invitation Shares to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

- (2) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") with respect to anything done by it in relation to the Invitation Shares in, from or otherwise involving the United Kingdom; and
- (3) 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 FSMA) received by it in connection with the sale of any Invitation Shares in circumstances in which section 21(1) of the FSMA does not apply to us or the Vendors.

United Arab Emirates

The Invitation, this prospectus or any other offering material, the Invitation Shares and interests therein have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the United Arab Emirates, and do not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. Further, the information contained in this prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates.

Each of the underwriters has severally, and not jointly represented, warranted and agreed that it has not offered, transferred, delivered or sold and will not offer, transfer, deliver or sell any Invitation Shares in or from the United Arab Emirates as part of its initial distribution or as part of any re-offering, and that it may not distribute the Invitation Shares or any other document in respect of the offering in or from the United Arab Emirates, other than to individuals or legal entities who qualify as sophisticated investors.

This offering material is strictly private and confidential and is being distributed to a limited number of sophisticated investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Invitation Shares may not be offered or sold directly or indirectly to the public in the United Arab Emirates.

Further, each of the underwriters has severally, and not jointly represented, warranted and agreed that it has not offered, transferred, delivered or sold and will not offer, transfer, deliver or sell any Invitation Shares in or from the Dubai International Centre, and that it shall not distribute the Invitation Shares or any other document in respect of the offering in or from the Dubai International Financial Centre.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus. Terms defined elsewhere in this Prospectus have the same meanings when used herein. Prospective investors should carefully consider all the information presented in this Prospectus, particularly the matters set out in the section entitled "Risk Factors" beginning on page 41 of this Prospectus before making an investment decision.

Under no circumstances should any information in this Prospectus summary be regarded as a representation, warranty or basis by our Company, the Vendors, the Joint Global Co-ordinators or the Joint Bookrunners that such information will not change and will not differ materially and/or adversely from our actual future results, performance or achievements.

OVERVIEW

From Farm Gate to Factory Gate, we believe we are one of the world's leading integrated supply chain managers of agricultural products and food ingredients. Based in Singapore, we operate in more than 35 countries and source and supply 14 products to over 50 Destination Markets.

As at the Latest Practicable Date, our portfolio of 14 agricultural products and food ingredients includes edible nuts, cocoa, coffee, cotton, rice, sugar, timber, sesame and sheanuts. As an integrated supply chain manager, we are engaged in the sourcing, processing, storage, transportation, shipping, distribution, trading and marketing of these agricultural products from the Farm Gate in the producing countries to the Factory Gate of our customers in the Destination Markets. We manage the risks present at each stage of the supply chain to ensure timely delivery of products to our customers as per the required standard.

We were established as a division of the KC Group in 1989 to commence an agri-business operation and were duly incorporated under the laws of Singapore in July 1995. Since establishment, we have evolved from a single country, single product trader to a multi-country, multi-product integrated supply chain manager. Our expansion has been possible as a result of pursuing growth strategies by exploiting adjacent opportunities, which we define as developing opportunities in agricultural products and food ingredients which share customers, costs, capabilities and distribution channels with our existing operations.

Our profitability is driven primarily by growth in underlying traded volumes and also by the extent to which we are able to charge a premium for value-added services and realise cost savings at various stages of the supply chain. We do not consider ourselves to be a directional, positional, proprietary or speculative commodity trader and therefore seek to take positions in products with the sole objective of meeting our customers' demands. In particular, we do not take positions based on our view of the direction or size of commodity price movements. We also do not take positions in the financial or commodity markets unless they are backed by underlying physical transactions.

For FY2004, our revenue and profit after tax were approximately \$2.62 billion and \$48.1 million, respectively.

OUR PRODUCTS AND MARKETS

We categorise our 14 products into the following product groups:-

- Edible nuts, spices and beans;
- Confectionery and beverage ingredients;
- Food staples and packaged foods; and
- Fibre and wood products.

For FY2004, the turnover contribution by each of our product groups was as follows:-

Product group	Turnover contribution (%)
Edible nuts, spices and beans	15.0
Confectionery and beverage ingredients	39.5
Food staples and packaged foods	21.2
Fibre and wood products	24.3

For most of the products that we deal in, we either source directly from the Farm Gate in the Origin Country or in close proximity to the Farm Gate. For FY2004, the relative percentage of tonnage handled by us at the Origins was as follows:-

Origins	Percentage of tonnage handled (%)
Asia and Middle East	57.4
Africa	36.4
Europe	3.1
Americas	3.1

The products we source are moved through our agricultural products supply chain and sold in various Destination Markets. For FY2004, the turnover contribution by Destination Markets was as follows:-

Destination Market	Turnover contribution (%)
Asia and Middle East	40.4
Africa	29.8
Europe	23.4
Americas	6.4

COMPETITIVE STRENGTHS

Our Directors believe that we are capitalising on the industry characteristics and trends set out in the section entitled "Industry Trends and Prospects" beginning on page 91 of this Prospectus by leveraging our competitive strengths in the following areas:-

(a) We are a leading global supplier to multi-national food companies

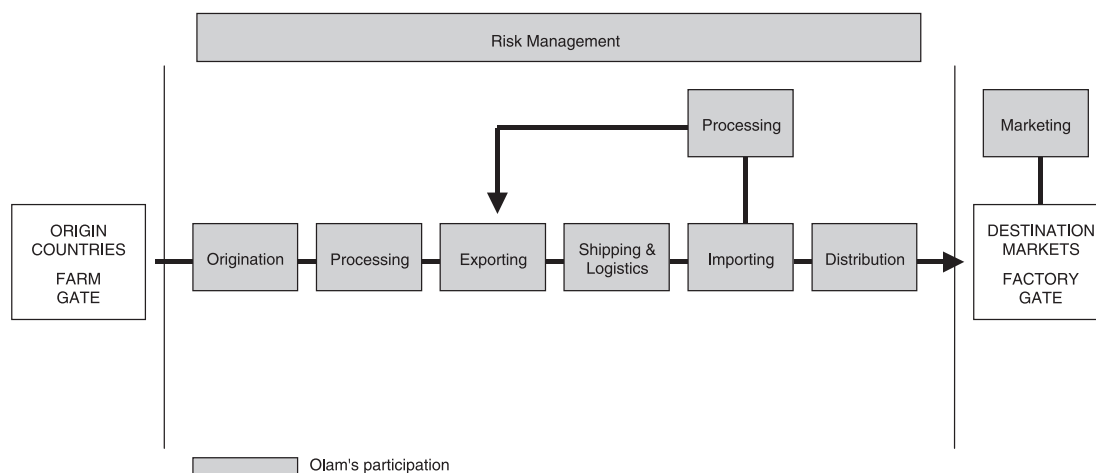
We have established strong relationships with multi-national corporations which own internationally recognised brands such as Kraft, Lavazza, Mars and Nestle. We believe that these strong relationships are built on our leading global market positions. We believe we have a market share in excess of 25 per cent. of the global export market for raw cashew nuts. We are one of the largest shippers of Robusta coffee in the world and one of the three largest dealers of cocoa worldwide.

(b) We have a proven business model

We have a proven and flexible business model. Our business model is scalable and replicable across diversified products, geographic markets, customers and supply chain activities. This business model has enabled us to achieve rapid growth, cost-competitiveness through cost-sharing and diversification of our risks.

(c) We have integrated end-to-end supply chain capabilities

We have integrated end-to-end capabilities across the supply chain in each of our products which allows us to control our supply chain, provide value-added services and increase our margins. The following chart illustrates our involvement in managing key aspects of this supply chain:-



(d) We combine origin capabilities with market capabilities

We believe that we are 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. We are well established in key Origins for our products, which present significant barriers to entry for our competitors. As such, this combination has allowed us to develop privileged relationships with our key customers and to offer them our distribution and logistics capabilities, as well as our hedging, risk management and risk arbitrage skills.

(e) We have a professional and experienced management team

We have consistently attracted high quality professionals to work in challenging emerging market conditions in which we operate. Our training and career development programmes are designed to provide our managers with the opportunity to manage a mix of businesses and locations. This not only provides them with broad knowledge and experience, but also enhances our ability to operate as a globally integrated organisation. The management and employees of our Group (including the Executive Directors) collectively own approximately 24.8 per cent. of our Shares as at the Latest Practicable Date largely through our employee share schemes, ESBS and ESSS. This has helped align their interests with those of our Company and foster a sense of commitment. Please refer to the section entitled “Share Schemes” beginning on page 129 of this Prospectus for details of our ESBS and our ESSS.

(f) We are able to leverage our relationships with our well-established Shareholders

We are able to leverage on our Shareholders, such as Kewalram Singapore Limited, Russell AIF Singapore Investments Limited (managed by AIF Capital Limited), Seletar Investments Pte Ltd (a wholly-owned subsidiary of Temasek) and International Finance Corporation in terms of business opportunities, and in helping us formulate our corporate governance policy and the implementation of other best practices relating to risk management and environmental and social responsibility.

INDUSTRY TRENDS AND PROSPECTS

Our Directors expect our future growth to be supported by:-

(a) Global trends in supply chain management

- Globalisation of production due to increasing trade liberalisation, industry deregulation and technological advancements;

- Globalisation of consumption due to rising global wealth and converging global mass consumption patterns; and
- Rising customer expectations as a result of rising wealth, education and global awareness.

(b) Trends in the supply chain management of agri-business

- High entry barriers in the producing countries because of (i) the location-specific nature of agricultural production, which is dependent on environmental factors such as climate and soil conditions and (ii) the location of these production bases in emerging markets with challenging environments;
- Demand for agricultural products is stable and generally correlated to income growth;
- Industry liberalisation through deregulation of state agricultural monopolies; and
- The positive impact of WTO on agricultural trade through recent rulings on removing trade distorting subsidies.

OUR GROWTH STRATEGY AND FUTURE PLANS

We aim to grow our business and volumes by taking advantage of adjacent opportunities in potential businesses which share geographic markets, products, customers and supply chains with our existing businesses. We intend to use our flexible, scalable and replicable supply chain management model to capitalise on such opportunities with minimal execution risk.

Our expansion initiatives are based on the following key principles:-

- meet financial return targets;
- achieve a significant market share;
- establish a strong presence in key Origins;
- establish a strong presence in Destination Markets;
- develop direct end-customer relationships; and
- identify the potential for value generation through selective supply chain integration.

Our future plans are focused on the following principal objectives:-

(a) Grow volumes by expanding into new Origins and markets

We intend to increase our supply of various products into China, Brazil, India and Russia, which have emerged over the past decade as important production and consumption markets in the global agri-business industry.

(b) Expand our product portfolio

We aim to expand, among others, our coffee business and edible nuts portfolio. We are already in the process of adding Arabica coffee to our existing Robusta coffee business. We are also in the process of diversifying our edible nuts business from cashews and peanuts into hazelnuts, almonds and other edible nuts. In addition, we aim to grow the range of our spices and beans as well as our packaged foods business.

(c) Enhance margins through supply chain integration and offering value-added services

We aim to enhance our margins through the achievement of cost-savings by selectively developing our own infrastructure, moving processing closer to the Origins, positioning ourselves to benefit from the potential liberalisation of various stages of the supply chain and, where profitable, to provide more value-added services to our customers.

WHERE TO FIND US

Our registered office is at 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624 and our principal place of business is at 9 Temasek Boulevard, #11-02 Suntec Tower Two, Singapore 038989. Our internet address is www.olamonline.com. **Information contained on our website does not constitute part of this Prospectus.**

SELECTED FINANCIAL INFORMATION

The financial year end for our Group is 30 June. Prior to the financial year ended 30 June 2003, the financial year end of our Group was 31 March. In 2003, the Group changed its financial year end from 31 March to 30 June, resulting in an extended period of 15 months for the financial year ended 30 June 2003. The change was undertaken in order to avoid the coincidence of the financial year end with the Group's peak operational period and deploy the Group's resources more efficiently as well as to better reflect the seasonality of our business.

The financial statements for the financial years ended 30 June 2004, 30 June 2003 and 31 March 2002 have been duly audited (the "Auditors' Report") and are set out in the Index to the Financial Statements. The consolidated profit and loss account of our Group for the 12 months ended 30 June 2004, consolidated balance sheet as at 30 June 2004, and consolidated cash flow statements for the 12 months ended 30 June 2004 and the 15 months ended 30 June 2003 have been extracted from, and should be read in conjunction with, the Auditors' Report.

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

\$'000	Audited		
	12 months to 31 March 2002	15 months to 30 June 2003	12 months to 30 June 2004
Revenue	1,588,368	2,516,796	2,622,431
Cost and expenses	(1,533,136)	(2,438,745)	(2,525,148)
Profit from operating activities	55,232	78,051	97,283
Profit before taxation	26,959	34,070	53,679
Profit for the financial year/period	22,528	30,013	48,095
EPS ⁽¹⁾ (cents)	1.9	2.5	4.1

Note:

⁽¹⁾ For comparative purposes, the EPS for the Period Under Review has been calculated based on the profit for the financial year/period and the pre-Invitation share capital of 1,186,145,794 Shares.

For the purpose of presenting comparable financial periods for the Management's Discussion and Analysis of Results of Operations and Financial Position section in the Prospectus, we have prepared the consolidated profit and loss accounts and the notes thereto for the 12-month financial periods ended 30 June 2003 and 30 June 2002, which have been reviewed by Ernst & Young (the "Review Report") and set out in the Index to the Financial Statements. These consolidated profit and loss accounts have been prepared by the management in accordance with our Group's accounting policies, as set out in our audited financial statements for the financial year ended 30 June 2004, which comply with the Singapore Financial Reporting Standards.

\$'000	Unaudited		Audited
	12 months to 30 June 2002	12 months to 30 June 2003	12 months to 30 June 2004
Revenue	1,588,542	2,284,662	2,622,431
Cost and expenses	(1,532,124)	(2,214,683)	(2,525,148)
Profit from operating activities	56,418	69,979	97,283
Profit before taxation	29,050	32,544	53,679
Profit for the financial year/period	24,968	28,655	48,095
EPS ⁽¹⁾ (cents)	2.1	2.4	4.1

Note:

⁽¹⁾ For comparative purposes, the EPS for the Period Under Review has been calculated based on the profit for the financial year/period and the pre-Invitation share capital of 1,186,145,794 Shares.

CONSOLIDATED BALANCE SHEETS

\$'000	Audited		
	As at 31 March 2002	As at 30 June 2003	As at 30 June 2004
Current assets	769,155	850,621	1,219,621
Current liabilities	(698,238)	(741,720)	(1,017,388)
Net current assets	70,917	108,901	202,233
Non current assets	12,141	18,410	22,098
Non current liabilities	(9,205)	(9,081)	(34,468)
Shareholders' equity	73,853	118,230	189,863
NTA per Share ⁽¹⁾ (cents)	6.2	9.9	16.0
Adjusted NTA per Share ⁽²⁾ (cents)			17.6

Note:

⁽¹⁾ For comparative purposes, the NTA per Share has been calculated based on the NTA as at the end of the financial year/period and the pre-Invitation share capital of 1,186,145,794 Shares.

⁽²⁾ NTA per Share as at 30 June 2004 after adjusting for the conversion of the Convertible Redeemable Shares into 52,161,689 ordinary shares of \$0.20 each, the issue of an aggregate 36,956,522 ordinary shares of \$0.20 each pursuant to the ESSS in December 2004 and the Dividend Payment of approximately \$24.27 million after FY2004 and based on the pre-Invitation share capital of 1,186,145,794 Shares.

CONSOLIDATED STATEMENT OF CASHFLOW

\$'000	Audited		
	12 months to 31 March 2002	15 months to 30 June 2003	12 months to 30 June 2004
Net cash used in operating activities	(161,146)	(74,193)	(188,324)
Net cash used in investing activities	(4,838)	(9,773)	(8,697)
Net cash provided by financing activities	147,061	30,537	265,182
Net increase / (decrease) in cash and cash equivalents	(18,369)	(55,866)	66,172

USE OF PROCEEDS

Our Company's principal reason for the Invitation is to further strengthen our capital base and provide a firm financial platform for the sustained growth of our Group's operations. The future development of the Group will involve expanding and enhancing our presence and competitive position in selected geographic and product markets. These strategic objectives will be pursued, in part, through investments to enhance our capabilities in primary processing and logistics infrastructure and to develop selected local distribution networks. As described in greater detail below, the funds raised by this Invitation are intended to pursue opportunities in both existing and new Origins and markets.

The Invitation will also enhance our Company's ability to access international capital markets to support our growth objectives. In addition to providing a public market for our Company's Shares, the Invitation will raise the profile of the Group as a whole and enhance its status with suppliers, customers, bankers and other partners.

The net proceeds attributable to us from the issue of the Invitation Shares (excluding the Vendor Shares and assuming that the Over-Allotment Option is not exercised), after deducting the estimated expenses in relation to the Invitation of approximately \$9.44 million and the payment of underwriting and placement commissions, will be approximately \$184.94 million. This is intended to be used in the following manner:-

- (i) approximately \$55.48 million for investments in logistics infrastructure and processing facilities in existing Origins and markets where we can build on an established presence. These investments may include the establishment of new subsidiaries, associates, alliances and/or joint ventures;
- (ii) approximately \$36.99 million to expand our operations in new Origins, primarily Brazil, China and the USA and new markets, primarily China, Russia and the USA. Opportunities in these new Origins and markets are expected to include the acquisition or leasing of infrastructural and processing facilities and, where opportunities arise, the establishment of new subsidiaries, associates, alliances and/or joint ventures; and
- (iii) the balance of approximately \$92.47 million to fund increased working capital requirements arising from our planned growth in volumes of products traded and for other general corporate purposes.

For more details on our future plans, please refer to the section entitled "Our Growth Strategy and Future Plans" beginning on page 94 of this Prospectus.

As at the Latest Practicable Date, we have no material capital expenditure commitments. Pending the deployment of the net proceeds as aforesaid, the net proceeds may be added to our Group's working capital, placed in fixed deposits with banks and financial institutions, or used for investment in short-term money market instruments, as our Directors may deem appropriate in their absolute discretion.

If the Over-Allotment Option is exercised in full, the net proceeds (after the payment of underwriting and placement commissions) received by our Company will be approximately \$218.94 million. The additional net proceeds will be used for our working capital purposes.

DETAILS OF THE INVITATION

LISTING ON THE SGX-ST

We have applied to the SGX-ST for permission to deal in, and for quotation of, all our Shares already issued (including the Vendor Shares), the New Shares, the Option Shares, the Management Option Shares and the Additional Shares which may be issued upon the exercise of the Over-Allotment Option. Such permission will be granted when we have been admitted to the Official List of the SGX-ST. Acceptance of applications for the Invitation Shares will be conditional upon, inter alia, the SGX-ST granting permission to deal in and for quotation of all our existing issued Shares (including the Vendor Shares), the New Shares, the Option Shares, the Management Option Shares and the Additional Shares. If the completion of the Invitation does not occur because the SGX-ST's permission is not granted or for any other reason (including where the Authority issues a stop order pursuant to section 242 of the SFA), monies paid in respect of any application will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom and you will not have any claim against us, the Vendors, the Joint Global Co-ordinators or the Joint Bookrunners.

In connection with the Invitation, we have granted to the Stabilising Manager the Over-Allotment Option, which is exercisable by the Stabilising Manager, in consultation with CLSA, in whole or in part within 30 days from the date of commencement of dealing of our Shares on the SGX-ST. Pursuant to the Over-Allotment Option, the Stabilising Manager may, in consultation with CLSA, subscribe and/or procure subscribers for up to an aggregate of 56,250,000 Additional Shares, which in aggregate represent no more than 15 per cent. of the Invitation Shares (before the exercise of the Over-Allotment Option), at the Invitation Price, solely for the purpose of covering over-allotments (if any) made in connection with the Invitation. The Stabilising Manager may, in consultation with CLSA, over-allot or effect transactions which stabilise or maintain the market price of our Shares at levels which might not otherwise prevail in the open market, subject to compliance with the laws of Singapore. Such stabilisation activities, if commenced, may be discontinued at any time at the discretion of the Stabilising Manager (in consultation with CLSA) in accordance with the laws of Singapore and shall not be effected after the earlier of (a) the date falling 30 days after the commencement of dealing of our Shares on the SGX-ST or (b) the date on which the over-allotment of Shares which are the subject of the Over-Allotment Option have been fully covered (either through the purchase of Shares on the SGX-ST or the exercise of the Over-Allotment Option by the Stabilising Manager or both).

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Invitation, our Company, our Subsidiaries, our Shares (including the Vendor Shares), the New Shares, the Option Shares, the Management Option Shares or the Additional Shares (if the Over-Allotment Option is exercised).

A copy of this Prospectus has been lodged with and registered by the Authority on 7 January 2005 and 31 January 2005, respectively. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA, or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the merits of our Shares (including the Vendor Shares), the New Shares, the Option Shares, the Management Option Shares or the Additional Shares (if the Over-Allotment Option is exercised), as the case may be, being offered or in respect of which the Invitation is made, for investment.

Under the SFA, the Authority may, in certain circumstances issue a stop order to our Company, directing that no or no further Shares to which this Prospectus relates, be allotted, issued or sold. Such circumstances will include a situation where this Prospectus (i) contains a statement or matter, which in the opinion of the Authority is false or misleading, (ii) omits any information that should be included as required by the SFA or (iii) does not, in the opinion of the Authority, comply with the requirements of the SFA.

Where the Authority issues a stop order pursuant to section 242 of the SFA and applications to purchase or subscribe for Invitation Shares have been made prior to the stop order,

- (a) in the case where the Invitation Shares have not been issued and/or sold to the applicants, the applications for the Invitation Shares shall be deemed to have been withdrawn and cancelled and

our Company shall, and on behalf of the Vendors shall, within 14 days from the date of the stop order, pay to the applicants all monies the applicants have paid on account of their applications for the Invitation Shares;

- (b) in the case where the Invitation Shares have been issued and/or sold to the applicants, the issue and/or sale of the Invitation Shares pursuant to the Invitation shall be deemed to be void and our Company shall, and on behalf of the Vendors shall, within 14 days from the date of the stop order, pay to the applicants all monies paid by them for the Invitation Shares; or
- (c) where the Invitation Shares have been sold to applicants, the sale of the Invitation Shares shall be deemed to be void and if documents purporting to evidence title have been issued to the applicants, our Company shall, and on behalf of the Vendors shall, within seven days from the date of the stop order, inform all applicants to return such documents to our Company within 14 days from that date; and within seven days from the date of receipt of such documents (if applicable) or the date of the stop order, whichever is later, pay to the applicants all monies paid by them for the Invitation Shares.

Such monies paid in respect of your application will be returned to you at your own risk, without interest or any share of revenue or other benefit relating to such monies, and you will not have any claim against us, the Vendors, the Joint Global Co-ordinators or the Joint Bookrunners.

None of our Company, the Vendors, the Joint Global Co-ordinators, the Joint Bookrunners, our Directors, or any other party involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Prospectus shall be considered as being business, legal, financial or tax advice. Investors should be aware that they may be required to bear the financial risk of an investment in our Shares for an indefinite period of time. Each prospective investor should consult his own professional or other adviser for business, legal, financial or tax advice regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by our Company, the Vendors, the Joint Global Co-ordinators or the Joint Bookrunners.

Neither this Prospectus, the Application Forms nor the Invitation shall on its own or otherwise, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to involve a change in our affairs, condition or prospects, or our Shares (including the Vendor Shares and the New Shares) or in the statements of fact or information contained in this Prospectus since the date of this Prospectus. Where such changes occur and are material or are required to be disclosed by law, the Vendors and us will make an announcement of the same to the SGX-ST and the public and, if required, lodge a supplementary document or replacement document with the Authority pursuant to section 241 of the SFA and other applicable provisions of the SFA and take immediate steps to comply with the requirements of section 241 of the SFA. The Vendors and us will also comply with all other applicable requirements of the SFA and/or any the requirements of the Authority and/or SGX-ST. All applicants should take note of any such announcement and, upon release of such an announcement and document, shall be deemed to have notice of such changes. Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies.

The Invitation Shares are offered for subscription and/or purchase solely on the basis of the information contained and the representations made in and as at the date of this Prospectus.

This Prospectus has been prepared solely for the purpose of the Invitation and may only be relied upon by you in connection with your application for the Invitation Shares and may not be relied upon by any other person or for any other purpose.

This Prospectus does not constitute an offer of, or invitation or solicitation to subscribe for and/or to purchase, the Invitation Shares in any jurisdiction in which such offer or invitation or solicitation is unauthorised or unlawful nor does it constitute an offer of, or invitation or solicitation to, any person to whom it is unlawful to make such offer or invitation or solicitation.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, from:-

DBS Bank Ltd
6 Shenton Way
#36-01 DBS Building Tower One
Singapore 068809

CLSA Merchant Bankers Limited
9 Raffles Place
#19-20/21 Republic Plaza II
Singapore 048619

and, where available, from branches of DBS (including POSB) and members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST website at <http://www.sgx.com>.

The Application List will open at 12:00 p.m. on 4 February 2005 and will remain open until 8:30 a.m. on 7 February 2005 or for such further period or periods as our Directors and the Vendors may, in consultation with the Joint Global Co-ordinators, decide, subject to any limitations under all applicable laws. Where a supplementary or replacement prospectus has been lodged with the Authority pursuant to section 241 of the SFA, the Application List shall be kept open for at least 14 days after the lodgment of the supplementary or replacement prospectus.

Where, prior to the lodgment of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for and/or purchase our Invitation Shares and:-

- (a) where our Shares have not been issued and/or sold to the applicants, our Company shall, and on behalf of the Vendors shall, either:-
 - (i) within seven days from the date of lodgment of the supplementary or replacement prospectus, give the applicants the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to withdraw their applications; or
 - (ii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and our Company shall, and on behalf of the Vendors shall, within seven days from the date of lodgment of the supplementary or replacement prospectus, return all monies paid in respect of any application; or
- (b) where our Shares have been issued and/or sold to the applicants, our Company shall, and on behalf of the Vendors shall either:-
 - (i) within seven days from the date of lodgment of the supplementary or replacement prospectus, give the applicants the supplementary or replacement prospectus, as the case may be, and provide the applicants with an option to return those Shares, which they do not wish to retain title in; or
 - (ii) treat the issue and/or sale of our Shares as void, in which case the issue or sale shall be deemed void and our Company shall, and on behalf of the Vendors shall, within seven days from the date of lodgment of the supplementary or replacement prospectus, return all monies paid in respect of any application.

An applicant who wishes to exercise his option under paragraph (a)(i) above to withdraw his application shall, within 14 days from the date of lodgment of the supplementary or replacement prospectus, notify our Company of this, whereupon our Company shall, and on behalf of the Vendors shall, within seven days from the receipt of such notification, pay to him all monies paid on account of his application for those Shares without interest or a share of revenue or benefit arising therefrom, at the applicant's risk. An applicant who wishes to exercise his option under paragraph (b)(i) above to return our Shares issued to him shall, within 14 days from the date of lodgment of the supplementary or replacement prospectus, notify our Company of this and return all documents, if any, purporting to be evidence of title to those Shares, to our Company, whereupon our Company shall, and on behalf of the Vendors shall, within seven days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Shares and the issue and sale of those Shares shall be deemed to be void.

Details for the procedure for application for the Invitation Shares are set out in Appendix G "Terms, Conditions and Procedures for Application and Acceptance" of this Prospectus.

INDICATIVE TIMETABLE FOR LISTING

The Invitation will open from 31 January 2005 to 7 February 2005. Applications may be submitted to the persons and by the means as described in Appendix G “Terms, Conditions and Procedures for Applications and Acceptance”.

In accordance with the SGX-ST News Release of May 28, 1993 on the trading of initial public offering shares on a “when issued” basis, the indicative timetable is set out below for the reference of applicants:-

Indicative date/time	Event
7 February 2005, 8:30 a.m.	Close of Application List
7 February 2005	Balloting of applications, if necessary (in the event of an over-subscription for the Offer Shares)
11 February 2005, 9.00 a.m.	Commence trading on a “when issued” basis
15 February 2005	Last day of trading on a “when issued” basis
16 February 2005, 9.00 a.m.	Commence trading on a “ready” basis
21 February 2005	Settlement date for all trades done on a “when issued” basis and for trades done on a “ready” basis on 16 February 2005

The above timetable is only indicative as it assumes that the date of closing of the Application List is 7 February 2005, the date of admission of our Company to the Official List of the SGX-ST is 11 February 2005, the SGX-ST’s shareholding spread requirement will be complied with and the Invitation Shares will be issued and fully paid-up prior to 11 February 2005. The actual date on which our Shares will commence trading on a “when issued” basis will be announced when it is confirmed by the SGX-ST.

The above timetable and procedure may be subject to such modification as the SGX-ST may, in its discretion, decide, including the decision to permit trading on a “when issued” basis and the commencement date of such trading.

The commencement of trading on a “when issued” basis will be entirely at the discretion of the SGX-ST. All persons trading in our Shares on a “when issued” basis do so at their own risk. In particular, persons trading in our Shares before their Securities Accounts with CDP are credited with the relevant number of Shares do so at the risk of selling Shares which neither they nor their nominees, as the case may be, have been allotted or allocated with or are otherwise beneficially entitled to. Such persons are also exposed to the risk of having to cover their net sell positions earlier if “when issued” trading ends sooner than the indicative date mentioned above. Persons who have a net sell position traded on a “when issued” basis should close their position on or before the first day of “ready” basis trading.

Results of Applications and Distribution

We will publicly announce the level of subscription and the results of the distribution of the New Shares and the Vendor Shares pursuant to the Invitation, as soon as practicable after the close of the Application List:

- (i) through an SGXNET announcement to be posted on the Internet at the SGX-ST website at <http://www.sgx.com>; and
- (ii) in a local English language newspaper, namely, The Straits Times.

Investors should consult the SGX-ST announcement on the “ready” listing date which will be posted on the Internet (at the SGX-ST website at <http://www.sgx.com>), INTV or the newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through the media referred to in (i) and (ii) above.

PLAN OF DISTRIBUTION

The Invitation Price of \$0.62 was determined by us and the Vendors, in consultation with the Joint Global Co-ordinators, based on the estimated market valuation of our Company and the estimated market demand for our Shares. The Invitation Price is the same for all Invitation Shares and is payable in full on application.

Offer Shares

The members of the public in Singapore are invited to subscribe and/or purchase the Offer Shares at the Invitation Price. The terms and conditions and procedures for application and acceptance are described in Appendix G of this Prospectus.

Pursuant to the terms and conditions set out in the Management and Underwriting Agreement entered into between our Company, the Vendors, the Joint Global Co-ordinators and the Joint Bookrunners dated 31 January 2005, the Joint Bookrunners have agreed to underwrite our Offer Shares.

Upon the close of the Application List, in the event there is an under-subscription for the Offer Shares, the number of Offer Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

Upon the close of the Application List, in the event there is an over-subscription for the Offer Shares and/or the Placement Shares are fully subscribed and/or purchased or over-subscribed, the successful applications for the Offer Shares will be determined by ballot or otherwise as determined by our Directors and the Vendors, in consultation with the Joint Global Co-ordinators, and approved by the SGX-ST.

Placement Shares (excluding Reserved Shares)

Application for the Placement Shares (excluding Reserved Shares) may only be made by way of application forms or through the Internet website of DBS Vickers Online. The terms and conditions and procedures for application and acceptance are described in Appendix G of this Prospectus.

Pursuant to the terms and conditions of the Placement Agreement, the Joint Bookrunners have agreed to subscribe for and/or purchase and/or procure subscribers and/or purchasers for the Placement Shares at the Invitation Price on the terms and conditions in the Placement Agreement.

Upon the close of the Application List, in the event there is an under-subscription for the Placement Shares, that number of Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Offer Shares to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Upon the close of the Application List, in the event there is an under-subscription for the Internet Placement Shares, that number of Internet Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Placement Shares made by way of Application Forms to the extent that there is an over-subscription for such Placement Shares as at the close of the Application List or to satisfy excess applications for the Offer Shares, to the extent that there is an over-subscription for the Offer Shares as at the close of the Application List.

Subscribers and/or purchasers of Placement Shares (excluding Reserved Shares) may be required to pay brokerage, and if so required, such brokerage will be up to 1.0 per cent. of the Invitation Price.

Reserved Shares

To recognise contributions to our Group, we have reserved up to 11,250,000 Placement Shares for subscription and/or purchase at the Invitation Price by the management, staff and business associates of our Group and others who have contributed to the success of our Group. These Reserved Shares are not subject to any moratorium and may be disposed of after the admission of our Company to the

Official List of the SGX-ST. However, none of the abovementioned persons will be offered more than 5 per cent. of the Invitation Shares. In the event that any of the Reserved Shares are not taken up, they will be made available to satisfy applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List or, in the event of an under-subscription for the Placement Shares as at the close of the Application List, to satisfy excess applications made by members of the public for the Offer Shares to the extent there is an over-subscription for the Offer Shares as at the close of the Application List.

Please refer to the section entitled “Management, Underwriting and Placement Arrangements” beginning on page 182 of this Prospectus for further details.

Over-Allotment and Stabilisation

We have granted to the Stabilising Manager an Over-Allotment Option to, in consultation with CLSA, subscribe and/or procure subscribers for up to an aggregate of 56,250,000 Additional Shares (which in aggregate does not represent more than 15 per cent. of the Invitation Shares (before the exercise of the Over-Allotment Option)) at the Invitation Price, exercisable in full or in part within 30 days upon the commencement of dealing of our Shares on the SGX-ST (the “Commencement Date”) solely for the purpose of covering over-allotments (if any) made in connection with the Invitation.

In over-allotting the Additional Shares (or their equivalent in class and description) (if any), priority will be given to satisfying the excess demand for the Placement Shares before satisfying any excess demand for the Offer Shares.

The Stabilising Manager (in consultation with CLSA), may, in its discretion but subject always to applicable laws and regulations in Singapore, over-allot or effect transactions which stabilise or maintain the market price of our Shares at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in all jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulatory requirements. Such stabilisation activities, if commenced, may be discontinued by the Stabilising Manager at any time at its discretion (in consultation with CLSA) in accordance with the laws of Singapore and shall not be effected after the earlier of (a) the date falling 30 days after the Commencement Date or (b) the date when the over-allotment of Shares which are the subject of the Over-Allotment Option has been fully covered (either through the purchase of Shares on the SGX-ST or the exercise of the Over-Allotment Option by the Stabilising Manager, or both).

Neither we, the Stabilising Manager or CLSA makes any representation or prediction as to the magnitude of any effect that the transaction described in this section may have on the market price of our Shares. In addition, neither we, the Stabilising Manager or CLSA makes any representation that the Stabilising Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without advance notice (unless such notice is required by law). The Stabilising Manager will be required to make a public announcement through the SGX-ST on the cessation of the stabilising action and the extent to which the Over-Allotment Option has been exercised.

Share Lending Agreement

Upon signing the Placement Agreement, DBS will enter into the Share Lending Agreement with Mr. Sunny George Verghese, our Group Managing Director and Chief Executive Officer, under which DBS may borrow up to 56,250,000 Shares from Mr. Verghese for the purpose of facilitating settlement of the over-allotment of Shares in connection with the Invitation. DBS will re-deliver to Mr. Verghese such number of Shares which are equivalent to the Shares (if any) lent under this agreement no later than five Singapore business days following the earlier of (i) the exercise of the Over-Allotment Option or (ii) the expiry of the Over-Allotment Option, or such earlier time as may be agreed between the parties.

Subscription of Shares by Directors, Employees or Shareholders

To the best of our knowledge, we are not aware of any Directors, employees or Shareholders who intends to subscribe for Shares in the Invitation (other than Reserved Shares). We are also not aware of any person who intends to subscribe for more than 5 per cent. of the Invitation Shares. However,

through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate his interest to subscribe for and/or purchase more than 5 per cent. of the Invitation Shares. If such person(s) were to make an application for Shares and subsequently be allocated or allotted such Shares, we will make the necessary announcements at the appropriate time.

Further, no Shares shall be allocated or allotted on the basis of this Prospectus later than six months after the date of registration of this Prospectus.

CLEARANCE AND SETTLEMENT

In-principle approval has been obtained from the SGX-ST for the listing and quotation of our Shares. For the purpose of trading on the SGX-ST, a board lot for our Shares will comprise 1,000 Shares. Upon listing and quotation on SGX-ST, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through SGX-ST will be effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, as amended from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons named as direct securities account holders and depository agents in the depository register maintained by the CDP, rather than CDP itself, will be treated, under our Articles and the Companies Act, as members of the Company in respect of the number of Shares credited to their respective securities accounts.

Persons holding the Shares in securities accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will, however, not be valid for delivery pursuant to trades transacted on SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with our Articles. A fee of \$10.00 for each withdrawal of 1,000 Shares or less and a fee of \$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of \$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each share certificate issued and a stamp duty of \$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or \$0.20 per \$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third-party. Persons holding physical share certificates who wish to trade on SGX-ST must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A deposit fee of \$10.00 and another \$10.00 for stamp duty are payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such changes as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time.

Transactions in the Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer or stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the SGX-ST is payable at the rate of 0.05 per cent. of the transaction value subject to a maximum of \$200.00 per transaction. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to Singapore Goods and Services Tax at the prevailing rate.

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct account with CDP or a sub-account with a CDP agent. The CDP agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

THE INVITATION

- Issue Size** : 375,000,000 Invitation Shares (excluding the Additional Shares which may be issued pursuant to the Over-Allotment Option) comprising 312,188,606 New Shares and 62,811,394 Vendor Shares. The New Shares will, upon issue and allotment, rank pari passu in all respects with our existing issued Shares.
- Invitation Price** : \$0.62 for each Invitation Share.
- Structure** : The Invitation comprises:-
- (1) 30,000,000 Offer Shares at \$0.62 each by way of the Offer; and
 - (2) 345,000,000 Placement Shares by way of the Placement comprising:-
 - (a) 332,750,000 Placement Shares at \$0.62 each for applications by way of application forms;
 - (b) 1,000,000 Internet Placement Shares at \$0.62 each for applications made through the Internet website of DBS Vickers Online; and
 - (c) 11,250,000 Reserved Shares at \$0.62 each reserved for our management, staff and business associates of our Group and others who have contributed to the success of our Group.
- payable in full on application (subject to the Over-Allotment Option)
- The Invitation is open for applications from members of the public in Singapore, subject to and on the terms and conditions set out in this Prospectus (including Appendix G of this Prospectus).
- Over-Allotment Option** : We have granted the Stabilising Manager the Over-Allotment Option, which is exercisable, in consultation with CLSA, in whole or in part within 30 days from the date of commencement of dealing of our Shares on the SGX-ST, to subscribe and/or procure subscribers for up to 56,250,000 Additional Shares in the Invitation, which in aggregate represents not more than 15 per cent. of the Invitation Shares (before the exercise of the Over-Allotment Option), solely to cover over-allotments (if any) made in connection with the Invitation.
- Stabilisation** : In connection with the Invitation, the Stabilising Manager (in consultation with CLSA) may, in its discretion over-allot new Shares or effect transactions which stabilise or maintain the market price of our Shares at levels which may not otherwise prevail in the open market, subject to compliance with the laws of Singapore. Such stabilisation, if commenced, may be discontinued at any time at the discretion of the Stabilising Manager (in consultation with CLSA).
- Listing Status** : Prior to the Invitation, there has been no public market for our Shares. Our Shares will be quoted on the SGX-ST, subject to our admission to the Official List of the SGX-ST and permission for dealing in, and for quotation of, our Shares being granted by the SGX-ST.

RISK FACTORS

An investment in our Shares involves risks. You should carefully evaluate each of the following risk factors (which are not intended to be exhaustive) and all of the other information set forth in this Prospectus before deciding whether to invest in our Shares. Some of the risk factors below relate to the industry in which we operate and our business in general. Other considerations relate to general, social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future dilution or sale of our Shares.

If any of the following considerations and uncertainties develop into actual events, our business, financial condition or results of operations could be materially and adversely affected. In such circumstances, the market price of our Shares could decline and you may lose all or part of your investment in our Shares.

RISKS RELATING TO OUR GROUP

The volume of products we trade are affected by supply and demand conditions which may be beyond our control

Our profitability is primarily driven by the volume of products transacted as our profit margins at each stage of our 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, we may be unable to sell our products or be forced to sell them at reduced prices which will result in our profit margins being reduced further. The inability to sell our products will prolong our exposure to price risks. It may also cause severe cash flow problems, especially when the tenures for sale and purchase of our products as agreed with our bankers are exceeded. This may lead to banks recalling or refusing to extend our loans. As a result, our business, results of operations and financial position may be adversely affected.

The crop output or supply in general of the various products that we deal in depends on weather and other climatic or environmental conditions. Any such unfavourable conditions can adversely affect crops and therefore the availability of the products, which may lead us to default on contractual obligations. Crop shortages and undersupply due to adverse weather conditions or conversely, excess crops due to exceptionally good weather conditions may lead to price fluctuations. As a result, our business and results of operations may be adversely affected.

We may not be able to effectively hedge our risks of price fluctuations for some of the products we trade

The prices of all the products that we trade 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 us to hedge the risks of adverse price fluctuations. Under such circumstances, we are fully exposed to price risks until we have sold the products that we have purchased or have bought products that we have contracted to sell. Should the price of products we sell be lower than the price at which we procured them, our 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, we use 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 magnitude due, for instance, to speculative activity in the futures market;
- where the product we trade does not correspond exactly to the futures market in terms of grade, type, market and quantity;

- where our hedges have to be rolled forward due to our continued possession of our physical products beyond the period of the initial hedge, thereby exposing us to price differences between the contract periods; and/or
- where excessive price movements result in margin calls being made on us by the relevant futures exchange, in turn resulting in sudden cashflow requirements which we may not be able to meet.

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

We face competition in our various product and geographic markets

We face competition in all our product and geographic markets. Our competitors range from global trade houses to local distributors and buying agents. Please refer to the section entitled “Competition” beginning on page 97 of this Prospectus. In some of the developing economies where we operate, 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 we operate, which could have an adverse impact on our business and operations. In most of the countries in which we operate, our operations are also subject to various licensing requirements. Complete deregulation or de-licensing of these Origins may lead to increased competition. This may have an adverse effect on our business operations in these Origins. As a result, our business, results of operations and financial position may be adversely affected.

We are often unable to obtain accurate third-party data to corroborate our market position

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

We operate in many developing countries and we are subject to risks relating to conducting business in such countries

As at the Latest Practicable Date, we have significant operations in emerging markets such as Africa and other developing countries. We believe that we have a significant customer and supplier base in these developing countries. In conducting our business, we are subject to political, economic, legal, operational and other risks arising from operating in these countries. These risks may include, amongst others:-

- (a) civil unrest, military conflict, terrorism, change in political climate and general security concerns;
- (b) default by government bodies who may be the only authorised trading counter-parties in certain regulated markets;
- (c) relatively less developed legal systems and business practices which may give rise to difficulties in enforcement of agreements entered into with counter-parties;
- (d) changes in duties payable and taxation rates;
- (e) imposition of restrictions on currency conversion or the transfer of funds;
- (f) fluctuation in the currency values;
- (g) limitations and/or bans on imports and exports;
- (h) expropriation or nationalisation of private enterprises or confiscation of private property or assets;

- (i) reversal or change of laws, regulations or policies;
- (j) relatively less developed business and communication infrastructure which may hamper our efficiency and internal controls; or
- (k) reinstatement of commodity boards or state monopolies for any of our products.

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

We may not be successful in replicating our expansion plans

We plan to expand our operations into new geographic markets and products. Please refer to the section entitled "Our Growth Strategy and Future Plans" beginning on page 94 of this Prospectus for details of our expansion plans. Such expansion initiatives may involve significant initial investment in infrastructure and resources. Our expansion plans may not be successful. Our initiatives may not result in the increases in volumes or margins that we have planned. We may not be able to replicate our past record of success in expanding into new geographical markets and/or products. We may also not be able to generate a return on our initial investments in new geographical markets and products. Under such circumstances, our present and future operating results and financial position may be adversely affected.

We may be adversely affected by the actions of our counter-parties

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

Contractual risks

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

Credit risks

Our counterparties may default on credit which we may grant to them. Credit default may arise due to the failure of our internal credit exposure monitoring system or mechanism, improper judgement or incomplete information on the trading risks of our counter-parties.

In the Origins, we 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. We 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 our financial performance. Where loans are secured with collateral, we may not be able to recover all or part of the value of the loan by liquidating the collateral. As a result, our business, results of operations and financial position may be adversely affected.

We are exposed to foreign exchange rate risk

In general, our purchases are transacted in the local currencies of the respective Origins, and our sales are transacted mainly in USD, GBP and EUR. This is with the exception of our food staples and packaged foods business, where purchases are transacted in USD and sales are transacted in the local currencies of the Destination Markets. Where possible and as a matter of policy, we use forward

contracts to hedge our foreign currency exchange exposures arising from purchase and sale of products in currencies other than USD. Where such instruments are not available, we will also attempt to create natural hedges by matching the value of sales and purchases to and from the same geographic market. Should we be unable to hedge our currency exposures, our results of operations and financial position may be adversely affected.

Our profitability may be affected by changes in tax regimes and certain special tax incentives

Our operations in various countries are subject to different tax regimes. Changes in local tax regulations may adversely affect our profitability. As a recipient of the Global Trader Programme status awarded by International Enterprise Singapore, we are, among other things, entitled to a concessionary corporate tax rate of 5 per cent. which is subject to certain conditions. This concession expires on 30 June 2008. Should this concessionary tax rate be revised, revoked or not be renewed upon expiry, we will be subject to the normal corporate tax rate, which as at the date of this Prospectus is 20 per cent., which may affect our results of operations.

We are subject to volatility in shipping and logistics costs

Shipping and logistics expenses accounted for 13.9 per cent., 11.9 per cent. and 12.6 per cent. of our turnover for FY2002, FY2003 and FY2004 respectively. As most of our shipments are made using third-party land and sea transport providers, we are subject to fluctuations in the prices of shipping and logistics costs, which may in turn have an impact on our results of operations.

The value of our physical products may deteriorate across various stages of our supply chain

The value of the products we deliver may differ from our assessment for the following principal reasons:

Quality deterioration

Our products are subject to quality deterioration during storage and transit. Each of our 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 our products falls with quality deterioration through bad or inadequate quality management.

Weight loss

Weight loss constitutes a major operational risk. All our 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 Company'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 our 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, our results of operations may be adversely affected.

Our insurance may not adequately cover all potential losses

Our insurance policies cover various risks, including but not limited to, fire, theft, civil disturbance, riots, inland transit and marine risks. Please refer to the section entitled "Insurance" set out on page 97 of this Prospectus for details on our insurance. Our insurance policies may not adequately compensate for any and every type of loss that we may incur. Any such loss not otherwise compensated may adversely affect our results of operations and our financial position.

We are subject to regulation by various regulatory bodies

We are subject to the rules of various trade associations and regulatory bodies, which regulate the terms and conditions of trade in some of our products. Such associations include the Commodity Futures Trading Commission, 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 we are found to be in breach of any rules or regulations of such trade associations or regulatory bodies, we may be subject to fines, penalties or other sanctions. This may have an adverse impact on our business, results of operations and financial position.

We are dependent on our internal systems for our operations

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

Our operations are highly dependent on debt financing

We are highly dependent on debt financing in the form of highly leveraged short-term debt to fund our working capital requirements. We may not be able to grow our volumes if we are unable to obtain additional debt financing. This may have an adverse effect on our profitability.

Since all of our loans have a limited tenure, we need sufficient liquidity to meet our loan repayment obligations. Adverse market conditions which hamper the liquidation of stocks or delay the recovery of credit may affect our loan repayment schedules and this may in turn result in the banks withdrawing or requiring early repayment of the facilities granted to us. This will pose a solvency risk for us even though we may be profitable. As we may also obtain loans of longer tenures, we may be exposed to risk of interest rate fluctuations. These may adversely affect our business and results of operations.

Please refer to the section entitled “Capitalisation and Indebtedness” beginning on page 73 of this Prospectus for further details.

We are dependent on key personnel for our operations and profitability

One of the key reasons for our growth and success has been our ability to retain a talented and motivated team of senior professional managers. Our continued success will depend on our ability to retain key management staff and train new employees. If members of our senior management team are unable or unwilling to continue in their present positions, our 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. We may not be able to attract additional qualified persons for overseas postings in developing economies. This will further constrain our growth in those places. As a result, our business and results of operations may be adversely affected.

RISKS RELATING TO OWNERSHIP OF OUR SHARES

Our Shares have never been publicly traded and the Invitation may not result in an active or liquid market for our Shares

Prior to this Invitation, there has been no public market for our Shares. We have received a letter of eligibility from the SGX-ST to have our Shares listed and quoted on the SGX-ST. The SGX-ST listing and quotation does not, however, guarantee that a trading market for our Shares will develop or, if a market does develop, the liquidity of that market for our Shares. Therefore, we are unable to predict the extent to which the Invitation will result in the development of an active, liquid public trading market for our Shares offered pursuant to the Invitation or how liquid any public trading market will be. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and

sell orders for investors. Liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. The trading prices and trading volume of our Shares may also face volatility after our Shares are listed and quoted on the SGX-ST.

The Invitation Price will be determined by our Company and the Vendors, in consultation with the Joint Global Co-ordinators and based on several factors, and may not be indicative of the market price for our Shares after the Invitation. You may not be able to sell your Shares at a price that is attractive to you. The market price of our Shares may be significantly affected by, among others, the following factors:-

- (a) our actual or anticipated results of operations;
- (b) new services or products offered by us or our competitors;
- (c) announcements by us or our competitors of significant contracts, acquisitions, partnerships, joint ventures or capital commitments;
- (d) the loss of a major customer or supplier;
- (e) additions or departures of key personnel;
- (f) changes in, or our failure to meet, securities analysts' expectations;
- (g) changes in market valuations of other similar companies;
- (h) legislative and regulatory developments affecting our industry;
- (i) developments in our industry;
- (j) investor perception of investments, in particular the developing economies which we operate in;
- (k) broad share price fluctuations;
- (l) involvement in litigation;
- (m) involvement in any action by the Authority; and
- (n) general market conditions and other factors beyond our control.

It may be difficult to assess our performance against either domestic or international benchmarks. Although it is currently intended that our Shares will remain listed on the SGX-ST, there is no guarantee of the continued quotation and listing of our Shares.

Future sales of Shares by our Company or our Substantial Shareholders may adversely affect the price of our Shares

Any future sales or availability of our Shares may create downward pressure on our Share price. There will be 1,498,334,400 issued Shares immediately following the Invitation. Such Shares, subject to the terms affecting those under moratorium, may be sold in the public market in Singapore. Please refer to the section entitled "Moratorium" set out on page 140 of this Prospectus for more details.

The sale of a significant number of Shares in the public market after the Invitation, or the perception that such sales may occur, may materially and adversely affect the market price of our Shares. These factors may also affect our ability to raise funds in new share offerings.

Except as otherwise described in the section entitled "Moratorium" beginning on page 140 of this Prospectus, there will be no restrictions on the ability of our Substantial Shareholders to sell their Shares either on the SGX-ST or otherwise.

Foreign Shareholders may not be able to participate in rights offerings or certain other equity issues

If we offer or cause to be offered to holders of our Shares rights to subscribe for additional Shares or any rights of any other nature, we may be subject to regulations as to the procedure to be followed in making such rights available to our Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to such Shareholders. We may not offer such rights to the Shareholders having an address in jurisdictions outside Singapore. Accordingly, shareholders having an address outside Singapore may not be able to participate in rights offerings and may experience a dilution in their holdings as a result.

Investors in our Shares will face immediate and substantial dilution in our NTA per Share and may experience further dilution

The Invitation Price of \$0.62 is higher than our Group's audited NTA per Share as at 30 June 2004 (as adjusted for the conversion of the Convertible Redeemable Shares into 52,161,689 ordinary shares of \$0.20 each, the issue of an aggregate 36,956,522 ordinary shares of \$0.20 each pursuant to the ESSS in December 2004, the Dividend Payment (as defined on page 49 of this Prospectus) of approximately \$24.27 million and the net proceeds from the Invitation) of approximately \$0.26. If we were liquidated for NTA immediately following this Invitation, each investor subscribing to this Invitation would receive less than the price they paid for our Shares.

In addition, we may issue options under our ESOS. To the extent that such options are ultimately exercised and new Shares are issued pursuant to such exercise at below the Invitation Price, there will be further dilution to investors participating in the Invitation. Further details of the ESOS are described under the section "Olam Employee Share Option Scheme" beginning on page 129 of this Prospectus and in Appendix E where the rules of the ESOS are set out.

We may implement new employees' share option schemes in the future. As it is possible that a discount may be given under the new share option scheme, the price at which option holders may purchase new Shares may be below the market price of our Shares prevailing at the time the options are exercised. In such a case, existing Shareholders may also suffer dilution in the value of their investments.

Our Substantial Shareholders may change after expiry of the Moratorium

Upon the expiry of the moratorium, there is no assurance that our Substantial Shareholders, Kewalram, Russell AIF Singapore Investments Limited (together with its nominee Dragon Orient Holdings Limited), International Finance Corporation, Seletar Investments Pte Ltd and Mr. Sunny George Verghese, will not sell all or part of their stake in our Company. Kewalram is also our Controlling Shareholder. A sale of our Shares by Kewalram may result in a change in control of our Company. There is no guarantee that such change in controlling ownership, if any, will not adversely affect the performance of our Group.

Our share price may also be adversely affected by the negative publicity generated by the disposal of our Shares by our Substantial Shareholders.

Substantial Shareholders could significantly influence the outcome of corporate actions in a manner which may conflict with our interests and the interests of Shareholders

Our Substantial Shareholders, Kewalram, Russell AIF Singapore Investments Limited, International Finance Corporation, Seletar Investments Pte Ltd and Mr. Sunny George Verghese have beneficial interests, direct and indirect, in 33.91 per cent., 10.09 per cent., 6.96 per cent., 5.04 per cent. and 6.27 per cent. of our enlarged share capital after the Invitation respectively, assuming the Over-Allotment Option is not exercised.

Our Substantial Shareholders would be able to significantly influence most matters requiring approval by our Shareholders, including matters relating to a potential change in control of our Company. No assurance can be given that our Substantial Shareholders' objectives will not conflict with our business goals and activities. Our Substantial Shareholders may also be able to deter or delay a future takeover or change in control of our Company.

INVITATION STATISTICS

The calculation of the Invitation statistics below assumes that the Over-Allotment Option is not exercised.

INVITATION PRICE : \$0.62

NTA

NTA per Share of our Group as at 30 June 2004, adjusted for the conversion of the Convertible Redeemable Shares into 52,161,689 ordinary shares of \$0.20 each, the issue of an aggregate 36,956,522 ordinary shares of \$0.20 each pursuant to the ESSS in December 2004 and the Dividend Payment⁽¹⁾ of approximately \$24.27 million:-

- (a) before adjusting for the estimated net proceeds from the Invitation and based on the pre-Invitation issued share capital of 1,186,145,794 Shares : 17.6 cents
- (b) after adjusting for the estimated net proceeds from the Invitation and based on the post-Invitation issued share capital of 1,498,334,400 Shares : 26.2 cents

Premium of Invitation Price over our Group's NTA per Share of our Group as at 30 June 2004, adjusted for the conversion of the Convertible Redeemable Shares into 52,161,689 ordinary shares of \$0.20 each, the issue of an aggregate 36,956,522 ordinary shares of \$0.20 each pursuant to the ESSS in December 2004 and the Dividend Payment⁽¹⁾ of approximately \$24.27 million:-

- (a) before adjusting for the estimated net proceeds from the Invitation and based on the pre-Invitation issued share capital of 1,186,145,794 Shares : 252.3 per cent.
- (b) after adjusting for the estimated net proceeds from the Invitation and based on the post-Invitation issued share capital of 1,498,334,400 Shares : 136.6 per cent.

EPS

Historical net EPS based on the consolidated results of our Group for FY2004 based on the pre-Invitation issued share capital of 1,186,145,794 Shares : 4.1 cents

PER

Historical price earnings ratio based on the historical net EPS of our Group for FY2004 : 15.1 times

MARKET CAPITALISATION

Our Company's market capitalisation based on the Invitation Price of \$0.62 per Share and our post-Invitation share capital of 1,498,334,400 Shares : \$929.0 million

Note:

⁽¹⁾ As defined on page 49 of this Prospectus

DIVIDEND POLICY

Our Company paid gross dividends of \$4.73 million in respect of FY2002. No dividends were declared or paid for FY2003. In September 2003, an interim dividend in respect of FY2004 of \$18.00 million was declared and paid out to the Shareholders whose names were shown in the Register of Members as at 30 June 2003. The Shareholders subsequently subscribed for 39,433,905 ordinary shares of \$0.20 each at a premium of \$0.25646 per share and which were issued on 23 September 2003. All these dividends were distributed as exempt dividend in accordance with Section 13B of the Income Tax Act. In addition, a final ordinary exempt gross dividend of \$10.11 million and a special final exempt gross dividend of \$14.16 million for FY2004 (together defined as "Dividend Payment"), were recommended by the Directors and subsequently approved at an extraordinary general meeting.

Potential investors should note that past dividend distributions should not be taken as an indication of future dividend distributions. The declaration and payment of dividends will be determined at the sole discretion of our Directors, subject to the approval of our Shareholders and Section 69 of the Companies Act. Future dividends will be paid by the Company as and when approved by our Directors and Shareholders.

Our Company may, by ordinary resolution of our Shareholders at a general meeting, declare dividends, but the amount of such dividends shall not exceed the amount recommended by the Directors. The Directors may also declare an interim dividend without seeking shareholders' approval. Our Company must pay all dividends out of our profits or from our share premium account, in accordance with Section 69 of the Companies Act.

Any such dividend payments payable by us in the future will be affected by matters such as the level of our future earnings, results of operations, capital requirements, cashflow, financial conditions, our plans for expansion, general business conditions and other factors, including such legal or contractual restrictions as may apply from time to time or which our Directors may consider appropriate in the interest of our Company. The Directors will consider all these factors before proposing any dividends. The Director's policy is to recommend dividends consistent with the Company's overall governing objective of maximising shareholder value over time.

For the financial year ending 30 June 2005, taking these factors into account and assuming that before the end of that year there are no material adverse developments, the Directors will consider a target dividend payout ratio of approximately 25 per cent. of our profit after tax. You should note that this statement is merely a statement of our present intention and shall not constitute a legally binding commitment in respect of our future dividends and dividend payout ratio which may be subject to modification (including reduction or non-declaration thereof) in our Directors' sole and absolute discretion.

For more information relating to taxes payable on dividends, please refer to Appendix B "Taxation" of this Prospectus.

DILUTION

Dilution is the amount by which the Invitation Price paid by subscribers/purchasers of our Shares pursuant to this Invitation exceeds our NTA per Share immediately after the Invitation. The NTA per Share as at 30 June 2004, adjusted for the conversion of the Convertible Redeemable Shares into 52,161,689 ordinary shares of \$0.20 each, the issue of an aggregate 36,956,522 ordinary shares of \$0.20 each pursuant to the ESSS in December 2004 and the Dividend Payment of approximately \$24.27 million ("Adjusted NTA") but before adjusting for the estimated net proceeds from the Invitation and based on our pre-Invitation issued share capital of 1,186,145,794 Shares was \$0.176.

Based on the issue of 312,188,606 New Shares at the Invitation Price of \$0.62 per Share pursuant to the Invitation, our Adjusted NTA per Share as at 30 June 2004, after adjusting for the estimated net proceeds from the Invitation and based on the post-Invitation share capital of 1,498,334,400 Shares, would be \$0.262. This represents an immediate increase in NTA per Share of \$0.086 to our existing Shareholders and an immediate dilution in NTA per Share of \$0.358 to our new investors (assuming that the Over-Allotment Option is not exercised).

The following table illustrates this dilution per Share:-

	\$
Invitation Price per Share	0.62
Adjusted NTA per Share ⁽¹⁾ as at 30 June 2004, based on the pre-Invitation issued share capital of 1,186,145,794 Shares	0.176
Increase in NTA per Share attributable to existing Shareholders	0.086
Adjusted NTA per Share ⁽¹⁾ as at 30 June 2004 after the Invitation (assuming that the Over-Allotment Option is not exercised)	0.262
Dilution in NTA per Share to new investors	0.358

The above assumes that the Stabilising Manager has not exercised the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the Adjusted NTA per Share after the Invitation would be \$0.275.

Note:-

⁽¹⁾ NTA per Share adjusted for the conversion of the Convertible Redeemable Shares into 52,161,689 ordinary shares of \$0.20 each, the issue of an aggregate 36,956,522 ordinary shares of \$0.20 each pursuant to the ESSS in December 2004 and the Dividend Payment of approximately \$24.27 million.

The following table shows the effective cash cost to our Directors and Substantial Shareholders of our Company or their associates, of Shares acquired by them at any time during the period of three years before the date of lodgment of the Prospectus.

	No. of Shares acquired	Total consideration (\$)	Average price per Share/ Convertible Redeemable Share (\$)
Directors			
Sunny George Verghese	57,022,630	1,591,363	0.02791
Sridhar Krishnan	10,962,048	1,215,450	0.11088
Shekhar Anantharaman	10,962,048	1,215,450	0.11088

	No. of Shares acquired	Total consideration (\$)	Average price per Share/ Convertible Redeemable Share (\$)
Other Substantial Shareholders			
Kewalram Singapore Limited	409,029,220	10,957,201	0.02679
Russell AIF Singapore Investments Limited	129,503,890	28,829,084	0.22261
Dragon Orient Holdings Limited (as nominee for Russell AIF Singapore Investments Limited)	38,537,744	8,558,000	0.22207
International Finance Corporation ⁽¹⁾	104,323,378	25,602,000	0.24541
Seletar Investments Pte Ltd	75,542,216	17,241,000	0.22823

Note:-

⁽¹⁾ International Finance Corporation subscribed for Convertible Redeemable Shares of \$0.20 each and which were converted into ordinary shares of \$0.20 each on 21 October 2004 on the basis of one ordinary share of \$0.20 each for each Convertible Redeemable Share outstanding.

SHARE CAPITAL

Our Company was incorporated in the Republic of Singapore under the Companies Act as a public limited company on 4 July 1995 under the name of Olam International Limited.

As at 30 June 2004, our authorised share capital for ordinary shares was \$200,000,000, consisting of 1,000,000,000 ordinary shares of \$0.20 each and our authorised share capital for Convertible Redeemable Shares was \$20,000,000, consisting of 100,000,000 Convertible Redeemable Shares of \$0.20 each. Our issued and paid-up share capital at that time for ordinary shares was \$100,790,937 consisting of 503,954,686 ordinary shares of \$0.20 each and our issued and paid-up capital for Convertible Redeemable Shares was \$10,432,338 consisting of 52,161,689 Convertible Redeemable Shares of \$0.20 each.

On 21 October 2004, pursuant to the conversion of the 52,161,689 Convertible Redeemable Shares by International Finance Corporation into 52,161,689 ordinary shares of \$0.20 each (on the basis of one ordinary share of \$0.20 for each Convertible Redeemable Share outstanding), the issued and paid-up share capital of our Company was increased to \$111,223,275 comprising 556,116,375 ordinary shares of \$0.20 each.

On 2 December 2004, following the issue and allotment of 29,835,700 ordinary shares of \$0.20 each pursuant to the ESSS, the issued and paid-up share capital of our Company for ordinary shares was increased to \$117,190,415 comprising 585,952,075 ordinary shares of \$0.20 each.

On 14 December 2004, following the issue and allotment of 7,120,822 ordinary shares of \$0.20 each pursuant to the ESSS, the issued and paid-up share capital of our Company for ordinary shares was increased to \$118,614,579.40 comprising 593,072,897 ordinary shares of \$0.20 each.

At an extraordinary general meeting held on 4 January 2005, our Shareholders approved, *inter alia*, the following:-

- (a) the conversion of the authorised share capital for Convertible Redeemable Shares of \$0.20 each into ordinary shares of \$0.20 each;
- (b) the sub-division of each ordinary share of \$0.20 in the existing authorised and issued and paid up share capital of our Company into two ordinary shares of \$0.10 each (“Sub-division of Shares”);
- (c) the adoption of a new set of Articles of Association;
- (d) the issue of the New Shares pursuant to the Invitation which when fully paid, allotted and issued, will rank *pari passu* in all respects with the existing issued Shares (the “Issue of New Shares”);
- (e) the grant of the Over-Allotment Option to the Stabilising Manager exercisable (in consultation with CLSA) in whole or in part within 30 days from the date of commencement of dealing of our Shares on the SGX-ST, and the allotment and issue of the Additional Shares in the event that the Over-Allotment Option is exercised by the Stabilising Manager. The Additional Shares, when allotted, issued and fully paid-up, will rank *pari passu* in all respects with the existing Shares;
- (f) the authorisation of our Directors, pursuant to Section 161 of the Companies Act, to:-
 - (i) allot and issue shares in our Company (whether by way of rights, bonus or otherwise, including Shares as may be issued pursuant to any Instrument (as defined below)) made or granted by our Directors while this authority is in force notwithstanding that the authority conferred by this resolution may have ceased to be in force at the time of issue of such Shares), and/or
 - (ii) 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 warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their

absolute discretion deem fit provided that the aggregate number of Shares issued pursuant to such authority (including Shares issued pursuant to any Instrument but excluding Shares which may be issued pursuant to any adjustments (“Adjustments”) effected under any relevant Instrument, which Adjustment shall be made in compliance with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of our Company), shall not exceed 50 per cent. of the issued share capital of our Company immediately after the Invitation, and provided that the aggregate number of such Shares to be issued other than on a pro rata basis in pursuance to such authority (including Shares issued pursuant to any Instrument but excluding shares which may be issued pursuant to any Adjustment effected under any relevant Instrument) to the existing Shareholders shall not exceed 20 per cent. of the issued share capital of our Company immediately after the Invitation, and, unless revoked or varied by our Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of our Company or the date by which the next Annual General Meeting of our Company is required by law to be held, whichever is the earlier; and

- (g) the establishment of the ESOS, which comprises options that may be granted in respect of such number of new Shares representing in aggregate not more than 15 per cent. of the prevailing number of issued Shares after the Invitation (assuming the Over-Allotment Option is not exercised), the rules of which are set out in Appendix E of this Prospectus.

As at the date of this Prospectus, our authorised share capital is \$220,000,000 consisting of 2,200,000,000 Shares of \$0.10 each and our issued and fully paid-up share capital is \$118,614,579.40 consisting of 1,186,145,794 Shares. Upon completion of the Invitation (assuming the Over-Allotment Option is not exercised), our issued and paid-up share capital will increase to approximately \$149,833,440 comprising 1,498,334,400 Shares.

Details of the changes in the issued and paid-up share capital of our Company within the three years preceding the date of lodgment of this Prospectus are set out below:-

Date	Number of shares issued	Issue price per share	Purpose of issue/event	Resultant issued share capital
25 February 2002	165,000,000 ordinary shares of \$0.20 each	\$0.20	Capitalisation of retained earnings of \$33,000,000 by way of bonus issue in the proportion of 3 new ordinary shares for every 2 existing ordinary shares	\$55,000,000.00
29 July 2002	85,250,000 ordinary shares of \$0.20 each	\$0.20	Capitalisation of retained earnings of \$17,050,000 by way of bonus issue in the proportion of 31 new ordinary shares for every 100 existing ordinary shares	\$72,050,000.00
4 September 2002	47,230,801 ordinary shares of \$0.20 each	\$0.44414	Allotment to Russell AIF Singapore Investments Limited for cash	\$81,496,160.20

Date	Number of shares issued	Issue price per share	Purpose of issue/ event	Resultant issued share capital
23 September 2003	24,004,735 ordinary shares of \$0.20 each	\$0.45646	Allotment to Kewalram Singapore Limited for cash	\$86,297,107.20
23 September 2003	3,486,315 ordinary shares of \$0.20 each	\$0.45646	Allotment to Sunny George Verghese for cash	\$86,994,370.20
23 September 2003	6,229,411 ordinary shares of \$0.20 each	\$0.45646	Allotment to Sridhar Krishnan for cash	\$88,240,252.40
23 September 2003	5,713,444 ordinary shares of \$0.20 each	\$0.45646	Allotment to Russell AIF Singapore Investments Limited for cash	\$89,382,941.20
10 October 2003	37,771,108 ordinary shares of \$0.20 each	\$0.45646	Allotment to Seletar Investments Pte Ltd for cash	\$96,937,162.80
24 February 2004	19,268,872 ordinary shares of \$0.20 each	\$0.44414	Cash allotment to Dragon Orient Holdings Limited	\$100,790,937.20
21 October 2004	52,161,689 ordinary shares of \$0.20 each	-	Conversion of 52,161,689 convertible redeemable shares of \$0.20 each to ordinary shares of \$0.20 each	\$111,223,275.00
2 December 2004	29,835,700 ordinary shares of \$0.20 each	\$0.46	Cash allotment to management and employees pursuant to ESSS	\$117,190,415.00
14 December 2004	7,120,822 ordinary shares of \$0.20 each	\$0.46	Cash allotment to management and employees pursuant to ESSS	\$118,614,579.40
4 January 2005	-	-	Sub-division of each ordinary share of \$0.20 into two ordinary shares of \$0.10 each	\$118,614,579.40

Details to the changes in our issued and paid-up share capital since 30 June 2004 and the issued and paid-up share capital immediately after the Invitation are as follow:-

	No. of shares		Paid-up capital (\$)
	Par value \$0.20	Par value \$0.10	
Share capital as at 30 June 2004	503,954,686	–	100,790,937.20
Conversion of Convertible Redeemable Shares	52,161,689	–	10,432,337.80
Issuance of ordinary shares pursuant to the ESSS in December 2004	36,956,522	–	7,391,304.40
	<u>593,072,897</u>		<u>118,614,579.40</u>
Pre-invitation share capital (after the sub-division of ordinary shares of \$0.20 each into ordinary shares of \$0.10 each)	–	1,186,145,794	118,614,579.40
New shares to be issued pursuant to the Invitation	–	312,188,606	31,218,860.60
Post-Invitation share capital	–	<u>1,498,334,400</u>	<u>149,833,440.00</u>

The authorised share capital and shareholders' funds of our Company as at 30 June 2004 before and after the Sub-division of Shares, the conversion of the Convertible Redeemable Shares of 52,161,689 ordinary shares of \$0.20 each, the issue of an aggregate 36,956,522 ordinary shares of \$0.20 each pursuant to the ESSS in December 2004 and the Dividend Payment of approximately \$24.27 million, and the issue of the New Shares pursuant to the Invitation are set out below:-

\$'000	As at 30 June 2004	After the Sub- division of shares, conversion of the Convertible Redeemable Shares, issue of shares pursuant to ESSS and the Dividend Payment	After the Invitation
Authorised share capital			
Ordinary shares of \$0.20 each and Convertible Redeemable Shares of \$0.20 each	220,000	–	–
Ordinary shares of \$0.10 each	–	220,000	220,000
Shareholders' equity			
Share capital	100,791	118,615	149,833
Total reserve(s)	<u>89,072</u>	<u>89,578</u>	<u>257,594</u>
Total shareholders' equity	<u>189,863</u>	<u>208,193</u>	<u>407,427</u>

The rights and privileges of these Shares are stated in our Articles of Association.

SELECTED FINANCIAL INFORMATION

The following tables present selected consolidated profit and loss accounts of our Group for the 12 months ended 30 June 2002, 2003 and 2004 and consolidated balance sheet as at 30 June 2004.

The financial year end for our Group is 30 June. Prior to the financial year ended 30 June 2003, the financial year end of our Group was 31 March. In 2003, the Group changed its financial year end from 31 March to 30 June, resulting in an extended period of 15 months for the financial year ended 30 June 2003. The change was undertaken in order to avoid the coincidence of the financial year end with the Group's peak operational period and deploy the Group's resources more efficiently as well as to better reflect the seasonality of our business.

The financial statements for the financial years ended 30 June 2004, 30 June 2003 and 31 March 2002 have been duly audited (the "Auditors' Report") and are set out in the Index to the Financial Statements. The consolidated profit and loss account of our Group for the 12 months ended 30 June 2004, consolidated balance sheet as at 30 June 2004, and consolidated cash flow statements for the 12 months ended 30 June 2004 and the 15 months ended 30 June 2003 have been extracted from and should be read in conjunction with the Auditors' Report.

For the purpose of presenting comparable financial periods as set out in the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position beginning on page 59 of this Prospectus, we have prepared the consolidated profit and loss accounts and the notes thereto for the 12-month financial periods ended 30 June 2003 and 30 June 2002, which have been reviewed by Ernst & Young (the "Review Report") and are set out in the Index to the Financial Statements. These consolidated profit and loss accounts have been prepared by the management in accordance with our Group's accounting policies, as set out in our audited financial statements for the financial year ended 30 June 2004, which comply with the Singapore Financial Reporting Standards.

Consolidated Profit and Loss Accounts for the 12-month periods ended 30 June 2002, 2003 and 2004

\$'000	Unaudited		Audited
	12 months to 30 June 2002	12 months to 30 June 2003	12 months to 30 June 2004
Revenue			
Sales of goods	1,581,561	2,274,332	2,610,349
Other revenue	6,981	10,330	12,082
	1,588,542	2,284,662	2,622,431
Costs and expenses			
Cost of goods sold	1,224,005	1,850,431	2,059,807
Shipping and logistics	219,844	269,631	328,458
Commission and claims	16,562	18,031	26,385
Staff costs	23,073	27,757	39,225
Depreciation	3,277	3,926	4,724
Loss/(gain) on foreign exchange	2,799	(5,591)	1,514
Other operating expenses	42,564	50,498	65,035
	1,532,124	2,214,683	2,525,148
Profit from operating activities	56,418	69,979	97,283
Finance costs	(27,368)	(37,344)	(43,562)
	29,050	32,635	53,721
Share of loss of jointly controlled entity	–	(91)	(42)
Profit before taxation	29,050	32,544	53,679
Taxation	(4,082)	(3,889)	(5,584)
Profit for the financial year/period	24,968	28,655	48,095
EPS ⁽¹⁾ (cents)	2.1	2.4	4.1

Note:

⁽¹⁾ For comparative purposes, the EPS for the Period Under Review has been calculated based on the profit for the financial year/periods and the pre-Invitation share capital of 1,186,145,794 Shares.

Balance Sheet as at 30 June 2004

	As at 30 June 2004 (Audited)
\$'000	
Fixed assets	21,195
Deferred tax assets	829
Investments	74
Current assets	
Amount due from a related party	3,000
Trade debtors	464,944
Margin account with brokers	5,317
Stocks	473,063
Advance payments to supplier	90,090
Other debtors	82,835
Fixed deposits	11,922
Cash and bank balances	88,450
	1,219,621
Current liabilities	
Amount due to a corporate shareholder	1,403
Trade creditors and accruals	154,976
Other creditors	5,388
Amount due to bankers	672,706
Medium term notes	177,000
Provision for taxation	5,915
	1,017,388
Net current assets	202,233
Convertible redeemable shares	(25,602)
Long term loan from a corporate shareholder	(8,600)
Term loan from a bank	(266)
	189,863
Share capital	100,791
Reserves	89,072
	189,863
NTA per Share ⁽¹⁾ (cents)	16.0
Adjusted NTA per Share ⁽²⁾ (cents)	17.6

Notes:

⁽¹⁾ For comparative purposes, the NTA per Share has been calculated based on the NTA and the pre-Invitation share capital of 1,186,145,794 Shares.

⁽²⁾ Adjusted NTA per Share has been calculated based on:

- (i) the NTA after adjusting for the conversion of the Convertible Redeemable Shares into 52,161,689 ordinary shares of \$0.20 each, the issue of an aggregate 36,956,522 ordinary shares of \$0.20 each pursuant to the ESSS in December 2002 and the Dividend Payment of approximately \$24.27 million after 30 June 2004; and
- (ii) the pre-Invitation share capital of 1,186,145,794 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The discussion and analysis in this section is based on selected consolidated profit and loss accounts of our Group for the 12 months ended 30 June 2002, 2003 and 2004, consolidated balance sheet as at 30 June 2004, and consolidated cash flow statements for the 15 months ended 30 June 2003 and the 12 months ended 30 June 2004.

The financial year end for our Group is 30 June. Prior to the financial year ended 30 June 2003, the financial year end of our Group was 31 March. In 2003, the Group changed its financial year end from 31 March to 30 June, resulting in an extended period of 15 months for the financial year ended 30 June 2003. The change was undertaken in order to avoid the coincidence of the financial year end with the Group's peak operational period and deploy the Group's resources more efficiently as well as to better reflect the seasonality of our business.

The financial statements for the financial years ended 30 June 2004, 30 June 2003 and 31 March 2002 have been duly audited (the "Auditors' Report") and are set out in the Index to the Financial Statements. The consolidated profit and loss account of our Group for the 12 months ended 30 June 2004, consolidated balance sheet as at 30 June 2004, and consolidated cash flow statements for the 12 months ended 30 June 2004 and the 15 months ended 30 June 2003 have been extracted from and should be read in conjunction with the Auditors' Report.

For the purpose of presenting comparable financial periods as set out in this section, we have prepared the consolidated profit and loss accounts and the notes thereto for the 12-month financial periods ended 30 June 2003 and 30 June 2002, which have been reviewed by Ernst & Young (the "Review Report") and are set out in the Index to the Financial Statements. These consolidated profit and loss accounts have been prepared by the management in accordance with our Group's accounting policies, as set out in our audited financial statements for the financial year ended 30 June 2004, which comply with the Singapore Financial Reporting Standards.

INTRODUCTION

Based in Singapore, we are a leading globally integrated supply chain manager of agricultural products and food ingredients with operations in over 35 countries. Our business was established in 1989 and our Company was duly incorporated under the laws of Singapore in July 1995. Since the establishment of our business, we have evolved from a single country, single product trader to a multi-country, multi-product integrated supply chain manager.

Our portfolio of agricultural products and food ingredients comprises 14 products, including edible nuts, cocoa, coffee, cotton, rice, sugar, timber, sesame and sheanuts. Our Group is engaged in the sourcing, processing, warehousing, transportation, shipping, distribution, trading and marketing from the Farm Gate to the Factory Gate for these agricultural products. At the same time we manage the risks present at each stage of the supply chain through our risk management system.

As supply chain managers of agricultural products and food ingredients, our profitability is driven by the following main factors:-

- volumes of products traded
- net contribution per ton achieved
- overheads and infrastructure costs

For every transaction, we target a specific minimum net contribution per ton traded based on the risks and complexities of meeting the customer's requirements. We will not generally purchase agricultural products from the Farm Gate if we are unable to generate our targeted net contribution per unit traded.

Our principal role is to source agricultural products and food ingredients directly from Origins and then to supply them to customers in the Destination Markets. We do not consider ourselves to be a directional, positional, proprietary or speculative commodity trader and therefore seek to take positions in products with the sole objective of meeting our customers' demands. In particular, we do not take

positions in the futures or physical markets based on our view of the direction or size of commodity price movements and do not take positions unless they are backed by underlying physical transactions. As we seek to match our supply of products with demand from our customers, our overall operating profit per ton handled has never been negative over the last three financial periods and it is relatively insensitive to the underlying cyclical end-market price trends of the commodities handled.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The following discussion sets out the significant factors which affect our results of operations.

Volumes

Volumes are largely within our control and determined by our business plans, which are made before the start of each financial year. We are able to set achievable volumes with a reasonable degree of certainty due to our strong origin presence and knowledge of local supply conditions in multiple Origin Markets for any given product.

We plan our target volumes according to the following considerations such as:-

- demand for our products and services. While our products are essentially commodities, factors such as our quality of service and our ability to provide value-added services affect our market share;
- the amount of infrastructure and manpower we wish to commit to a given product and Origin in a given year;
- our ability to hedge or sell the products we intend to purchase;
- our risk assessment for a given level of volume, which in turn is a function of our financial resources and our ability to mitigate transactional risks;
- availability of working capital in the form of trade finance; and
- our desired product mix.

In the course of the year, fluctuations between our planned volumes and the actual volumes we trade may arise due to various reasons. In particular, varying supply conditions such as poor harvests due to weather conditions, and shifts in agricultural seasons, may result in a delay in procurement and shipment of products.

Production of agricultural products is seasonal in nature. The seasonality of the products in our portfolio depends on the location of the producing country. The harvesting season for most of the agricultural products for countries situated in the northern hemisphere generally falls between October to March. Countries in the southern hemisphere have harvesting seasons between April to September. The majority of our Origins are located in the northern hemisphere. Consequently, our volumes tend to be relatively higher between the period from October to March each year.

Over the long term, our volumes are affected by supply-side factors such as local regulatory environments and global trading conditions. Key local regulatory factors include government price controls, import/export policies, subsidies and taxation. Key global trading factors include trends in trade liberalisation and global transportation conditions.

In contrast to supply-side factors, macro demand-side factors have limited impact on our business in the short to medium term. Our products are essentially raw materials with few substitutes, and we believe global demand for our products is determined largely by factors such as population growth rates, income levels, and changing consumption patterns. For example, we have observed that the popularity of certain diets is increasing the consumption of various edible nuts. Consequently, global demand changes in the long run are gradual.

We segment our products in the following manner:-

- *Edible nuts, spices and beans* – cashews, peanuts and other edible nuts, cloves, pepper, sesame and other spices, and beans and lentils
- *Confectionery and beverage ingredients* – cocoa and cocoa products, coffee and coffee products, sheanuts and shea-products

- *Food staples and packaged foods* – rice, sugar, dairy products and packaged foods business
- *Fibre and wood products* – cotton and wood products

The volumes we have traded are set out in the table below:-

('000 Tons)	12 months ended 30 June		
	2002	2003	2004
Edible nuts, spices and beans	175.6	208.7	300.3
Confectionery and beverage ingredients	359.0	491.6	496.6
Food staples and packaged foods	948.1	1,092.6	896.2
Fibre and wood products	219.1	261.2	358.8
Total	1,701.8	2,054.1	2,051.9

Price

The price levels of our products are a function of market conditions, which depend on factors such as global demand and supply conditions, geo-political situation in major producing countries and weather patterns, all of which are beyond our operational control.

We seek to minimise the effect of fluctuations in price by hedging our price exposure using derivative instruments (which presently comprise only futures and options) or by entering into physical sales contracts with our customers. However, such activities are not carried out on a speculative basis to make profits based on our views of future movements in prices, but rather are entered into to ensure that we achieve a target level of absolute profit per ton of volume traded (see “Contribution per ton traded” below). We use derivative instruments only to close out commodity price exposures arising out of physical sales/purchase contracts. Therefore, gains and/or losses arising from the use of such derivative instruments have not had any material impact on the Group’s overall financial performance for the Period Under Review and up to the Latest Practicable Date.

Nevertheless, in the short term, spot and future price movements in the products may affect our business in various ways:-

- for products which are not traded on futures exchanges (and for which no derivative instruments are used to hedge price movements), such as cashews, rice and sesame, price movements will impact our profitability where we are carrying open positions for these products (meaning where we have unsold products). In these cases, we seek to limit the size of open positions by setting exposure limits (being limits on size and tenor) in accordance with our risk management systems; and
- for products which are traded on futures exchanges, such as cocoa, coffee, cotton and sugar, market conditions may result in rapid short term movements in futures prices, which may result in short-term mismatches between the futures price and the physical product price. This will lead to short term fluctuations in our gross contributions per ton traded.

As we use derivative instruments solely for hedging purposes, our open positions are always a combination of physical and futures positions.

Over the longer term, sustained changes in price levels may impact supply and demand conditions. Other things being equal, consistently high prices may encourage farmers to plant or harvest more of a certain product, and *vice versa*. We believe that the impact of such price changes is more pronounced for tree crops, compared to harvested crops (since harvested crops enable farmers to react more quickly to price changes). For example, rice, cotton, sugar and sesame crops mature in less than one year, therefore production adjusts quickly to price movements. However, cocoa, cashew, and coffee crops take five to seven years to mature so production adjusts slower to price changes. Such price and production trends have limited impact on our profitability.

Contribution per ton traded

We measure our profitability in terms of contribution per ton of product traded. Gross contribution is calculated as total revenue less cost of goods sold, shipping and logistics expenses, claims and commission, bank charges, share of profit/loss of jointly controlled entity and interest income.

For every transaction, we target a specific minimum contribution per ton traded based on the risks and costs associated with meeting our customer’s requirements. In general, our targeted contribution is

based on proximity to the Farm Gate, the extent of processing required and value-added services provided to the end-customer. We will generally not enter into transactions if we are unable to generate our targeted contribution per ton of product traded.

Factors generally affecting our gross contribution include, among others, the following:-

- price movements on open positions for non-futures traded products;
- short-term mismatches between the futures price and the spot price of the underlying physical product;
- unpredicted changes to direct costs such as duties, taxes and subsidies; and
- deterioration in the quality of the physical product from the time of procurement to delivery to the end-customer.

Our gross contribution for the 12-month periods ended 30 June 2002, 2003 and 2004 respectively, is set out in the table below:-

(\$'000)	12 months ended 30 June					
	2002		2003		2004	
	\$	\$/ Ton	\$	\$/ Ton	\$	\$/ Ton
Gross contribution by segment:						
Edible nuts, spices and beans	22,836	130	21,855	105	33,949	113
Confectionery and beverage ingredients	46,837	131	53,585	109	76,569	154
Food staples and packaged foods	24,164	26	24,387	22	30,213	34
Fibre and wood products	17,796	81	22,373	86	38,072	106
Total gross contribution	111,633	66	122,200	60	178,803	87

For the purposes of determining net contribution, we deduct the net interest expense from the gross contribution. We consider interest expense to be a variable cost. The interest expense may vary depending on the stock holding period assumed at the time of entering into the transaction versus the actual time taken to deliver the physical product and realise the proceeds of sale from the end-customer. We use short term banking facilities to fund our operations and all our borrowings are transaction related. Consequently, interest expense is dependent on the volume of transactions and the stock holding period, and it is subsequently priced into the products. As such, short term interest rate movements have minimal impact on the net contribution margin.

Our net contribution for the 12-month periods ended 30 June 2002, 2003 and 2004 respectively, is set out in the table below:-

(\$'000)	12 months ended 30 June					
	2002		2003		2004	
	\$	\$/ Ton	\$	\$/ Ton	\$	\$/ Ton
Net contribution by segment:						
Edible nuts, spices and beans	18,644	106	18,235	87	29,040	97
Confectionery and beverage ingredients	35,879	100	35,835	73	58,450	118
Food staples and packaged foods	19,293	20	19,995	18	21,316	24
Fibre and wood products	14,626	67	18,291	70	33,263	93
Total net contribution	88,442	52	92,356	45	142,069	69

Overheads and Infrastructure Costs

Overheads and infrastructure costs consist primarily of salaries and employee benefits, travel expenses, telecommunications and rent, rates and indirect taxes. The largest component of such costs relates to staff costs. Such costs are primarily associated with our level of commitment of infrastructure

in each of the Origins and Destination Markets. At the beginning of each financial year, we prepare a detailed budget based on the expected level of operations for the current year and the required level of infrastructure. These overheads and infrastructure costs are largely fixed in nature throughout the financial year, irrespective of our actual volumes.

Our expansion into new producing countries requires an initial level of investment in physical infrastructure and human resources, which results in a relatively higher level of overheads and infrastructure costs. We expect to generate returns on such investments over the following two to three years.

OVERVIEW OF REVENUE AND EXPENSES

Revenue from the sale of physical goods is recognised upon passage of title of the goods to the customer. This generally coincides with the goods' delivery and/or acceptance of documents by the customer. In addition, sales of physical goods could occur prior to, concurrently with, or after the procurement of such goods. The aggregate level of orders of the Group at any given point in time could comprise any or all of 14 products across more than 35 countries, depending on the seasonality in each country.

Our main sources of revenue are from the sale of goods from the following product segments:-

- *Edible nuts, spices and beans* – cashews, peanuts and other edible nuts, cloves, pepper, sesame and other spices, and beans and lentils
- *Confectionery and beverage ingredients* – cocoa and cocoa products, coffee and coffee products, sheanuts and shea-products
- *Food staples and packaged foods* – rice, sugar, dairy products and packaged foods business
- *Fibre and wood products* – cotton and wood products

In addition, we also derive other revenue from the following:-

- interest income from fixed deposits;
- interest income from customers; and
- miscellaneous income, which includes sale of export licences, scrap and by-products.

The distribution of our business by products and markets for the 12-month periods ended 30 June 2002, 2003 and 2004 is stated below:-

Turnover by Product Group

\$'000	12 months ended 30 June					
	2002	%	2003	%	2004	%
Edible nuts, spices and beans	219,404	13.8	250,931	11.0	391,837	15.0
Confectionery and beverage ingredients	619,622	39.2	1,187,412	52.2	1,031,216	39.5
Food staples and packaged foods	502,731	31.8	515,765	22.7	552,911	21.2
Fibre and wood products	239,804	15.2	320,224	14.1	634,385	24.3
Total	1,581,561	100	2,274,332	100	2,610,349	100

Turnover by Destination Markets

\$'000	12 months ended 30 June					
	2002	%	2003	%	2004	%
Asia and Middle East	457,057	28.9	627,889	27.6	1,053,929	40.3
Africa	478,077	30.2	628,265	27.6	778,139	29.8
Europe	413,724	26.2	791,809	34.8	612,222	23.5
Americas	232,703	14.7	226,369	10.0	166,059	6.4
Total	1,581,561	100.0	2,274,332	100.0	2,610,349	100.0

Costs and Expenses

Our costs and expenses consist of our cost of sales, operating expenses, interest and tax expenses.

Cost of Goods Sold

Cost of sales consists of cost of goods sold ("COGS") and realised gains and losses on futures and options. Our COGS comprises material costs and direct costs such as levies, taxes and processing costs.

Our COGS constituted approximately 77.4%, 81.4% and 78.9% of our turnover for the 12-month periods ended 30 June 2002, 2003 and FY2004, respectively. They vary in direct proportion to our turnover.

Shipping and logistics

Shipping and logistics costs amounted to 13.9%, 11.9% and 12.6% of our turnover for the 12-month periods ended 30 June 2002, 2003 and FY2004, respectively. These comprise mainly of freight, clearing and forwarding expenses incurred at ports.

Shipping and logistics costs usually do not fluctuate drastically within short periods. Consequently, any change in freight and transportation costs over the medium term would not affect our margins as we do not enter into any long term freight contracts. As these costs are usually negotiated as part of the contract terms, they would constitute a proportion of the product cost and would be substantially passed on to the customers.

Commissions and claims

Commissions and claims amounted to 1.0%, 0.8% and 1.0% each of our turnover for the 12-month periods ended 30 June 2002, 2003 and 2004, respectively. Commissions are paid to our buying and sales agents. Claims are paid to customers for variations in quality or quantity delivered as compared to that invoiced.

Operating Expenses

Our operating expenses comprised staff costs, depreciation, gains and losses on foreign exchange, and other operating expenses. Operating expenses amounted to 4.5%, 3.4% and 4.2% each of our turnover for the 12-month periods ended 30 June 2002, 2003 and FY2004, respectively.

- ***Staff costs***

Our business is manpower intensive. Consequently, staff costs formed the largest portion of our operating expenses, amounting to 32.2%, 36.2% and 35.5% of our total operating expenses for the 12-month periods ended 30 June 2002, 2003 and 2004, respectively.

Staff costs are dependent on the number of employees, which is in turn dependent on our level of activity in various geographic markets. Other factors affecting manpower costs include bonuses to staff and performance-linked incentives to management staff.

- ***Depreciation***

Fixed assets are being depreciated on the straight line method at a fixed annual rate over their estimated useful lives which are as follows :-

Land & buildings	20 years
Plant & machinery	5 to 10 years
Furniture and fittings	5 years
Office equipment	5 years
Computers	3 years
Motor vehicles	3 to 5 years

- ***Loss/(gain) on foreign exchange***

In relation to foreign exchange exposure, we recorded a loss of \$2.8 million for the 12-month period ended 30 June 2002, a gain of \$5.6 million for the 12-month period ended 30 June 2003, and a loss of \$1.5 million in FY2004.

Transactions in currencies other than measurement currency are treated as transactions in foreign currencies and are recorded at exchange rates approximating those prevailing at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates prevailing at balance sheet date. Non-monetary assets and liabilities are measured using the exchange rates prevailing at the transaction dates or, in the case of items carried at fair value, the exchange rates that existed when the values were determined. All resultant loss/(gain) of foreign exchange is recognized in the profit and loss account.

The measurement currency of the Company is the USD and the measurement currencies of the Subsidiaries are their respective local currencies. In general, our purchases are transacted in the local currencies of the respective Origins and our sales are transacted mainly in USD, GBP and Euros. However for some products in our food staples and packaged foods business, purchases are transacted in USD and sales are transacted in the local currencies of the Destination Markets. Where possible and as a matter of policy, we use forward contracts to hedge our foreign currency exchange exposures arising from purchase and sale of products in currencies other than USD. Where such instruments are not available, we will also attempt to create natural hedges by matching the value of sales and purchases to and from the same geographical market.

Realised losses/gains arise mainly out of the difference in foreign exchange rates when we roll over our forward contracts. Realised losses/gains may also arise out of exchange rate movements between the transaction date and the settlement date.

Other operating expenses

Other operating expenses consist of travel expenses, telecommunications expenses, rent and taxes, and bank charges.

Finance costs

Our finance costs amounted to approximately \$27.4 million, \$37.3 million and \$43.6 million for the 12-month periods ended 30 June 2002, 2003 and 2004 respectively. Finance costs consist of interest expenses on bank overdrafts, bank loans, margin accounts with brokers, interest on medium term notes and other facility fees.

RESULTS OF OPERATIONS

The following is a discussion of the year to year performance of our businesses.

12-month period ended 30 June 2003 (“Financial Period 2003”) compared against 12-month period ended 30 June 2002 (“Financial Period 2002”)

Revenue

Our turnover increased by approximately 43.8% from \$1,581.6 million for Financial Period 2002 to \$2,274.3 million for Financial Period 2003. Our underlying volumes grew by approximately 20.7% over the same period.

Turnover from our confectionery and beverage ingredients product group increased by 91.6% to \$1,187.4 million for Financial Period 2003 from \$619.6 million for Financial Period 2002. Volume of confectionery and beverage ingredients traded increased by 36.9% and the increase was primarily attributable to the increased market shares we took over from certain origin-based exporters from Cote d’Ivoire, Ghana, Nigeria and Indonesia. In addition, cocoa prices rose from a low of GBP 757 per ton in

2001 to 2002 to a high of GBP 1,450 per ton during 2003, due to civil unrest in Cote d'Ivoire, the largest producer of cocoa in the world.

Turnover from our fibre and wood products product group increased by 33.5% to \$320.2 million for Financial Period 2003 from \$239.8 million for Financial Period 2002. Volume of fibre and wood products traded increased by 19.2% and the increase was primarily attributable to the increase in volume of cotton sourced from the CIS and West Africa and increased sales to customers based in India, Bangladesh and Pakistan. In addition, we commenced sales of wood products into China which had higher import requirements due to the Chinese government's removal of import tariffs as well as its ban on domestic felling for environmental reasons. In addition, cotton prices rose from a low of USD 0.44/lb to a high of USD 0.61/lb during 2003.

Turnover from our edible nuts, spices and beans product group increased by 14.4% to \$250.9 million for Financial Period 2003 from \$219.4 million for Financial Period 2002. Volume of edible nuts, spices and beans traded increased by 18.8% and the increase was primarily attributable to the commencement of our cashew nuts processing operations in Vietnam.

Turnover from our food staples and packaged foods product group increased by 2.6% to \$515.8 million for Financial Period 2003 from \$502.7 million for Financial Period 2002. Volume from food staples and packaged foods increased by 15.2% and the increase was primarily attributable to the increase in volume from our sugar operations in Indonesia.

Other revenue increased by 48.0% to \$10.3 million for Financial Period 2003 from \$7.0 million for Financial Period 2002. The increase was primarily attributable to an increase in interest income collected from customers for sales made on a usance/deferred payment basis.

Cost and expenses

Our cost and expenses increased by approximately 44.6% from \$1,532.1 million in 2002 to \$2,214.7 million for Financial Period 2003.

Over the same period, cost of goods sold, shipping and logistics expenses and commissions and claims increased by 51.2%, 22.7% and 8.9% respectively due to the increased volumes we traded.

Staff costs increased by 20.3% from \$23.0 million for Financial Period 2002 to \$27.8 million for Financial Period 2003. This was primarily attributable to an increase in salaries and incentives.

We registered a foreign exchange gain of \$5.6 million for Financial Period 2003, compared to a loss of \$2.8 million for Financial Period 2002. This was due mainly to translation differences arising from fluctuations in the exchange rate of GBP and Euro to USD.

Other operating expenses increased by 18.6% from \$42.6 million for Financial Period 2002 to \$50.5 million for Financial Period 2003. This was due mainly to increases in bank charges. The increase in bank charges from the Financial Period 2002 to Financial Period 2003 is in proportion to the increase in underlying volume growth and number of transactions, such as receipts/payments and documents negotiated through the bank.

Profit from operating activities

Based on the foregoing, profit from operating activities increased by 24.0% from \$56.4 million for Financial Period 2002 to \$70.0 million for Financial Period 2003.

Finance costs

Finance costs increased by 36.5% from \$27.4 million in 2002 to \$37.3 million for Financial Period 2003. This was due mainly to increased volumes traded, despite a general decline in interest rates. The increase in interest expense from Financial Period 2002 to Financial Period 2003 is essentially due to the increased use of short-term loans to fund the increased volume/value of business during this period.

Profit before tax

Based on the foregoing, profit before tax increased by 12.0% from \$29.1 million for Financial Period 2002 to \$32.5 million for Financial Period 2003.

Taxation

Income tax decreased by 4.7% from \$4.1 million in 2002 to \$3.9 million in 2003. This was due to the reversal of deferred taxes amounting to \$0.6 million during the year and an over-provision of \$0.2 million in respect of prior years.

Profit after tax

Based on the foregoing, profit after tax increased by 14.8% from \$25.0 million in 2002 to \$28.7 million in 2003.

Margins

Gross Contribution per ton

Gross contribution per ton fell from \$66 per ton to \$60 per ton. Please refer to page 62 of this Prospectus for a breakdown of our gross contribution by product segment. The decrease was due mainly to lower margins in our confectionery and beverage ingredients product group and the edible nuts, spices and beans product group. Margins fell due to difficult trading conditions arising from civil unrest in Cote d'Ivoire and low absolute price levels for edible nuts. This was partially offset by an increase in margins for our fibre and wood products businesses from \$81 per ton to \$86 per ton.

Net Contribution per ton / Net interest expense

Net contribution per ton fell from \$52 per ton to \$45 per ton. Please refer to page 62 of this Prospectus for a breakdown of our net contribution by product segment. Net interest expense increased marginally from \$14 per ton to \$15 per ton primarily due to longer holding periods for our inventories during the year.

12 months ended 30 June 2004 ("FY2004") compared against 12 months ended 30 June 2003 ("Financial Period 2003")

Revenue

Our turnover increased by approximately 14.8% from \$2,274.3 million for Financial Period 2003 to \$2,610.3 million for FY2004. Our underlying volumes remained relatively constant during this period.

Turnover from our fibre and wood products operations increased by 98.1% to \$634.4 million for FY2004 from \$320.2 million for Financial Period 2003. Volume of fibre and wood products traded increased by 37.4% and the increase was primarily attributable to the increase in volume of cotton sourced from the CIS, West Africa and new operations in the US. In addition, we commenced sales of cotton into China which became a net importer of cotton due to the significant increase in the textile manufacturing capacity resulting from the gradual removal of export quotas under the Multi Fibre Arrangement. During this period, cotton prices rose from a low of USD 0.56/lb to a high of USD 0.85/lb during 2004 as China's demand for cotton imports grew.

Turnover from our edible nuts, spices and beans product group increased by 56.2% to \$391.8 million for FY2004 from \$250.9 million for Financial Period 2003. Volume of edible nuts, spices and beans traded increased by 43.8% and the increase was primarily attributable to new businesses namely peanuts and spices. In addition, price increases in cashew and spices contributed to the overall increase in turnover.

Turnover from our food staples and packaged foods product group increased by 7.2% to \$552.9 million for FY2004 from \$515.8 million in 2003. Volume of food staples and packaged foods we traded decreased by 18% as we reduced our sale of rice to importers in Nigeria and began to establish our own distribution channels to sell directly to end customers. The volume decrease was offset by price increases in rice from a low of USD196 per ton to a high of USD267 per ton during FY2004.

Turnover from our confectionery and beverage ingredients product group fell by 13.2% to \$1,031.2 million for FY2004 from \$1,187.4 million for Financial Period 2003. Volume of confectionery and beverage ingredients traded increased marginally by 1.02%. The fall in turnover was mainly due to fall in prices of cocoa and reduction in the quantity of sheanuts traded.

Other revenue increased by 17.0% from \$10.3 million for Financial Period 2003 to \$12.1 million for FY2004 primarily attributable to interest received from customers.

Cost and expenses

Our cost and expenses increased by approximately 14.0% from \$2,214.7 million for Financial Period 2003 to \$2,525.1 million for FY2004.

Over the same period, cost of goods sold, shipping and logistics expenses, and commissions and claims increased by 11.3%, 21.8% and 46.3%, respectively, due to the increased volumes we traded.

Staff costs increased by 41.3% from \$27.8 million in Financial Period 2003 to \$39.2 million for FY2004. This was due primarily to an increase in staff strength (from 2,375 to 3,003) and increase in salaries and incentives. Increase in staff strength accounted for approximately \$6.9 million while the balance was on account of increases in salaries and incentives.

We registered foreign exchange losses for FY2004 of \$1.5 million, compared to a foreign exchange gain of \$5.6 million for Financial Period 2003, which were primarily translation loss and gain related.

Other operating expenses increased by 28.8% from \$50.5 million for Financial Period 2003 to \$65.0 million for FY2004. This was due mainly to increases in bank charges. The increase in bank charges from the Financial Period 2003 to FY2004 is in proportion to the increase in underlying volume growth and number of transactions such as receipts/payments and documents negotiated through the bank.

Profit from operating activities

Based on the foregoing, profit from operating activities increased by 39.0% from \$70.0 million in 2003 to \$97.3 million for FY2004.

Finance costs

Finance costs increased by 16.7% from \$37.3 million for Financial Period 2003 to \$43.6 million for FY2004. This was due mainly to increased level of borrowings to support higher working capital requirements.

Profit before tax

Based on the foregoing, profit before tax increased by 64.9% from \$32.5 million for Financial Period 2003 to \$53.7 million for FY2004.

Taxation

Income tax increased by 43.6% from \$3.9 million for Financial Period 2003 to \$5.6 million for FY2004. This was mitigated by the reduction in the concessionary tax rate granted under the Global Trader Programme from 10% to 5% for FY2004.

Profit after tax

Based on the foregoing, profit after tax increased by 67.8% from \$28.7 million in 2003 to \$48.1 million in FY2004.

Margins

Gross contribution per ton

Gross contribution per ton increased from \$60 per ton to \$87 per ton. This was due to margin increases across all our product segments. In particular, margins from our confectionery and beverage ingredients product group were significantly higher with the restoration of stability in the civil/political situation in Cote d'Ivoire. Margins from the fibre and wood products product group also improved significantly with the expansion of our marketing activity in China.

Net contribution per ton / Net interest expense

Net contribution per ton increased from \$45 per ton to \$69 per ton. Net interest expense increased marginally from \$15 per ton to \$18 per ton due to longer holding period for our stocks during the year which resulted in a greater amount of interest paid on the corresponding transactional loans.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2004

Fixed Assets

Our fixed assets amounted to \$21.2 million as at 30 June 2004. Our fixed assets primarily consists of motor vehicles, plant and machinery, land and buildings and office equipment. Plant and machinery weighing scales, packing and filling centres, testing instruments, dryers and processing machines (which include sesame cleaning machines, cocoa dryers and coffee grading and sorting machines). Motor vehicles include trucks and cars owned by various Subsidiaries used to move personnel and goods.

Current Assets

Our current assets comprise trade and other debtors, stocks, advances to suppliers, amounts due from related parties, fixed deposits and cash and bank balances.

As at 30 June 2004, current assets amounted to \$1,219.6 million. This comprised mainly \$473.1 million of stocks, \$464.9 million of debtors, \$90.0 million in advances to suppliers, \$88.4 million of cash and bank balances and \$11.9 million in fixed deposits. As at the Latest Practicable Date, approximately \$424 million of the amount owing by debtors as at 30 June 2004 has been collected.

Current Liabilities

Our current liabilities comprise trade and other creditors, accruals, amounts due to bankers and provision for taxation.

As at 30 June 2004, current liabilities amounted to \$1,017.4 million. This comprised mainly amounts due to bankers of \$672.7 million, medium term notes amounting to \$177.0 million and trade creditors amounting to \$155.0 million. Amounts due to bankers comprised short term transaction-related trade financing facilities with maturities of 90 to 180 days. The medium term notes had maturities of 90 to 365 days.

Long Term Loan from a Corporate Shareholder

During 1999, we received a loan of US\$5 million from CICL. This loan does not bear any interest and there is no fixed repayment period for the same. As at 30 June 2004, the loan outstanding amounted to \$8.6 million. This amount has since been fully repaid as at the Latest Practicable Date. Please refer to the section entitled "Interested Person Transactions and Conflicts of Interest" beginning on page 148 of this Prospectus for more details of this loan.

Convertible Redeemable Shares

As at 30 June 2004, we had issued Convertible Redeemable Shares in the amount of \$25.6 million. These Convertible Redeemable Shares were issued to International Finance Corporation and on 21 October 2004, the Convertible Redeemable Shares were converted into ordinary shares.

Share Capital and Reserves

As at 30 June 2004, our shareholders' funds amounted to \$189.9 million. This comprised primarily of share capital amounting to \$100.8 million and reserves of \$89.1 million.

LIQUIDITY AND CAPITAL RESOURCES

The following table provides a summary of our cashflows:-

\$'000	15 months ended 30 June 2003	12 months ended 30 June 2004
Net cash outflow from operating activities	(74,193)	(188,324)
Net cash outflow from investing activities	(9,773)	(8,697)
Net cash inflow from financing activities	30,537	265,182
Net (decrease)/increase in cash and cash equivalents	(55,866)	66,172
Cash and cash equivalents at the beginning of the financial year	22,350	(33,516)
Cash and cash equivalents at the end of the financial year	(33,516)	32,656

Our business growth and working capital requirements have historically been funded by a combination of shareholder's equity, retained earnings, external borrowings and other credit facilities from financial institutions.

Our business is working capital intensive by nature. Our working capital requirements have historically grown with our growth in volume of products traded. Working capital is required to finance the following:-

- advance to suppliers - we generally pay in advance for agricultural products purchased from farmers, agents or state-controlled monopolies;
- inventories – as a supply chain manager, we carry inventory against committed forward sales contracts. Inventory levels are generally correlated to our volumes traded; and
- trade receivables – our average receivable days has been approximately 60 days. This is due to the time taken for documents to be received from Origins and negotiated with customers for payment in the ordinary course of business, as well as credit terms of 30 to 45 days which we grant to certain customers.

Our working capital requirements are largely financed by short term transaction-related trade finance facilities. As at the Latest Practicable Date, our total short term transaction-related trade finance facilities available were approximately US\$1,138.5 million of which approximately US\$557.5 million remained unused. We plan our procurement based on the availability of such facilities, and are repaid as the agricultural products are sold to and payment received from the customer. In addition, agricultural inventories tend to be liquid since, as commodities, they are relatively easy to hedge in the futures and physical markets.

Our cashflows from operating activities are supported by our liquid current assets. We believe that in the event of a tightening of available short term financing, inventories and trade receivables can be liquidated in the normal course of operations and the funds used to pay short term borrowings as they become due.

Our Directors are of the opinion that, after taking into account the cashflows from our operations and the banking facilities available to us, we will have sufficient working capital available for our present requirements.

Cashflows for the 15 months ended 30 June 2003

Cashflows from Operating Activities

For the 15 months ended 30 June 2003, we recorded a net cash outflow of approximately \$74.2 million from operating activities. Operating profits before interest, tax and depreciation amounted to \$74.2 million, which was offset by an outflow of \$109.2 million in working capital arising from an increase in

level of stocks, debtors, advances to suppliers and trade creditors during the period. This was in line with growth in volumes of agricultural products traded. In addition, net interest expense for the period amounted to \$35.3 million.

Cashflows from Investing Activities

For the 15 months ended 30 June 2003, we recorded a net cash outflow of approximately \$9.8 million from investing activities, mainly due to the purchase of fixed assets in our Origins.

Cashflows from Financing Activities

For the 15 months ended 30 June 2003, we recorded an increase of \$30.5 million mainly due to the proceeds from issue of shares to Russell AIF Singapore Investments Limited.

Cashflows for the 12 months ended 30 June 2004

Cashflows from Operating Activities

We recorded a net cash outflow of approximately \$ 188.3 million for the 12 months ended 30 June 2004 from operating activities. Operating profits before interest, tax and depreciation amounted to \$95.2 million, which was offset by an outflow of \$243.1 million in working capital arising from the increase in level of stocks, debtors, advances to suppliers and trade creditors during the period. This was due to increased levels of cocoa stocks as at 30 June 2004 resulting from a delay in the cocoa harvesting season in West Africa as well as higher levels of coffee stocks in Vietnam. In addition, net interest expense for the period amounted to \$35.9 million.

Cashflows from Investing Activities

We recorded a net cash outflow of approximately \$8.7 million for the 12 months ended 30 June 2004 from investing activities mainly due to plant & machinery, motor vehicles and office equipment.

Cashflows from Financing Activities

We recorded a net cash inflow of approximately \$265.2 million for the 12 months ended 30 June 2004 mainly due to the proceeds from issue of shares to Seletar Investments Pte Ltd, International Finance Corporation and Dragon Orient Holdings Limited. In addition, we recorded cash inflow from the issue of medium term notes. This was partially offset by payment of dividends on ordinary shares.

CAPITAL EXPENDITURE AND INVESTMENTS

Our capital expenditure for the 12-month periods ended 30 June 2002, 2003 and FY2004 amounted to \$4.6 million, \$10.4 million and \$9.9 million respectively.

During the period under review, our capital expenditure was primarily attributable to plant and machinery, motor vehicles and office equipment. Historically, our capital expenditure has not been significant as we generally enter into operating rather than finance lease arrangements.

As at the Latest Practicable Date, we have no material capital expenditure commitments.

CREDIT POLICY AND CREDIT MANAGEMENT

Most of our end-customers are well-known and established multi-national corporations. Usually, based on publicly available information and market intelligence regarding their business, financial strength and success of their products in which our products and/or services are being used, we are able to make an assessment of their credit-worthiness. We deem the credit-worthiness of our existing customers to be good and we will only conduct business with new customers if we find their credit-worthiness to be acceptable.

Our senior management establishes credit limits depending on the size and financial strength of the customer and the amount of orders previously transacted. All customer credit limits are reviewed regularly based on the timeliness of collections and the volume of business. Our accounting/finance department provides continuous monitoring and updates to our senior management.

Our sales terms for the majority of customers are either against receipt of inward letters of credit or cash against the presentation of documents of title. However due to the nature of the trade, the cash collection from customers take between 30 and 45 days. In the case of some select customers we do grant credit periods of up to 45 days. In addition, bad debts written off during the last three financial years have been insignificant.

Payment terms granted by our suppliers vary from supplier to supplier and may also depend, *inter alia*, on the length of relationship and the amount of business transacted with the respective party. Payment terms granted by our suppliers are normally payment against letters of credit or cash against presentation of documents of title.

Where there is an absence of banks in upcountry locations, Farm Gate buying is normally undertaken based on advance cash payments. While the amount of advances and the turnaround cycle time for the delivery of stock differs from country to country and from supplier to supplier, the advance may range from US\$10,000 to US\$100,000 per transaction to the suppliers. However large advances are usually restricted to a few large suppliers and only during peak crop seasons. The average turnaround time is five to seven days and hence the frequency of such transactions will average once a week for most of these suppliers during the cropping season. The frequency also varies depending on specific products and geographic markets.

The amount of provision for and write-off of doubtful debts charged to our profit and loss account in the 12-month periods ended 30 June 2002, 2003 and 2004 were as follows:-

\$'000	12 months ended 30 June		
	2002	2003	2004
Net doubtful debts provided for ⁽¹⁾	2,026	3,092	3,715
Net doubtful debts written-off	417	359	33
Net doubtful debts provided for as a percentage of turnover (%)	0.13	0.14	0.14

Note:

⁽¹⁾ These provisions have been created as a part of the general debt provisioning assessment of our Company.

CAPITALISATION AND INDEBTEDNESS

The following table shows our cash and cash equivalents and capitalisation as at 30 November 2004:-

- (a) on an actual basis based on our Group's unaudited consolidated balance sheet; and
- (b) as adjusted to reflect the allotment and issue of 36,956,522 ordinary shares of \$0.20 each at an issue price of \$0.46 each pursuant to the ESSS in December 2004 and 312,188,606 New Shares pursuant to the Invitation and the net proceeds from the Invitation, after deducting estimated expenses related to the Invitation.

\$'000	Actual as at 30 Nov 2004	As Adjusted
Cash and bank balances and fixed deposits	98,663	300,600
Short term debt:		
Secured	473,955	473,955
Unsecured	580,670	580,670
	1,054,625	1,054,625
Long term debt		
Long term loan from corporate shareholder (unsecured)	8,150	8,150
Term loan from a bank (secured)	186	186
	8,336	8,336
Shareholders' equity:		
Share capital	111,223	149,833
Reserves	94,267	257,594
	205,490	407,427
Total capitalisation and indebtedness	1,268,451	1,470,388

All our borrowings have a maturity of between 90 and 365 days. Most of our borrowings are transaction-related and in the form of structured trade finance facilities. The amounts due to bankers by the Company are repayable within 12 months and bear interest of between 2.5% to 4.0% per annum. The amounts due to bankers by the Subsidiaries are repayable within 12 months and bear interest of between 4.0% to 30.0% per annum. The bank borrowings are mainly secured against the underlying stocks.

As at 30 November 2004, our contingent liabilities amounted to \$18.8 million. These comprised mainly of bills discounted by the banks with recourse to the Company.

During FY2004, the Company established a multi-currency medium term note programme with a maximum aggregate principal amount of \$200,000,000. These medium term notes are unsecured, bear interest ranging from 2.2% to 2.3% per annum and are repayable within the next 12 months. On 13 December 2004, the maximum aggregate principal amount of the multi-currency medium-term note programme was increased to \$400,000,000.

As at the Latest Practicable Date, there is a term loan granted to a Subsidiary in the amount of \$186,000 which is secured by its building. This loan is subject to an interest charge of 3.8% per annum and is repayable over 36 months with effect from June 2003.

As at the Latest Practicable Date, all our facilities were non-guaranteed.

BUSINESS

OVERVIEW

From Farm Gate to Factory Gate, we believe we are one of the world's leading integrated supply chain managers of agricultural products and food ingredients. Based in Singapore, we operate in more than 35 countries and source and supply 14 products to over 50 Destination Markets. We were established in 1989 as a division of the KC Group to operate their agri-business and were duly incorporated under the laws of Singapore in July 1995. Since the establishment of our business, we have evolved from a single country, single product trader to a multi-country, multi-product integrated supply chain manager. The expansion of our Group has been possible as a result of pursuing growth strategies by exploiting adjacent opportunities, which we define as developing opportunities in agricultural products and food ingredients which share customers, costs, capabilities and distribution channels with our existing operations.

As at the Latest Practicable Date, our portfolio of 14 agricultural products and food ingredients included edible nuts, cocoa, coffee, cotton, rice, sugar, timber, sesame and sheanuts. Our Group is engaged in the sourcing, processing, storage, transportation, shipping, distribution, trading and marketing of these agricultural products from the Farm Gate in the producing countries to the Factory Gate of our customers in the Destination Markets. We manage the risks present at each stage of the supply chain through our risk management system. Our profitability is driven primarily by growth in underlying trade volumes handled and also the extent to which we can charge a premium for value-added services, and realise cost savings at various stages of the supply chain.

COMPETITIVE STRENGTHS

Our Directors believe that we are capitalising on the industry characteristics and trends set out in the section entitled "Industry Trends and Prospects" beginning on page 91 of this Prospectus using our competitive strengths in the following areas:-

(a) We are a leading global supplier to multi-national food companies

In all of our operations, we have established strong relationships with multi-national corporations which own internationally recognised brands such as Kraft, Lavazza, Mars and Nestle. We believe that these strong relationships are built on our leading global market positions, for example:-

- we believe that we are one of the largest suppliers with more than 25 per cent. of the market share of the global export market for raw cashew nuts;
- we believe that we are one of the largest suppliers of Robusta coffee in the world; and
- we believe that we are one of the three largest suppliers of cocoa worldwide.

As market leaders, we have a detailed understanding of our customers' product requirements which enables us to offer tailor-made supply chain solutions and value-added services including product traceability, customised quality, VMI and risk management solutions. We believe that our customers value us as a reliable counterparty and a long term business partner.

(b) We have a proven business model

We have a proven and flexible business model which enables us to achieve rapid, cost-effective and profitable organic growth. This business model is scalable and replicable across diversified products, geographic markets, customers and supply chain activities.

We operate across the entire supply chain in almost all of our 14 products. We source and export out of 33 countries across Africa, Asia and the Middle East, North and South America, and operate trading and marketing operations out of five countries. Our business model enables us to achieve the following competitive advantages:-

- *Rapid organic growth*

Our business model allows us to explore multiple growth opportunities based on common geographic markets, products, customers and channels shared with our existing operations and as such, we believe we are able to grow rapidly. At the same time, since our expansion initiatives are based on existing competencies, infrastructure, resources and/or customers, we are able to minimise the execution risks of expanding into new areas and thereby scale up our operations more effectively and efficiently.

- *Cost sharing*

In any given Origin, we utilise the same infrastructure and people across multiple products. We source products with complementary crop seasons such that our 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 our operations. We seek to optimise our product mix, which helps us share costs more effectively. This makes us more cost competitive.

- *Diversification*

We integrate our 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, we consciously select a mixture of northern and southern hemisphere origins so that our trading and marketing infrastructure is constantly utilised and that sourcing activities for such products can be conducted throughout the year. We are present in key producing countries, which allows us to service our customers better in terms of quality, quantity and timeliness. Our geographic market diversity results in us not being overexposed to any single Origin for any given product. We seek to export out of countries that we also import into in order to hedge against currency risks. This is particularly relevant where the currencies in question are not traded on foreign exchange markets as this process allows us to create a natural hedge against currency movements.

(c) We have integrated end-to-end supply chain capabilities

We have integrated end-to-end capabilities across the supply chain in each of our products which allow us to control our supply chain, provide value-added services and potentially increase our margins.

- *Control of the supply chain*

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

- *Provision of value-added services*

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

- *Potential to increase our margins*

Other things being equal, end-to-end integration capabilities allow us to potentially increase our 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 us to secure a minimum level of margin.

(d) We have successfully combined origination capabilities with Destination Market capabilities

Origin management is one of our key core competencies. Based on our track record, we have been able to identify origination opportunities, set up and manage procurement and distribution infrastructure and institutionalise field operating systems effectively. We source our various products using a common infrastructure, and field staff who are skilled in dealing with multiple products.

We are well established in key Origins for our products. As agricultural production bases are dependent on local climates and soil conditions they generally cannot be easily relocated. In addition, the production bases of most of our products are located in developing countries, which offer challenging working conditions. We believe these characteristics of the Origins present significant barriers to entry for our competitors.

Our business has evolved from the point of origination, which is why we are well-suited to handle the challenges of supply chain management from difficult emerging countries. We have developed business systems and networks which enable us to function efficiently in these Origins. We believe that our knowledge of global supply conditions and our infrastructure and understanding of all our Origins, provides us with a significant advantage over our competitors at the point of origin in delivering our products to our customers.

At the same time, we have developed strong relationships with our customers in the Destination Markets, many of whom are well-known large food multi-national corporations, by providing them with timely, consistent and reliable supplies of their raw material requirements. The strength of our market capabilities in the Destination Markets is a result of the various value-added services we provide our customers including VMI services, customised grades and quality, traceability, capacity to supply organic raw materials, capacity to supply Fair Trade Practice products (ie. products which are produced using methods which observe fair trade practices) and tailor-made risk management solutions. We believe that we are 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. Please refer to the section entitled "Competition" beginning on page 97 of this Prospectus for details of global trade houses and origin trade houses. This combination has allowed us to develop privileged relationships with our key customers and to offer them our distribution and logistics capabilities, as well as our hedging, risk management and risk arbitrage skills.

(e) We have a professional and experienced management team

We have consistently attracted high quality professionals to work in the challenging emerging market conditions in which we operate. Our Executive Directors and Executive Officers have an average of 12 years in the industry. We have more than 170 managers, most of whom have spent a certain minimum number of years working in one of our Origins. Through extensive on-the-ground experience and rigorous training and promotion systems, our managers develop a common vision and understanding of our values and goals. These help to foster intra-business communications, disciplined operational management and an entrepreneurial spirit.

Our management team consists of a mix of industry experts. We have a structured and formalised training programme and a career development programme designed to provide our managers with the opportunity to manage a mix of businesses and locations. This not only provides them with broad knowledge and experience, but also enhances our ability to operate as a globally integrated organisation. Most of our core management team have had extensive field experience and are therefore aware of the issues that may arise from operating in developing countries.

We are able to retain our personnel by making a conscious effort to promote internally. The management and employees (including the Executive Directors) of our Company collectively own (partly as a result of our employee share schemes, ESBS and ESSS) approximately 24.8 per cent. of our issued share capital as at the Latest Practicable Date. This has helped align their interests with those of our Company and foster a sense of commitment. Please refer to the section entitled "Share Schemes" beginning on page 129 of this Prospectus for details of our ESBS and our ESSS.

(f) We are able to leverage our relationships with our well-established Shareholders

Since 2002, we have raised approximately US\$42 million through the issuance of equity to Shareholders including Russell AIF Singapore Investments Limited (managed by AIF Capital Limited), Seletar Investments Pte Ltd (a wholly-owned subsidiary of Temasek) and International Finance Corporation. We have been able, and will continue, to leverage on these Shareholders to support us in identifying new business opportunities and in helping us formulate our corporate governance policies and implement best practices relating to risk management, environmental and social responsibility.

Please refer to the section entitled “Ownership Structure and Principal Shareholders” beginning on page 136 of this Prospectus for more details on the shareholdings of the Shareholders in our Company.

HISTORY AND DEVELOPMENT

Throughout our evolution from a single country, single product trader to a multi-country, multi-product integrated supply chain manager, we have expanded into adjacent products, geographic markets, customers, and supply chain activities through organic growth. We believe our history and development can be categorised into four phases:-

Origins: 1989 to 1992

The foundations of our business date back to the KC Group which has over 140 years of trading history. Our 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, ginger and sheanuts from Nigeria. This allowed the development of our origin capabilities and expertise in sourcing, processing and marketing of agricultural products. During this phase our business was a single-country, multiple-product operation.

Business Model Development: 1993 to 1995

By the start of 1993, our management, who was then still employed by the KC Group, recognised patterns and similarities in the sourcing, storing, transporting and marketing of these agricultural products, as well as in the skills and capabilities required to participate in these businesses and the tools and techniques required to manage the particular risks inherent across these product markets.

Our management saw an opportunity to transfer these skills and competencies across geographic boundaries into other developing countries and across product boundaries to other adjacent products. 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. Our move into multiple Origin Countries coincided with the deregulation of the agricultural commodity markets. Please refer to the section entitled “Industry Trends and Prospects” beginning on page 91 of this Prospectus for details of such governmental deregulation.

Global Expansion: 1996 to 2002

Our Company was incorporated in Singapore on 4 July 1995 under the Company’s Act as a public limited company. Subsequently in 1996, we relocated our entire operations from London to Singapore at the invitation of the Singapore Trade Development Board (now International Enterprise Singapore) for the following reasons:-

- our Company’s strategic plan, developed in 1995, envisaged the expansion and replication of our successful sourcing operations that we had established in Africa into similar producing countries in Asia, such as Indonesia, Vietnam, Thailand, China and Papua New Guinea. As such, we believed that our business could be better managed out of Singapore than London.

- our Company was awarded Approved International Trader (“AIT”) status (now called the Global Trader Programme (“GTP”)) under which we were granted a concessionary tax rate of 10 per cent., which was subsequently reduced to 5 per cent. in 2004.

Upon relocation to Singapore, the KC Group’s agri-business was reorganised to be wholly owned by our Company.

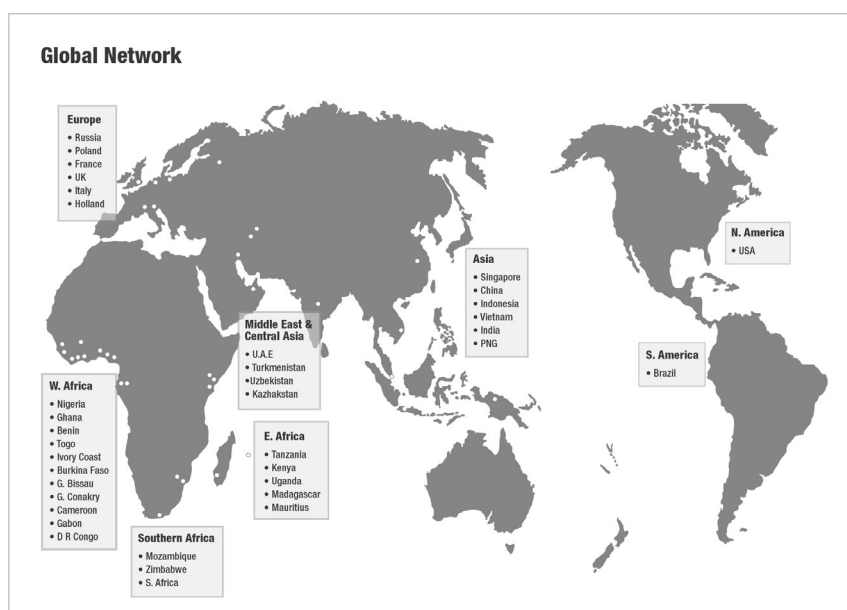
During this phase, we applied our business model to capitalise on growth opportunities present in our various businesses. Please refer to the section entitled “Our Growth Strategy and Future Plans” beginning on page 94 of this Prospectus for more details of our growth model. Singapore became the corporate headquarters and the key marketing and trading centre for all our operations. To further focus on quality customer service, marketing offices were opened in Poland, the Netherlands, France, UK, Italy and USA. We 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: 2002 to Present

By 2002, we had expanded to nine products and 30 countries with total revenues of approximately \$1.6 billion and profit after tax of approximately \$25 million for FY2002. At this stage, we approached various established institutional investors to raise funds for future growth. Since 2002, we have raised a total of approximately US\$42 million from Russell AIF Singapore Investments Limited (managed by AIF Capital Limited), Seletar Investments Pte Ltd (a wholly-owned subsidiary of Temasek) and International Finance Corporation.

Over this period, we consolidated our global leadership positions in most of the products and expanded into new products such as peanuts, beans, dairy products and packaged foods. We achieved total revenue for FY2004 of approximately \$2.62 billion with profit after tax of approximately \$48.1 million.

As at the Latest Practicable Date, we operate in over 35 countries as indicated in the following diagram:-



BUSINESS OVERVIEW

Our Business Approach

We are a leading global integrated supply chain manager of agricultural products and food ingredients. We offer end-to-end supply chain solutions to our 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.

We believe our leadership position in the industry is based on:-

- our origination capabilities arising from our global scale and direct presence in key producing countries;
- our supply chain economics arising from our operations being integrated across the entire agricultural products supply chain; and
- our capability to serve our customers in Destination Markets.

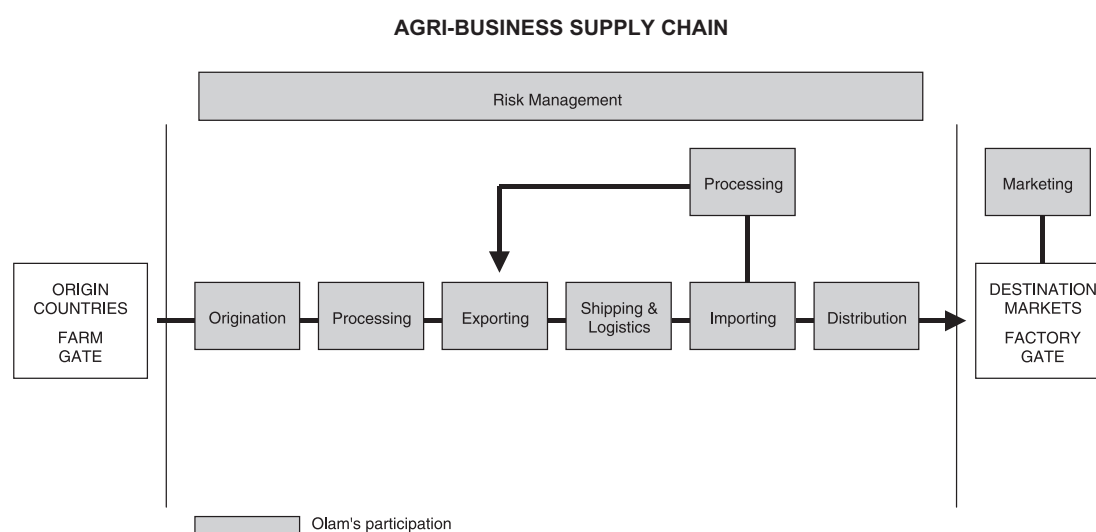
As supply chain managers of agricultural products, our profitability is driven primarily by the volume of the products sold to our customers and the degree of value-added services that we provide. For every transaction, we target a specific minimum profit per unit handled based on the risks and complexities of meeting the customer’s requirements. We constantly evaluate the pricing conditions on the demand side and then consider our costs along the supply chain to determine whether we can achieve our targeted profit per unit handled. We will not generally purchase agricultural products from the Farm Gate if we are unable to generate our targeted profit per unit handled.

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

Our risk management system is designed to minimise the variance in our targeted profits that may arise as we move agricultural products through our supply chain. Please refer to the section entitled “Business Overview – Risk Management System” beginning on page 89 and to Appendix D of this Prospectus for details of our Risk Management process.

Our Agricultural Products Supply Chain

Our 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 our involvement in managing key aspects of this supply chain:-



As at the Latest Practicable Date, we source and supply 14 products. For a description of our participation in the agricultural products supply chain, please refer to the section entitled “Our Products” beginning on page 82 of this Prospectus for details of our products.

We have a diversified customer base of over 3,000 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 5 per cent. of our revenue for each of the Periods Under Review.

Our suppliers comprise farmers, port-town suppliers and agents, origin exporters, government monopolies and co-operatives, none of whom account for 5 per cent. or more of our Group's total purchases for each of the Periods Under Review.

Origination

Origination involves sourcing directly from the Farm Gate and we believe this is the foundation of our supply chain management business. We believe 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, we source our products directly from the Farm Gate through our network of local buying agents, who deal with us either as principals or on a commission basis. We procure 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 our product sources, we set up procurement offices in the main growing areas of the Origins in which we operate. Most of our procurement offices have warehousing facilities, weighing stations, quality checking facilities and trained staff to check quality and weight before the products are accepted. In this way, we are able to exercise control over the procurement process and manage the physical flow of products from the point of origin. The products we procure 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.

We believe that controlling our products at the point of origin has the following principal benefits:-

- (a) we are 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) we are able to sort by location-specific quality, which enables us to offer value-added services to our customers such as providing tailored product grades. For example, some of our customers may request a type of cocoa bean grown only in certain parts of Cote d'Ivoire. With our origination expertise and depth, we are able to provide such value-added services;
- (c) we are able to provide traceability, because we know how and where the particular products were cultivated. We believe that our customers value this service as a means of ensuring that their products comply with socially responsible business practices, an increasing concern of many of our customers;
- (d) we are able to obtain certification of organic products;
- (e) we are able to gain proprietary market information on crop quality and size. Such information is valuable for our own business decisions and can also be sold to our customers; and
- (f) we are able to establish close relationships with suppliers which helps assure a stable supplier network. We work closely with farmers to improve the efficiency and reliability of the farmer's cultivation practices.

Processing

For certain products, we process the agricultural products before they are shipped to the Destination Markets. During processing, we subject 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. We conduct 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 our products to Destination Markets.

Exporting

We carry out quality checks, undertake clearing and forwarding of the cargo, obtain the necessary permission for exporting and acquire the requisite certificates.

Shipping and Logistics

Our shipping and logistics activities are contracted out to third-party logistics service providers, while our transportation and handling facilities and our warehousing and port infrastructures are mainly leased.

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

Our involvement at the shipping and logistics stage enables us to reduce costs, improve efficiency and maintain the quality of products. For example, we are 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

Our importing and distribution activities depend on the product, market and customers' requirements. For example, in the case of cotton, we are able to deliver directly to markets such as Italy, Portugal, Brazil, Taiwan and South Korea. In the case of cashew kernels, we are able to deliver to roasters and salters across Europe and North America, while in the case of rice, we distribute directly to small wholesalers and retailers in countries such as Cameroon and Ghana.

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

Marketing

Our marketing initiatives are aimed at achieving effective integration with our customers, in order to enable us to become a preferred supplier and to act as a single, credible, reliable counterparty.

We have an established marketing network across the Destination Markets, consisting of our 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 our development of direct relationships with our customers, we have developed an understanding of our customers' preferences and therefore are able to offer customised value-added services such as proprietary market information, risk management solutions, environmental guarantees, fair trade practices and traceability. Also, we use our first-hand knowledge of demand trends and supply conditions in the industry to identify potential customer requirements and new business opportunities.

Risk Management

Risk management is a critical activity across the entire supply chain. Risk management impacts our profitability and our ability to perform our contractual obligations with our clients.

Our 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. Please refer to the section entitled “Business Overview – Risk Management System” beginning on page 89 and to Appendix D of this Prospectus for more information on our risk management processes.

Our Products

We categorise our 14 products into the following product groups:-

- Edible nuts, spices and beans;
- Confectionery and beverage ingredients;
- Food staples and packaged foods; and
- Fibre and wood products.

For FY2004, the Turnover contribution for each of our product groups was as follows:-

Product group	Turnover contribution (%)
Edible nuts, spices and beans	15.0
Confectionery and beverage ingredients	39.5
Food staples and packaged foods	21.2
Fibre and wood products	24.3

For FY2004, the relative percentage of tonnage handled by us in the Origins was as follows:-

Origins	Percentage of tonnage handled (%)
Asia and Middle East	57.4
Africa	36.4
Europe	3.1
Americas	3.1

For most of the products that we deal in, we either source directly from the Farm Gate in the Origin Country or in close proximity to the Farm Gate. After which, the products are passed through our agricultural products supply chain and end up in our Destination Markets.

For FY2004, the Turnover contribution by Destination Market was as follows:-

Destination Markets	Turnover contribution (%)
Asia and Middle East	40.4
Africa	29.8
Europe	23.4
Americas	6.4

Our product portfolio is well diversified with no product category accounting for more than 40 per cent. of total revenue.

Our revenue base is well diversified by both customer and geographic markets. As at the Latest Practicable Date, our customers include some of the world’s largest packaged food multi-national companies including Nestle UK Ltd, Nestle 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. Sanfilippo & Son Inc., and The Nut Company B.V..

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

A. Edible nuts, spices and beans

Cashews

We are involved in all stages of the supply chain for cashews, which includes origination of the raw seed, processing, exporting, shipping and logistics, importing and distribution. In its natural form, cashews exist as soft, white kernels contained within a hard kidney-shaped shell. Raw cashew nuts are produced in 19 countries around the world. We estimate that over 1 million tons of raw cashew nuts were produced globally between 2003 and 2004 and the key origin markets were India, Brazil, Vietnam, Cote d'Ivoire, Guinea Bissau and Tanzania. However, raw cashew nuts produced in India, Brazil and Vietnam are not traded internationally in raw cashew form and are processed entirely within the respective countries. We estimate that global trade of raw cashew nuts amounted to approximately 415,000 tons between 2003 and 2004.

We started our cashews operations in 1989 through the KC Group's agri-business. Currently, we believe that we are the only industry player with operations in most of the key producing countries. In addition, we believe that we are among the largest players with a market share in excess of 25 per cent. of the global export market for raw cashew nuts as at the Latest Practicable Date.

Raw cashew nuts are processed into blanched cashew kernels. The blanched cashew kernels are either supplied to the salting and roasting industry, sold as an ingredient for the food services sector, or sold to bakery and confectionery manufacturers. Although 19 countries grow raw cashew nuts, three countries, namely, India, Vietnam and Brazil, account for approximately 97 per cent. of global processing of raw cashew nuts into blanched kernels. We believe that we are the only industry player with processing operations in each of these three countries. In addition to our processing facilities in these three countries, we have commenced processing operations in Tanzania, Nigeria and Cote d'Ivoire. Moving the processing of raw cashew nuts to the origin countries represents a significant shift in the industry structure, which has created a number of opportunities for the Group. Our filling centres have been HACCP certified (which certification is valid for three-year periods subject to satisfactory inspections every six months by the certifying body), and we also have obtained certification for procuring, processing and shipping organic cashews from Tanzania.

Please refer to the section entitled "Our Growth Strategy and Future Plans" beginning on page 94 of this Prospectus for details of these new processing initiatives.

For the period 1998 to 2004, the Group's aggregate volume of cashew nuts traded increased from approximately 109,000 tons to approximately 154,000 tons, which represents a CAGR of approximately 6 per cent. The following table sets out our Group volume of trade in raw cashew nuts for the Period Under Review:-

('000 tons)	12 months ended 30 June			1998-2004
	2002	2003	2004	Estimated CAGR (%)
Volume traded	136	163	154	6.0

The key consumption markets for blanched cashew kernels are the US, Europe and India. Our key cashew customers include Kraft Foods North America Inc, The Nut Company B.V., The Kroger Company, Duyvis B.V., John B Sanfilipo & Sons Inc., Ann's House of Nuts, Inc., Production La Prade, The Lorenz Bahlsen Snack-World GMBH & Co KG and Scalzo Trading Co. Pty Ltd.

Peanuts

We are involved in all the stages of the supply chain for peanuts. The principal origins for peanuts are China, USA, Argentina, India, Vietnam and South Africa and the key global consumption markets are Western Europe, Indonesia, North Africa, South East Asia, Canada and Mexico. We estimate that the annual global production of peanuts was approximately 23 million tons in 2002 and we believe that the global international trade was approximately 1.7 million tons per year.

We started our peanuts operations in 2002 in order to broaden our cashew nuts operations into other edible nuts. As at the Latest Practicable Date, our Origins are China, India, Vietnam and South Africa and we traded a volume of approximately 30,000 tons in FY2004.

Our key customers for cashew kernels and peanuts are the same. We intend to use this common customer base and channel sharing to build a significant market position in our peanuts operations over the medium to long term.

Spices

We are involved in all stages of the supply chain for spices, which include origination, processing, exporting, shipping and logistics, importing and distribution. The main categories of spices we deal in are pepper, cloves and other mixed spices.

Pepper is consumed as black or white pepper in whole, cracked or powdered form. We estimate that annual global pepper production was approximately 337,000 tons in 2004. The principal global origin markets for pepper include India, Vietnam, Indonesia and Brazil and the key global consumption markets are the US, EU, Middle East, South East Asia and the Indian subcontinent.

Cloves are principally used as an ingredient in cigarettes in Indonesia and as a spice in other parts of the world. We believe that annual global production of cloves was over 90,000 tons in 2003. The principal origins for cloves are Indonesia, Madagascar, Zanzibar and Brazil and the principal consumption markets are Indonesia and India.

We also deal with a host of mixed spices, originating primarily from Indonesia, which include long pepper, gambier, betelnut, and cassia. We are able to source all these spices by sharing our origination infrastructure and by offering a larger basket of spices to our customers.

We started our spices business in 2002 to take advantage of our existing presence in all the key origin markets for pepper and cloves and we traded a volume of approximately 21,000 tons in FY2004. We sell spices into Indonesia, India, USA and Europe. Our principal customers include AVT McCormick Ingredients Pvt Ltd, Tone Brothers Inc, Spicetec Ltd, CV. Rempah Jaya, Vallabhdas Kanji Ltd and Verstegen International B.V..

Sesame

Sesame is used as both an oil seed and as a food ingredient. It is either crushed to extract oil, or used as an ingredient in, among others, cakes, cookies, bread, salads and sweets. In relation to our sesame operations, we add value by cleaning, sizing and polishing the seeds, particularly if the sesame is to be used as a food ingredient. For edible grade sesame, seeds are further processed into hulled sesame, either manually or mechanically. After hulling, the seeds are put through colour sorters or handpicked to separate the white, creamy seeds from the black seeds.

The key global origins for sesame are Nigeria, Burkina Faso, Tanzania, India and Sudan and we procure and trade sesame out of all of these origins with the exception of Sudan. Most of these origin markets produce sesame with a high proportion of coloured and dark seeds, which are suitable for crushing and edible oil applications and we believe the biggest consumer is Japan. We estimate that the global production of sesame is presently approximately 2 million tons per annum. We believe that we were the first to move sesame in a bulk form from West Africa to Japan, which we believe is the largest market for crushing grade sesame. For the period 1998 to 2004, the Group's volume of sesame traded increased from approximately 17,000 tons to approximately 46,000 tons, which represents a CAGR of approximately 18 per cent. The following table sets out our Group volume of trade in sesame for the Period Under Review:-

('000 tons)	12 months ended 30 June			1998-2004
	2002	2003	2004	Estimated CAGR (%)
Volume traded	38	34	46	17.8

We started our sesame operations in 1995. Most of our customers for sesame are Japanese corporations, including Mitsui & Co., Mitsubishi Corporation, Itochu Corporation, Sumitomo Corporation Europe PLC and Kanematsu Corporation, who in turn sell to the large Japanese oil crushers such as Kadoya, Takemoto and Kuki Industrial Co. Ltd.

Beans

We are involved in all stages of the supply chain for beans, which include origination, processing, exporting, shipping and logistics, importing and distribution.

Beans, which comprise beans, peas and lentils, are used both for human consumption and animal feed. We believe that the world trade in beans is expected to grow due to shifting preferences in human diet towards vegetarian proteins, driven by the growing population and affluence in South East Asia and South Asia.

We estimate that annual global production of beans was approximately 56 million tons in 2002, while the global international trade was estimated to be approximately 9.3 million tons. The key origin markets for beans are Canada, Western Europe, China and India. We believe that in 2002, India imported more than 2 million tons, which was principally supplied from China, Australia, East Africa and North America.

With our sourcing operations in China and our distribution and marketing operations in India, we believe we are well-positioned to source beans from China for distribution into India. In addition, we have introduced Chinese beans to our customers in South Africa and the North African markets and we intend to continue to develop these operations further.

We started our beans operations in FY2003 and we traded a volume of approximately 49,000 tons in FY2004. We expect our participation to remain a niche operation, focused on specific trade flows, in the short to medium term.

B. Confectionery and Beverage Ingredients

Cocoa

We are involved in all stages of the supply chain for cocoa, which include origination, processing, exporting, shipping and logistics, importing and distribution. Cocoa beans and cocoa products, which include cocoa butter, cocoa liquor and cocoa powder, are the basic ingredients for chocolate products and are used extensively in the flavouring of many other food products such as biscuits, cakes, ice cream and beverages. We estimate that annual global production of cocoa beans was over 3 million tons in 2003. The major cocoa producers are Brazil, Cameroon, Cote d'Ivoire, Ghana, Indonesia and Nigeria.

We believe that these origin markets account for over 80 per cent. of the world's annual production and exports of cocoa beans in 2002/2003 and 2003/2004. In all the major origin markets, we have established an extensive primary procurement network. We are also involved in processing cocoa in Nigeria and milling cocoa cake into cocoa powder in Spain. Currently, we are present in all the major cocoa exporting countries in Africa and Asia.

We started our cocoa operations in 1992 through the KC Group's agri-business. We believe we are one of the three largest dealers of cocoa worldwide and one of the top four exporters of cocoa from Cote d'Ivoire, which is currently the largest cocoa producer in the world. We also believe we were the first international company to be granted approval by the Ghana Cocoa Board to operate as a local buying company. In the other major cocoa producing countries such as Cameroon, Indonesia and Nigeria, we believe we are one of the top three exporters. For the period 1998 to 2004, the Group's volume of cocoa traded increased from approximately 34,000 tons to approximately 322,000 tons, which represents a CAGR of approximately 46 per cent. The following table sets out our Group volume of trade in cocoa for the Period Under Review:-

('000 tons)	12 months ended 30 June			1998-2004
	2002	2003	2004	Estimated CAGR (%)
Volume traded	211	312	322	45.7

Our principal Destination Markets for cocoa products are Europe, the USA and Asia. Our key customers for cocoa include major chocolate companies such as Nestle UK Ltd/Nestle France S.A, Cadbury International Ltd and Masterfoods UK as well as major processing companies including ADM USA, Cargill Agricole S/A, Petra Foods Pte Ltd and Blommer Chocolate.

Coffee

We are involved in all stages of the supply chain for coffee, which includes origination, processing, exporting, shipping and logistics, importing and distribution. Coffee is generally classified into two principal categories, namely, Arabicas, which are generally more expensive and valued for their flavour and aroma, and Robustas, which provide the body of the coffee but have less flavour and aroma. We estimate that Arabicas constitute approximately 65 per cent. of total world production of coffee, while Robustas constitute the remaining 35 per cent. in 2003/2004. The key global origin markets for Arabicas are in South and Central America and the key origin markets for Robustas are in Africa, Asia and Brazil.

We started our coffee operations in 1994 through the KC Group's agri-business. We believe that our strong origin presence in Africa and Asia has enabled us to become one of the largest exporters of Robusta coffees in the world. We provide a full range of Robusta coffees from West Africa, East Africa and Asia. We process coffee beans into various grades of exportable green coffee in Cote d'Ivoire, Cameroon, Vietnam, Indonesia, India and Uganda. By maintaining a presence in most of the global origins for coffee, we believe we are able to provide customised grades and quality to meet a wide range of customer needs.

For the period 1998 to 2004, the Group's volume of coffee traded increased from approximately 34,000 tons to approximately 162,000 tons, which represents a CAGR of approximately 30 per cent. The following table sets out our Group's volume of trade in coffee for the Period Under Review:-

('000 tons)	12 months ended 30 June			1998-2004
	2002	2003	2004	Estimated CAGR (%)
Volume traded	123	150	162	30.0

Our principal customers for coffee include Nestle UK Ltd/Nestle France S.A, Decotrade AG, a subsidiary of Sara Lee I De Postfach, Taloca AG, Tchibo Frisch-Rost-Kaffee GMBH, The Folger Coffee Company and Luigi Lavazza SPA. We also supply coffee to smaller roasters and trade in Italy, Poland, Russia, Algeria, Morocco and Tunisia.

Sheanuts

We are involved in all stages of the supply chain for sheanuts, which includes origination, processing, exporting, shipping and logistics, importing and distribution. Sheanut is a tree crop and the seed is crushed to extract sheabutter, which after further processing, is used as an ingredient in chocolates and cosmetics. Sheabutter is used in chocolate as a cocoa butter substitute ("CBS"), or cocoa butter equivalent ("CBE"). In most markets, the amount of CBE or CBS, as opposed to cocoa butter, used in the production of chocolate is regulated. Sheanuts are only grown in seven countries located in the savannah regions of West Africa, of which Ghana is the largest global origin market.

We started our sheanut operations in 1991 through the KC Group's agri-business and are present in every global origin market. We believe our presence in the sheanut producing countries positions us to benefit from industry trends. For example, the EU recently allowed for an increased content of CBE in chocolate which we expect will boost consumption of our sheanut products.

Our key customers for sheanut products are principally large CBE manufacturers like Aarhus United Denmark A/S (Aarhus United A/S), Karlshamns AB (publ), Loders Croklaan B.V., Mitsui & Co. (Hong Kong) Ltd. and Itochu Corporation.

C. Food Staples and Packaged Foods

In several of our Origins, we use our 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 importation of rice, we built on this customer base to expand into sugar, dairy products and packaged food businesses.

Rice

Rice is one of the largest produced crops in the world. We believe that global production was over 590 million tons of paddy in 2003, although most of it was produced for domestic consumption. We estimate that the global international trade of rice was approximately 28 million tons in 2003. The key exporting countries of rice are China, India, Thailand, Vietnam, Pakistan and Myanmar while the key importers are African and Asian countries, which we estimate import over 7 million and 10 million tons respectively annually.

We commenced our rice operations in 1994 through the KC Group's agri-business and currently import rice from 17 countries in Africa. At the same time, we have operations in all the key exporting countries with the exception of Pakistan and as such, are well-positioned to participate in the global trade flow of rice. We are involved in various supply chain activities including sourcing, shipping, logistics management, marketing and distribution of rice. For the period 1998 to 2004, the Group's volume of rice traded increased from approximately 239,000 tons to approximately 561,000 tons, which represents a CAGR of approximately 15 per cent. The following table sets out our Group's volume of trade in rice for the Period Under Review:-

('000 tons)	12 months ended 30 June			1998-2004
	2002	2003	2004	Estimated CAGR (%)
Volume traded	728	748	561	15.3

We believe we have developed a detailed knowledge of rice substitute crop patterns in our Destination Markets, which enables us to better predict demand for rice in those markets. For example, in Nigeria there are various other crops (such as cassava) which are substitutes for rice, and as such, if we gain early upcountry knowledge that such crop harvests are poor, we are then able to benefit from the expanded importation of rice into Nigeria by gearing up our rice sourcing and distribution activities.

Sugar

We estimate that currently, sugar is produced in 102 countries and world production of sugar stands at 135 million tons. We estimate that approximately 73 per cent. is produced from sugar cane, which is largely grown in tropical countries in the southern hemisphere, while the remaining 27 per cent. is produced from sugar beet in the northern hemisphere. We believe that at the present time most of the world's sugar production is consumed in the producing countries themselves, with only approximately 35 million tons being traded internationally, with Brazil, the EU, India, Cuba and Thailand, supplying approximately 70 per cent. of the global international exports. Sugar is traded both as raw sugar and white sugar.

We commenced our sugar operations in 1995. For the period 1998 to 2004, the Group's volume of sugar traded increased from approximately 175,000 tons to approximately 273,000 tons, which represents a CAGR of approximately 8 per cent. The following table sets out our Group's volume of trade in sugar for the Period Under Review:-

('000 tons)	12 months ended 30 June			1998-2004
	2002	2003	2004	Estimated CAGR (%)
Volume traded	219	279	273	7.6

Dairy Products

We estimate that the current annual global international trade of dairy products is approximately 6 million tons which we estimate is approximately 7 per cent. of total world milk production. We believe the principal origin countries for dairy products are New Zealand, Australia, the EU and Argentina while importers are located predominantly in Africa, the Middle East, Latin America and Asia.

We commenced our dairy products operations in 2003 when we were approached by our existing customers in various markets to supply dairy products to them. We believe that some of the most important end-markets for dairy products are regions where we have significant operations and experience and hence we believe significant synergies and growth opportunities may exist. In most of these markets, we have been able to make use of our existing distribution channels for rice and sugar.

We currently source dairy products from manufacturers in Argentina, Western Europe and Eastern Europe (primarily Poland and Ukraine) through our operations in these countries and also through various trade houses. We currently seek to import dairy products principally into Africa, Asia and the Middle East where we already have presence and operations in both exports and imports.

Packaged Food Business

We have recently launched a packaged foods business ("PFB") as part of our continual supply chain integration initiatives. We started our first PFB operations in Russia with the launch of 3-in-1 packaged coffee products in April 2004.

We believe that PFB will allow us to enhance our margins through increased supply chain participation while providing us with information on consumption patterns which will enable us to better understand the needs of end consumers.

D. Fibre and Wood Products

Cotton

We are involved in all stages of the supply chain for cotton, which include origination, ginning, exporting, shipping and logistics, importing and distribution. Unlike tree crops such as cocoa, coffee and cashews, cotton is produced all year round and we believe is grown in over 60 countries around the world. We estimate that the annual global production of cotton was approximately 20 million tons in 2003/2004, with global international trade of approximately 7 million tons.

We commenced our cotton operations in 1990 through KC Group's agri-business and presently export cotton from six principal regions, namely, West Africa, East Africa, Central Asia, South Asia (India and Pakistan), USA and Brazil. We currently provide cotton to more than 300 customers in China, Taiwan, Hong Kong, India, Indonesia, Malaysia, Thailand, Vietnam, Bangladesh, Pakistan, Russia and Europe.

For the period 1998 to 2004, the Group's volume of cotton traded increased from approximately 36,000 tons to approximately 193,000 tons, which represents a CAGR of approximately 33 per cent. The following table sets out our Group's volume of trade in cotton for the Period Under Review:-

('000 tons)	12 months ended 30 June			1998-2004
	2002	2003	2004	Estimated CAGR (%)
Volume traded	106	127	193	32.6

The production of cotton remains heavily regulated in Africa and the CIS, with an estimated 66 per cent. of world trade flow still controlled by state bodies. As such, we are limited to participating only at the export stage. However we believe there is a trend towards liberalisation and privatisation in countries such as Burkina Faso and Benin. Our presence in these countries for the other products in our portfolio means that we are well-positioned to participate in opportunities arising from further liberalisation of the cotton trade.

We have identified Brazil as a key Origin for expanding the sourcing volumes. In terms of markets our main focus is on China which we believe is likely to be the largest import market in the world. We are also planning to offer innovative structured risk management and financing solutions to assist customers to manage risks and financing costs in a volatile environment.

In addition, recent positive developments in the WTO regarding the liberalisation of the global cotton trade should benefit our cotton business. Please refer to the section entitled “Industry Trends and Prospects” beginning on page 91 of this Prospectus for more details on the liberalisation of the global cotton trade.

Wood Products

We are involved in all stages of the supply chain for wood products except the distribution stage. Wood products are classified according to growing regions (tropical or temperate), attributes (coniferous or non-coniferous) and forms (logs, lumber, veneer or plywood). We focus on tropical timber logs and lumber segments from major producing countries such as Gabon, Cameroon, Cote d’Ivoire, Ghana, Liberia, Congo, Mozambique, Brazil, Malaysia, Indonesia, Papua New Guinea and Solomon Islands.

We commenced our wood products operations in 1995 and we have a multi-product presence in most of the major timber producing countries. We also have a presence in smaller producing countries such as Burkina Faso, Togo, Benin, Nigeria and Ecuador, where we purchase our timber from local exporters. We focus on the tropical round logs segment including value-added processing of logs, where we leverage on our core strengths in origin management. We trade a broad range of tropical timber, including teak and hardwoods and we believe we are currently one of the leading suppliers of teak in the world. We export logs and lumber to saw millers, plywood manufacturers and importers in Destination Markets such as Europe, China and India.

For the period 1998 to 2004, the Group’s volume of wood products traded increased from approximately 105,000 cbm to approximately 166,000 cbm, which represents a CAGR of approximately 8 per cent. The following table sets out our Group’s volume of trade in wood products for the Period Under Review:-

('000 cbm)	12 months ended 30 June			1998-2004
	2002	2003	2004	CAGR (%)
Volume traded	113	134	166	7.9

Risk Management System

We have implemented a comprehensive risk management system to ensure that risk exposures arising out of our businesses do not lead to financial distress and that shareholders obtain a fair return on the equity risk capital that they have invested. As we are principally a procurer and supply chain manager of agricultural products and food ingredients and are not directional, positional, proprietary or speculative commodity traders, we do not take positions based on our view of the direction or extent of commodity price movements. We also do not take positions which are not backed by underlying physical transactions. Generally, we hedge on a transactional basis. For example, when a physical quantity of a product is bought, we would sell the equivalent quantity of futures. When the product is sold to the ultimate customer on a fixed price basis, we would buy back the futures sold earlier to close the hedge. However, in executing our role as a supply chain manager, we are exposed to various commodity and operational risk exposures in the ordinary course of our business.

As a supply chain manager, we have institutionalised our risk management system based on the following key principles:-

1. Determination of the Risk Threshold for the Group

The Board determines at the beginning of each financial year the overall risk capital of the Group based on a percentage of total shareholders’ funds. Risk capital refers to the maximum potential loss if all the trading, operational and regulatory risks across all products and geographic regions materialise at the same time. This overall risk capital is allocated to each product group and this defines the financial budgets and business plans for each product group for the financial year.

2. Identification and Measurement of Risk Categories

To accurately set our risk exposure limits, we identify and quantify our key risks.

Identification of Risk Categories:-

The broad risk categories are trading risk, operational risk and regulatory risk. Trading risk is further sub-categorised into outright price risk, basis or spread risk, counterparty risk, credit risk and currency risk.

Of these risks, outright price risk is effectively mitigated through hedging for futures-traded products such as cocoa, coffee, cotton and sugar. For the other products in our portfolio, we manage such risks through volume/tenure limits.

Risk Measurement:-

To capture and measure the level of risk being taken, we use a VaR model which calculates the maximum loss that our business is likely to suffer. The VaR model is based on historical volatility and correlation with a 95 per cent. confidence level over a specified period of time. Component VaRs are also generated for each of our product groups, to be used as decision support tools by our operating managers in guiding them to remain within the risk limit allocated to their businesses.

3. Proper Governance Structure

We have an institutionalised process in the governance of risk management. We have established a Board level Risk Committee. Please refer to the section entitled "Corporate Governance" beginning on page 126 of this Prospectus for more details of our Risk Committee. The Risk Committee recommends to the Board the overall risk limits for the Group. The Risk Committee is supported by the Executive Risk Committee. The Executive Risk Committee comprises six Executive Officers and is mandated to recommend risk policies, including volatility measurement process, selection of price series, and vetting of risk budgets.

At the operational level, we have a middle office which is responsible for the capture and measurement of Group-wide risk on an independent basis. It also undertakes 'stress testing' of a given portfolio for outlier events. The middle office is functionally independent of the front and back offices.

The middle office circulates a weekly risk report. The Chief Executive Officer conducts a monthly review with the middle office on various risk exposures being run by the Company with respect to its operations. The Chief Executive Officer then, in the monthly budget review meetings with the respective product and country heads, evaluates any significant risk issues.

4. Linking Risk and Performance

To influence behaviour and promote risk awareness/responsiveness, business performance measures are first selected and then risk-adjusted. Compensation is linked to these risk-adjusted business performance measures, thereby influencing decision-making on the basis of risk and return.

Please refer to Appendix D of this Prospectus for more details of our risk management process.

INDUSTRY TRENDS AND PROSPECTS

We expect our business growth to be supported by the industry trends described below.

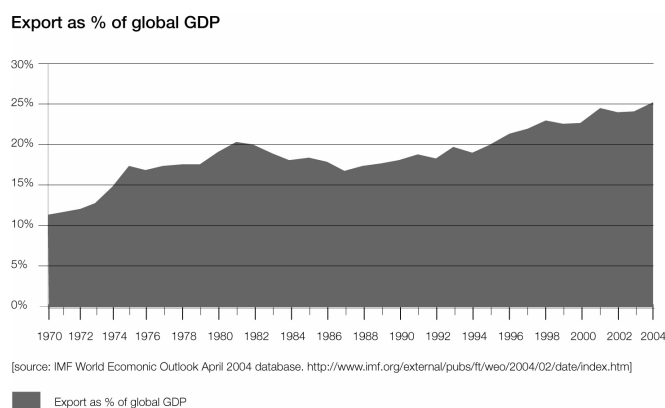
Global Trends in Supply Chain Management

We believe that supply chain management is a critical part of various industries, such as consumer electronics, automotive, commodities, textiles and apparel. We believe that the following trends have resulted in supply chain management becoming increasingly complex, requiring specialist skills:-

- (a) *Globalisation of production*: with increasing trade liberalisation, industry deregulation and technological advancement, we believe that companies are striving to achieve lower costs, higher efficiency, and improved quality through sourcing, producing and distributing across global networks, amongst others.
- (b) *Globalisation of consumption*: rising global wealth levels and converging global mass consumption patterns (in relation to, for example, health, fashion and leisure activities) are forcing companies to address demand on a global scale while at the same time catering to local consumer preferences.
- (c) *Rising customer expectations*: with rising wealth, education and global awareness, customers are increasingly demanding sophisticated products that meet their standards for quality, ethics and cost.

As global competition becomes more apparent, we believe companies are creating competitive advantages by focusing on their core business and outsourcing many of the increasingly complex supply chain management functions to external supply chain management specialists. Numerous activities, from sourcing and procurement to manufacturing, logistics and service management, are now able to be more flexibly, efficiently and cost-effectively provided by specialised third-party providers. We believe that such supply chain managers provide a range of value-added services as well as being able to achieve economies of scale with large volumes handled.

We believe that rising global trade provides increasing opportunities for companies specialising in supply chain management. According to the IMF World Economic Outlook, the growth in global exports as a percentage of global GDP has been significant over the past three decades, emphasising the significance of global trade to global production. Since our establishment in 1989, global exports as a percentage of global GDP has increased from 18 per cent. to 26 per cent., as illustrated in the chart below⁽¹⁾:



Source: IMF World Economic Outlook September 2004 database.
<http://www.imf.org/external/pubs/ft/weo/2004/02/data/index.htm>

⁽¹⁾ We have not obtained the consent of the IMF for the inclusion of the above statistics from their World Economic Outlook database. While we have taken reasonable steps to ensure that the relevant information is reproduced in its proper form and context, and that the information is extracted accurately and fairly, we have not conducted an independent review of the information and have not verified the accuracy of the information. The information on IMF's website (the "Site") is provided "as is" and without warranty of any kind, either express or implied, including, without limitation, warranties of merchantability, fitness for a particular purpose and non-infringement. The IMF shall not be liable for any losses or damages incurred or suffered in connection with the Site, including, without limitation, any direct, indirect, incidental, special or consequential damages, even if the IMF has been advised of the possibility of such damages.

We believe the prospects for growth in global trade are positive due to the integration of China, India, Brazil and Russia into global trade flows, the steady lowering of tariffs and quotas in the developed world and the recent progress in WTO liberalisation initiatives.

Supply Chain Management in Agri-Business

As in many other industries, supply chains in agri-business are becoming increasingly complex, creating opportunities for supply chain management specialists. We believe there are several distinct features of the agri-business supply chain:-

(a) High entry barriers in the producing countries

The production of agricultural products are dependent on location-specific environmental factors such as climate and soil conditions. For example, we believe it is difficult to replicate the features of Ghanaian cocoa beans in a different cultivation area. This is unlike manufacturing, where production is capable of being relocated to take advantage of the most cost-effective labour and infrastructure conditions. We believe that this characteristic of agricultural products implies that production bases are relatively fixed and that there is little likelihood of new producing countries emerging in the short term. Therefore, new entrants may find it difficult to establish operations in such producing countries, most of which are emerging markets with challenging environment.

(b) Predictable demand

Demand for agricultural products is stable and generally correlated to global population and income growth. The risk of sudden fluctuations in demand is therefore minimal.

(c) Industry liberalisation

We observed that, up until the late 1980s and early 1990s, agricultural trade in almost every producing country was controlled by state commodity boards or state-owned monopolies such as Bulog in Indonesia, the Coffee Board in India, the Caistab in Cote d'Ivoire and the Cocoa Board in Nigeria. Global trade houses could rely on such sovereign bodies to take on origin market risks and guarantee supply of agricultural products. However, over time these state-owned monopolies developed into relatively inefficient bureaucracies.

In the late 1980s, a large number of producing countries were facing economic difficulties and turned to the IMF for economic support. In return for financial support, the IMF required recipient countries to implement various economic reforms including the deregulation and liberalisation of their commodity boards and state-owned monopolies.

This deregulation led to the elimination of the state-owned monopolies in producing countries and the emergence of a new group of origin trade houses. However, such origin trade houses often did not have market-oriented strengths, such as end-customer relationships, market knowledge, or risk management capabilities. Their relative lack of experience in managing risks in volatile commodity markets led to contract performance or counterparty defaults.

At the same time, global trade houses could no longer rely on sovereign bodies. With such state-owned counterparties dismantled, the supplier bases of global trade houses were eroded and they lacked the necessary origin-oriented strengths to establish effective operations in the Origins.

We believe that due to the evolution of the industry, typically most participants possess either origin-oriented strengths or market-oriented strengths. There are very few players who have been able to combine both "origin" and "market" strengths.

(d) Positive impact of WTO – Liberalisation of agricultural trade

We believe that recent indications by the WTO supporting the liberalisation of the cotton and sugar industries are expected to benefit low-cost producers in regions such as Brazil and West Africa. Such initiatives include the removal of trade-distorting, heavy subsidies given by governments of developed countries to their farmers.

In the case of cotton, the WTO ruled in July 2004 that the subsidies given to cotton farmers in the USA by their government violated international trade regulations. The European Commission also recently decided to revise its subsidies to cotton farmers in Greece and Spain, making future payments less linked to production. Following from these events, the developed countries have agreed to negotiate with the WTO on reducing farm subsidies in Europe and the USA.

For sugar, the WTO made a ruling in August 2004, in a case brought by Brazil, Thailand and Australia, that the subsidies paid by the EU to its sugar farmers violated global trade rules.

We believe that the WTO's position on the cotton and sugar industries is an indication of future possible developments in other agri-business industries, which could reduce global trade distortions and further liberalise trade flows.

(e) Processing at the producing countries

We believe that there is a general trend in the agri-business towards increased processing at the origin. Such a trend is driven by both supply side and demand side factors.

On the supply side, we see an increasing number of producing countries insisting on value-addition prior to the export of their agricultural products. This trend is evident in industries such as wood products and cocoa. For wood products, producing countries such as Ghana and Cameroon have banned exports of logs and restricted exports of timber to processed products such as furniture components in order to increase the value of their domestic industries.

On the demand side, we believe the industry is beginning to accept that origin processing can yield products of acceptable quality at significant cost savings. In cocoa and edible nuts, supply chain managers have moved their processing activities into the producing countries to take advantage of more competitive cost structures. Processing activity is now increasing in producing countries in Asia and some parts of Africa.

OUR GROWTH STRATEGY AND FUTURE PLANS

Our Growth Strategy

We aim to grow our business and volumes by taking advantage of adjacent opportunities in potential businesses which share geographic markets, products, customers and supply chains with our existing businesses. We intend to use our flexible, scalable and replicable supply chain management model to capitalise on such opportunities with minimal execution risk.

We focus on the following adjacent opportunities:-

- **Geographic market adjacency:** We expand into new geographic markets where we are able to source existing products or replicate existing supply chains. For example, in relation to our cashews operations, we used our supply chain capabilities in Nigerian cashews to expand into supplying our customers of Nigerian cashews with cashews from other African countries such as Cote d'Ivoire, Benin and Tanzania. Commencing with Nigeria in 1989, our business has expanded into over 35 countries as at the Latest Practicable Date.
- **Product adjacency:** We expand into new products which can be sourced using existing supply chain infrastructure in Origins or supplied to existing customers. For example, we were able to provide existing cashew nut customers with other edible nuts by using our existing supply chain infrastructure in key Origins. Starting with cashews, we, as at the Latest Practicable Date, supply 14 products and have significant market shares in our established businesses.
- **Customer adjacency:** We take on new customers who are located in markets where we have a presence. For example, in relation to our cashews operations, we used our presence in Vietnam, which is an Origin for our coffee business, to sell raw cashews to Vietnamese processors. For the Period Under Review, we had a diversified customer base of over 3,000 customers.
- **Supply chain adjacency:** We selectively integrate our existing supply chains. For example, in relation to our cocoa operations, we used our presence in key Origins and our cocoa bean sourcing expertise to expand into primary processing of cocoa beans into cocoa butter, powder, liquor and cake for our existing cocoa customers.

Once we have identified certain adjacent opportunities, we will then select specific expansion initiatives based on the following criteria:-

- **We must be able to meet financial return targets:** As an overriding principle, we will only participate in a product or market if such participation is able to meet our risk-adjusted financial targets. We view profitable growth as a combination of top line (volume growth), bottom line (earnings growth) and generation of a positive equity spread (ie. return on equity minus cost of equity).
- **We must be able to achieve a significant market share:** We aim to be amongst the top three players in each of our product segments. To achieve this, we typically target a market share of greater than 10 per cent., which we believe is a meaningful market share in a fragmented global agricultural market. With a leadership position, we believe we can develop a degree of pricing control which enables us to enhance our profit margins.
- **We must be able to establish a strong presence in key Origins:** We aim to be present in all the key Origins for each of our product segments in order to ensure reliable and consistent supply of products and quality of service. A strong presence in the Origins also provides us with the ability to obtain first-hand market intelligence in terms of the size of the crop, the arrival/timing of the crop and the quality of the crop, all of which helps us both in our trade and in managing our risks.
- **We must be able to establish a strong presence in Destination Markets:** We aim to be closer to our customers by being present in the Destination Markets. This enables us to

monitor demand and be more responsive to our customers' requirements. We have therefore set up regional marketing hubs in Holland, UK, Poland, France, UAE and USA. The Asian market is serviced out of Singapore, our corporate head office.

- **We must be able to develop direct end-customer relationships:** We aim to sell our products directly to end-users such as coffee roasters, chocolate manufacturers, edible nut roasters and spice manufacturers, rather than through dealers or brokers. We believe that this helps us understand our customers' requirements and provides us greater demand visibility. Direct customer relationships would also enable us to provide value-added services to meet specific requirements. We believe this in turn strengthens customer loyalty and enhances our margins.
- **We must be able to identify the potential for value generation through selective supply chain integration:** We will only undertake integration in an existing supply chain if we are able to increase profit margins, realise cost savings and generate incremental value from doing so. For example, in Cote d'Ivoire and Cameroon, we have chosen to own and operate our own coffee processing facilities due to favourable economics. In contrast, we do toll processing in India and Indonesia, where we believe processing is undertaken more efficiently by third-party processors.

Our Future Plans

Our future plans focus on three objectives: growing volumes by expanding into new geographic markets, expanding our product portfolio, and enhancing margins through supply chain integration and offering value-added services.

Growing volumes by expanding into new origins and markets

Based on the emergence of China, Brazil, India and Russia over the past decade as important production and consumption markets in the global agri-business marketplace, we are pursuing the following initiatives:-

- **China:** We intend to increase our supply of cotton and wood products to China. In the case of cotton, the Multi Fibre Arrangement ceased in January 2005, and as such we believe this will accelerate the liberalisation of the global textile trade. This is expected to boost cotton consumption by China's textile industry as they have a natural comparative advantage in the production of textile goods. In the case of wood products, imports are expected to increase due to the Chinese government's removal of import tariffs and its continuing ban on domestic felling for environmental reasons. We also intend to commence exporting edible nuts, beans and rice from China, which we believe is one of the world's largest producers of these products.
- **Brazil:** We intend to grow our volumes in cashews, pepper, coffee, wood products, cotton and sugar by expanding our sourcing operations in Brazil, which is an Origin for all these products. We will build on our current cashew and pepper operations in Brazil and will accelerate the rollout of our operations in the other products. We are also focusing on expanding into Latin American Arabica coffee using Brazil as a base. In addition, there is a rapidly growing trade flow between Brazil and China, particularly in cotton, wood products, soya beans and sugar. Our presence in both China and Brazil positions us to take advantage of this development for the products in our portfolio.
- **India:** We are using our expertise and long-established operations in cashew and coffee in India as a base to grow our exports of rice and sugar and imports of cotton and wood products. As with China, we believe that India is poised to enjoy a textile boom following the liberalisation of global textile trade in 2005. We have the infrastructure and expertise to become a significant supplier to the Indian textile industry.
- **Russia:** Having established operations in 2003, we are currently developing our cocoa, coffee and cotton operations. We have developed and launched a 3-in-1 packaged coffee product and will continue to explore other products suitable for the Russian market.

Expanding our product portfolio

Our product expansion initiatives are focused on expanding our coffee business and edible nuts portfolio, among others. We are already in the process of adding Arabica coffee to our existing Robusta coffee operations. As described in the section entitled "Our Products" beginning on page 82 of this Prospectus, we estimate that 65 per cent. of world-traded coffee is Arabica coffee. Our objective is to complete our coffee portfolio as a step to becoming a leading coffee bean supplier, while also expanding sales into our existing customer base. Our move into Brazil, a major producer of Arabicas, will facilitate the development of our Arabica coffee operations and lead the way for further expansion into other Latin American Arabica-producing countries. This initiative has been further reinforced by setting up a marketing office in the USA to better service our existing and new customers.

We are also in the process of diversifying our edible nuts business from cashews and peanuts to include hazelnuts, almonds and other edible nuts. We are already established in the major producing countries and are able to use many of our existing supply chains and customers to develop this operation. We also intend to grow the range of our spices and beans.

We also plan to include future packaged foods for our package food business operations that are related to the product types that we currently trade in, such as coffee, edible nuts, cocoa and dairy products in existing Origins with high growth potential.

Enhancing margins through supply chain integration and offering value-added services

Our margin enhancement initiatives are focused on achieving cost-savings by selectively developing our own infrastructure, moving processing closer to the origins, positioning ourselves to benefit from the potential liberalisation of various stages of the supply chain and, where profitable, providing more value-added services to our customers.

We are investing in infrastructure such as warehousing and logistics/transportation facilities where we have sufficient operational scale and captive volumes to achieve cost savings by owning and managing the facility ourselves. In addition to saving on foregone facility leases and rental payments, we can better control the management of the facility and reduce economic losses from inefficient operations, damage, and pilferage.

We are also capitalising on what we believe is the industry trend of moving processing closer to the origins. By processing closer to the origin, we will be able to achieve significant margin enhancement through offering additional value-added products, often using a cheaper cost base, and through saving on transportation costs. As described in the section entitled "Industry Trends & Prospects" beginning on page 91 of this Prospectus, we believe the industry is beginning to recognise that origin processing is capable of yielding products of acceptable quality with significant cost savings, especially from cheaper costs of labour. Furthermore, by processing at the Origin, we can avoid the costs of transporting the portion of the product which is later discarded during processing. For cashew nuts, we plan to build on the success of our recently established Tanzanian cashew processing operation to expand cashew processing into other countries in east and west Africa. For cocoa, we are currently processing cocoa into cocoa products in Nigeria and Indonesia and plan to do the same in other cocoa producing countries.

We also plan to expand our supply chain activities where opportunities arise from the liberalisation and privatisation of certain industries. In the case of cotton, we expect the ginning industry to be liberalised in various African countries and possibly the CIS countries. This will enable us to expand into seed cotton ginning and, we believe, capture the associated margins.

Finally, our diversified customer base is becoming increasingly sophisticated and willing to pay a premium for various value-added services. We are using our competitive strengths to develop products and services to meet this growing demand while also enhancing our margins. Specifically, we are offering new services such as procuring organic product certifications, environmental guarantees, traceability, VMI and customised risk management solutions.

QUALITY ASSURANCE

We have instituted quality control measures which are integral to our supply chain processes. Our quality control procedures seek to ensure that the food ingredients or agricultural products that are delivered to our customers are able to meet their expectations. We also maintain constant communications with our customers to obtain their feedback on the standards of our agricultural products and food ingredients.

We believe our presence in the Origins allows us to screen the quality of the food ingredients or agricultural products to remove any substandard products before transportation for processing or for export. It also provides us with the ability to sort by location-specific quality and make selections of special product grades at the request of our customers. In addition, our on-the-ground presence also provides us with first-hand market information on crop quality which allows us to monitor the crop quality in any given season. Similarly, our presence in all stages of the agricultural supply chain allows us to maintain substantial control over each of these stages and helps to ensure that our customers receive the correct description, quality and volume of food ingredients or agricultural products which they have ordered from us.

RESEARCH AND DEVELOPMENT

We have not carried out any research and development activities (other than market research). However, we constantly look out for, and use, where applicable, suitable new information technology applications for our businesses and operations.

INSURANCE

Our insurances are placed in the conventional insurance market and with Olam Insurance, which is the insurance subsidiary of our Company providing insurance coverage to the Group exclusively. The insurance covers taken in the conventional insurance market are as follows:-

- (a) Marine Open Cover and Stock Throughput Insurance;
- (b) Political Risks Insurance (which covers, *inter alia*, risks such as coup, civil unrest, forced abandonment, expropriation and nationalisation);
- (c) Charterer's Liability and Marine Defence Insurance;
- (d) Employer's Liability Insurance; and
- (e) Directors & Officers Liability Insurance.

Olam Insurance insures the Group's non-catastrophic risks. The insurance coverage includes:-

- (a) Global Office Contents Insurance;
- (b) Property & Transit Insurance Deductible Protection;
- (c) Motor Loss or Damage;
- (d) Cash & Cash in Transit;
- (e) Fidelity Guarantee; and
- (f) Excess Legal Liability Insurance.

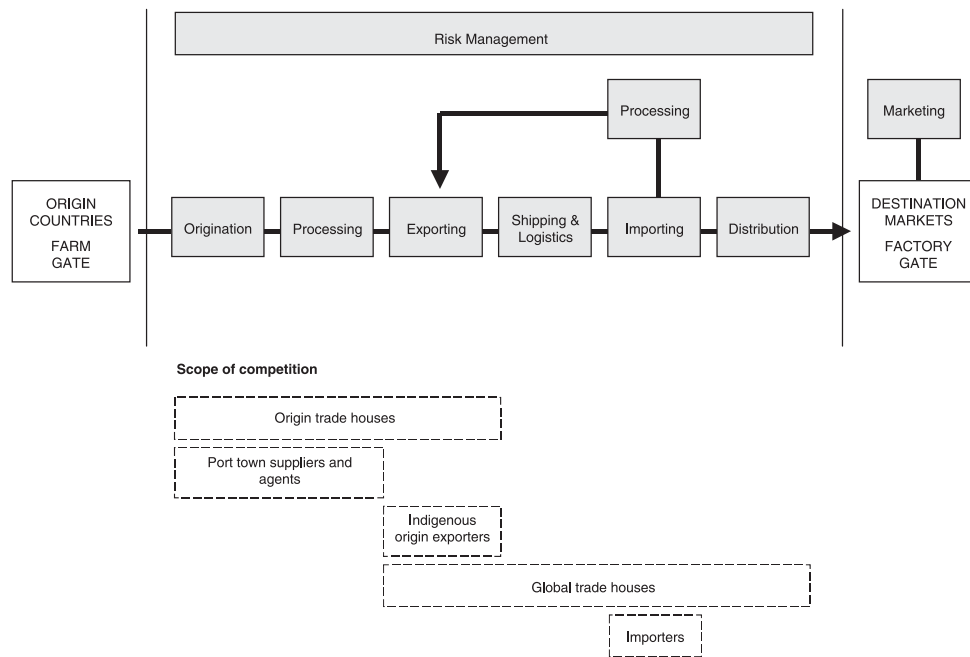
Olam Insurance's liability is capped at an annual aggregate of US\$1,000,000. Olam Insurance has fully reinsured its risks through the reinsurance market.

We believe that the above insurance coverage is adequate for our business requirements.

COMPETITION

We compete with diverse players at different stages of the supply chain. The intensity and nature of competition depend on the degree of our 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 competition at various stages of the supply chain for our businesses is depicted below.



The key types of competition are discussed below.

Export-Oriented Competition

For our product groups edible nuts, spices and beans, confectionery and beverage ingredients, and fibre and wood products, we face the following export-oriented competition:-

(a) Origin Trade Houses

As discussed in the section entitled “Industry Trends and Prospects” beginning on page 91 of this Prospectus, origin trade houses (“OTHs”) emerged as competitors following the dismantling of national commodity boards in the 1990s. Examples of OTHs are Nusamas (cocoa in Indonesia), Vietnam National Coffee Corporation (coffee in Vietnam) and L’Aiglon S.A. (cotton in Cote d’Ivoire). OTHs can be broadly classified as:-

(i) Port-town suppliers and agents

These are local companies and businesses involved in supplying the products to exporters in the port-towns. They participate in the value chain from the farmers and village level agents to the port-town exporters. They manage the local logistics and deal in local currency. We consider their strengths to be their understanding of the local market and associated costs of operations.

(ii) Indigenous origin exporters

These are local companies operating in a specific country and normally in multiple products. These companies may be state-controlled monopolies, co-operatives, or private corporations, which act as exclusive agents for the product in the country. These companies rarely operate in multiple countries and their competitive position arises out of strong knowledge of the local context. They normally sell the products to trade houses and importers based in the Destination Countries.

(b) Global trade houses

These companies have strong global presence, as well as operations in the producing countries. These companies normally operate from the port cities and commercial capitals in the producing countries and rarely extend their operations to the Farm Gate. They buy from port-town

suppliers, agents and from the origin exporters. Global trade houses include ADM USA, Louis Dreyfuss Group, ED & F Man International Ltd, Glencore International AG, Continaf B.V. and Noble Group Limited.

(c) Importers

Based in the Destination Countries, these companies buy the products from the exporters. Their competitive position arises from their knowledge of the Destination Markets and customer relationships with end-users.

Export-oriented competition tends to be multi-faceted because participants may be involved in more than one stage of the value chain. A trade house may deal with the origin exporters, importers and end-users for the same product. Therefore our competitors may also be our suppliers or customers.

We believe that most export-oriented competition has either “origin” skills or “market” skills. Origin skills include buying from the lowest level of aggregation possible directly in the producing countries, processing these products into intermediate products, managing the inland and marine logistics, managing the various risks in the origin countries and then exporting these products at a consistent and reliable standard on time to the customers. Market skills include market research and analysis, developing privileged relationships with the customers, distribution and logistics capability, hedging and risk management/risk arbitrage skills. There are few players who combine strengths in both origin and market skills.

Imports & Distribution-Oriented Competition

For our food staples and packaged foods business in rice, sugar, dairy products and packaged foods, we face the following competition:-

(a) Global trade houses

Global trade houses buy from the indigenous exporters and processors and sell to our Destination Markets. Their participation in the Destination Market may range from selling the products to importers to having joint venture or agency arrangements with importers in some of the Destination Countries. The competitive position of these trade houses is built around their financing ability, economies of scale and counterparty credibility.

(b) Importers

Importers are local indigenous traders based in our Destination Markets supplying to wholesale markets. The importers normally deal with trade houses and in some select cases, with producing country-based exporters. Their understanding of the producing countries and ability to handle local credit is their main source of competitive advantage.

In the food staples and packaged foods business, we participate in the value chain by either selling products to importers, or importing and distributing the product ourselves. Where we import and distribute to wholesalers, our competition comes from the destination importers. Where we sell products to importers, competition comes from the other trade houses. The overlap of participants is limited.

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 following is a description of the material licences issued to companies in our Group in order for us to carry out our operations, other than those pertaining to general business registration requirements:-

Subsidiary	Description of licence/permit	Issuing authority	Date and duration of the licence/permit
Olam Brazil	Licença de Operação or Operational license (for the purposes of environmental exploration and recovery which is a requirement to operate a factory)	Instituto de Desenvolvimento Econômico e Meio Ambiente do Rio Grande do Norte – IDEMA	21 October 2003 to 21 February 2004 ^{1,2}
Olam Cam	(i) Attestation No. ATDECC no. 01/MINCOMMERCE/DPCS/SDCE/SSE (for the purposes of cocoa and coffee export)	(i) Ministry of Industrial and Commercial Development	(i) 1 January 2005 to 31 December 2005
	(ii) Attestation No. ATDECC no. 01/MINCOMMERCE/DPCS/SDCE/SSE (for the purposes of factory ownership and exporter of cocoa and coffee)	(ii) Ministry of Industrial and Commercial Development	(ii) 1 January 2005 to 31 December 2005
	(iii) Attestation No. 041/MINCOMMERCE DPCS/SDCE/SAG (for the purposes of the registration of the Company in the registry of importers for 2005 under No. CG/0030)	(iii) Ministry of Industrial and Commercial Development	(iii) 1 January 2005 to 31 December 2005
	(iv) Import License No. CG/0030 (for the purposes of importing goods)	(iv) Minister of Industrial and Commercial Development	(iv) 1 January 2005 to 31 December 2005
	(v) Attestation No. 01/MINCOMMERCE/DPCS/SDCE/SS (for the purposes of cotton export)	(v) Ministry of Industrial and Commercial Development	(v) 1 January 2005 to 31 December 2005
	(vi) Attestation No. 01/MINCOMMERCE/DPCS/SDCE/SS (for the purposes of exporting food products and processed products)	(vi) Ministry of Industrial and Commercial Development	(vi) 1 January 2005 to 31 December 2005
	(vii) Ministry of Mines, Water and Electricity Act for ets. Classes. 1ere classe (authorisation for the usine to open)	(v) Ministry of Mines, Water and Electricity	(v) Issued on 13 March 2003 without expiry
	(viii) Ministry of Industrial and Commercial Development's Act for Usinier 3eme categorie (for the purposes of operating factory)	(vi) Ministry of Industrial and Commercial Development	(vi) Issued on 15 October 2003 without expiry

Subsidiary	Description of licence/permit	Issuing authority	Date and duration of the licence/permit
Olam Congo	(i) Import export permit (for the purposes of export and import) (ii) Permit of timber commercialisation (for the purposes of timber trading)	(i) Ministry of Industry, Commerce and Small Enterprises (ii) Ministry of Environment, Conservation of Nature, Waters and Forest	(i) 9 April 2004 to 31 March 2005 (ii) 9 April 2004 with one-year validity and renewable yearly
Olam Gab	Agreement de commerce (for the purposes of forestry species trade and export)	Ministry of Commerce and Industrial Development.	Issued on 18 March 1999 without expiry
Olam Ghana	(i) Internal Marketing of Cocoa Dealers' Licence (for the purposes of marketing cocoa) (ii) Sheanut/Sheabutter Dealers' Licence (for the purposes of dealing in Sheanuts) (iii) Coffee/Coffee Products Dealer's Licence (for the purposes of dealing in coffee) (iv) Exporter of Wood Products Licence (for the export of wood products)	(i) Ghana Cocoa Board (ii) Ghana Cocoa Board (iii) Ghana Cocoa Board (iv) Timber Industry Development Division (Forestry Commission Ghana)	(i) 1 October 2004 to 30 September 2005 (ii) 1 October 2003 to 30 September 2004 ² (iii) 1 October 2003 to 30 September 2004 ² (iv) 1 January 2005 to 31 December 2005
Olam Guinee	Company Registration Document No. RCCM/GCKRY/0293/A/2003 (for the purposes of import-export business).	Tribunal de Premiere Instance de Kaloum	25 April 2002 and valid for 99 years
Olam Indonesia	(i) Notification of Presidential approval No. 468/I/PMA/1996 (under this licence, the Company is, within 15 years of commencement of business of Olam Indonesia, required to divest a part of its shareholding in Olam Indonesia to an Indonesian party) (ii) Trade License No. 01/T/Perdagangan/1997 dated 6 January 1997 and addendum No. 583/T/Perdagangan/1999 dated 22 October 1999 (for the purposes of trade activities) (iii) Sugar import license No. 3.31.73.04.00074/DJ PLN/IV/2002 (iv) Rice import license No. 3.31.73.04.00068/DJ PLN/IV/2002 (v) Textile (jute bags) import license No. 3.31.73.05.00272/DJ PLN/IV/2002	(i) State Minister of Capital Management and Investment /Head of Foreign Investment Promotion Board (BKPM) (ii) State Minister of Capital Management and Investment/ Head of Foreign Investment Promotion Board (BKPM) (iii) Department of Industry and Trade (iv) Department of Industry and Trade (v) Department of Industry and Trade	(i) 29 November 1996 to 28 November 2026 (ii) 22 October 1999 to April 2029 (iii) 29 April 2002 to 06 May 2007 (iv) 29 April 2002 to 07 May 2007 (v) 16 May 2002 to 13 May 2007

Subsidiary	Description of licence/permit	Issuing authority	Date and duration of the licence/permit
Olam Insurance	Authorisation to carry on insurance business as a captive insurance company	Insurance and Pension Authority	23 June 2000 - no expiry date is specified but the authorisation is subject to, and may be removed in accordance with the relevant laws and regulations
Olam Madagascar	Trading license	Ministry of Finance Madagascar	1 January 2004 to 31 December 2004 ²
Olam Mocambique	(i) Alvara No. 4200/MC/G/99 (for the purposes of trading in raw cashews, sesame, timber and cotton in Maputo and Nacala Porto) (ii) Alvara No. 3921/NP/G/98 (for the purposes of trading in raw cashews, sesame, timber and cotton in Matola and Nacala)	(i) Ministry of Industry Trade and Tourism (ii) Ministry of Industry Trade and Tourism	(i) 23 April 1999 for an unlimited period (ii) 18 December 1998 for an unlimited period
Olam PNG	(i) Cocoa Board Certificate of Registration for each of the operating locations, i.e. Rabaul, Namatanai, Kokopo – (Takubar), Buka, Kokopau, Kieta – (Arawa), Madang and Wewak (for the purposes of cocoa trading on each location) (ii) Trade license (for the purposes of exporting cocoa)	(i) Cocoa Board of Papua New Guinea (ii) Rabaul Urban Local Level Government	(i) 1 October 2004 to 30 September 2005 (ii) 27 October 2004 to 31 December 2005
Olam South Africa	Import permits for beans, cashews and groundnuts	National Department of Agriculture	Import permits for: (i) beans: 1 October 2004 to 31 January 2005 ² (ii) cashews: 1 June 2004 to 30 June 2006 (iii) groundnuts: 2 June 2004 to 30 June 2005
Olam Tanzania	(i) Factory Registration Certificate (for the purposes of operating the factory) (ii) Industrial License (for the purposes of operating the factory) (iii) Business License for Operating a Godown	(i) Chief Inspector of Factories (ii) Registrar of Industries (iii) Ministry of Industries and Trade	(i) 4 July 2002 for an unlimited period (ii) 15 November 2002 for an unlimited period (iii) 1 July 2004 to 30 June 2005
Outspan Ivoire	Import Code No. 56979H (for the purposes of import trading)	The Minister of Foreign Trade	20 May 2004 for an unlimited period
Olam India	(i) Adandalumoodu License to operate factory (ii) Kurunthankodu License to operate factory (iii) Murunganvila License to operate factory (iv) Jalledupudi License to operate factory	(i) Deputy Inspector of Factories, Thirunelveli (ii) Deputy Inspector of Factories, Thirunelveli (iii) Deputy Inspector of Factories, Thirunelveli (iv) Inspector of Factories, Vishakapattanam	(i) 1 January 2005 to 31 December 2005 (ii) 16 March 2001 to 31 December 2005 (iii) 16 March 2001 to 31 December 2008 (iv) 30 June 2000 valid until cancellation

Subsidiary	Description of licence/permit	Issuing authority	Date and duration of the licence/permit
Olam Uganda	(i) Export certificate No. 004169 (for the purposes of exporting sesame, cocoa beans and other commodities) (ii) Trading License No. R0017449 (for the purposes of trading activities)	(i) Minister of Tourism, Trade and Industry (ii) City Council of Kampala, Rubag Division	(i) 12 August 2004 to 12 February 2005 (ii) 3 May 2004 to 31 December 2004 ²
Olam Zimbabwe	Investment Licence (for cotton ginning, spinning and weaving for export)	Export Processing Zones Authority	10 September 2004 to 9 September 2014

¹ The renewal has been applied and approved pending the final signature of the Governor's Representative. While the license is in the process of being renewed, the expired license is considered to be in force.

² An application for renewal of the license or permit has been submitted to the relevant authority.

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

INTELLECTUAL PROPERTY

Other than those disclosed below, we currently do not use or own any other patents, trade marks or intellectual property which are material to our business.

Licence to Use the Kewalram Logo by our Group

On 21 October 2004, Kewalram Chanrai Holdings Ltd entered into a licence agreement with our Company granting to our Company the right to use the Kelwalram Logo. This licence extends to all jurisdictions where our Group has operations and is a perpetual licence unless terminated by either party giving six months' prior notice to the other party. This licence also permits our Company to grant sub-licences to all companies within the Group from time to time for the use of the Kewalram Logo. The trade mark of the Kewalram Logo is as follows:-



The Kewalram Logo is presently an unregistered trade mark.

Trade marks owned by our Group

Our Company is the process of applying for registration of the following trade marks:-

Trade mark	Classes	Status
OLAM	29, 30, 31, 35, 36 ⁽²⁾ , 39, 40 and 44 ⁽¹⁾	Registered ⁽²⁾ / Application pending registration

⁽¹⁾ Class 29 covers milk, dairy products containing milk, dairy products, dairy products flavoured with cheese, cheese, cheese products, butter, butter preparations, cocoa butter, edible nuts, preserved soya beans for food, edible seeds, roasted nuts, salted nuts, edible oils and fats, processed nuts, mixtures of processed nuts and of raisins, preserved beans, prepared savoury meals in this class, preserved lentils and pulses (foodstuff).

Class 30 covers coffee beans, coffee, instant coffee, cocoa and cocoa products, cocoa powder, sugar, rice, artificial coffee, preparations made from cereals, pastry, spices and sesame seeds.

Class 31 covers agricultural, horticultural and forestry products and grains, wheat, maize, fresh soya beans, edible seeds (unprocessed), unprocessed cereals, raw cocoa beans, nuts, raw nut kernels, unprocessed nuts and malts.

Class 35 covers business management for a supply chain, provision of business information, business planning, business management organisation, business consultancy, management of business (for others) and business advice services in the fields of logistics, facilities management, warehouse management, warehouse efficiency and design, procurement and purchasing, supplier management, supplier selection, supplier evaluation, stock, inventory and merchandising, assembly and operations, supply chain matters, transportation, and fleet management, business management services relating to third-party contract, business project management of warehouse development and equipment installations, business management of logistics in the field of delivery services and risk management consultancy (business).

Class 36 covers insurance services, insurance services relating to property and transit, motor loss or damage, cash and cash in transit, fidelity guarantee, and excess legal liability insurance, and customs brokerage services, risk management (financial).


Class 39 covers transportation services, delivery of goods, shipping of goods, packaging and storage of goods, warehousing and storage services, delivery and distribution (transport) services, logistics (transport) services, rental of vehicles and storage containers, cargoes unloading, crating of goods, warehousing of goods in a warehouse in view of their preservation and guarding refrigerator rental, garage rental, provision of information, advisory and consultancy services in relation to the aforesaid.

Class 40 covers processing of agricultural products, milk processing, fruit crushing, processing of seeds, material treatment, fermentation of grape juice to wine for others, distillation, fruit crushing and milling of agricultural products for others, operation of saw mills, planning of timber, dyeing services, sawing of timber, burnishing by abrasion, timber preservation, cloth dyeing and dyeing of clothing.

Class 44 covers consultancy, advisory and information services relating to agriculture, agriculture services relating to environmental conservation, provision of agricultural information services in the form of agricultural reports, pest control in agriculture and weed control in agriculture.

The countries in which our Company has applied for trade mark protection are: Australia, Belgium, China, Denmark, France, Germany, Italy, Japan, Luxembourg, Mozambique, Netherlands, Poland, Russia, Singapore, Spain, Switzerland, United Kingdom and USA.








(2) Trade mark for Class 36 has been registered in Singapore under Registration No. T04154441.






Trade mark	Classes	Status
	29 ⁽¹⁾	Application pending registration

(1) Class 29 covers dairy products, dried milk powder, milk powder (other than for babies), powdered preparations for making milk beverages, powdered milk foods for children, powdered milk and flavoured milk powder for making drinks.

The country in which our Company has applied for trade mark protection is Uganda.

Trade marks owned by Subsidiaries:-

Trade mark (for Rice)	Class	Status
GANGAN DRUM 	30 ⁽²⁾⁽³⁾	Registered under No. 34840
MAMA AFRICA 	30 ⁽²⁾⁽³⁾	Registered under No. 48618
ROYAL ORCHID 	30 ⁽²⁾⁽³⁾	Registered under No. 48619
FOOTBALL 	30 ⁽²⁾⁽³⁾	Unregistered
KORA 	30 ⁽²⁾⁽³⁾	Unregistered
FIRST CHOICE 	30 ⁽²⁾⁽³⁾	Application pending registration
MARIMAR 	30 ⁽²⁾⁽³⁾	Application pending registration

Trade mark (for Rice)	Class	Status
PHOENIX 	30 ⁽²⁾⁽³⁾	Registered under No. 46789
TICK 	30 ⁽²⁾⁽³⁾	Registered under No. 46790
NAMASTE 	30 ⁽²⁾⁽³⁾	Application pending registration
MARORI BENZ 	30 ⁽²⁾⁽³⁾	Application pending registration
LE CHEVAL BLANC 	30 ⁽²⁾⁽³⁾	Application pending registration

⁽²⁾ This class covers the following: coffee, tea, cocoa, sugar, rice, tapioca, coffee substitute, flour and mixture of cereal, bread, pastry and confectionery, ice, honey, golden syrup, yeast, baker's yeast, salt, mustard, vinegar, condiments (sauce), spices and ice cream.

⁽³⁾ The countries in which trade mark protection has been sought or obtained are: Benin, Burkina-Faso, Cameroon, Central Africa Republic, Chad, Congo, Cote d'Ivoire, Gabon, Guinea, Guinea Bissau, Equatorial Guinea, Mali, Mauritania, Niger, Senegal and Togo.

Trade mark (for Coffee)	Class	Status
ENRISTA (Word mark)	29 ⁽⁴⁾⁽⁷⁾ 30 ⁽⁵⁾⁽⁸⁾ 31 ⁽⁶⁾⁽⁷⁾	Registered/ Application Pending Registration ⁽⁹⁾

⁽⁴⁾ This class covers edible oils and fats, and processed nuts.

⁽⁵⁾ This class covers coffee, tea, cocoa, sugar, rice, flour, and preparations made from cereals, bread, pastry and confectionery and spices.

⁽⁶⁾ This class covers malts.

⁽⁷⁾ Trade mark protection has been obtained in Russia.

⁽⁸⁾ The countries in which trade mark protection has been sought or obtained are: Azerbaijan, Benin, China, Croatia, Cameroon, Gabon, Georgia, Ghana, Guinea, Guinea Bissau, Indonesia, India, Cote d'Ivoire, Kazakhstan, Kenya, Kyrgyzstan, Lithuania, Latvia, Malaysia, Mozambique, Namibia, Nigeria, Poland, Romania, Russia, Senegal, Sierra Leone, Singapore, Slovakia, South Africa, Sudan, Swaziland, Tajikstan, Tanzania (Tanganyika), Togo, Turkmenistan, Ukraine, USA, Uzbekistan, Vietnam, Zambia.

⁽⁹⁾ For all the countries the applications are pending registration except for countries under the Madrid Protocol (China, Croatia, Georgia, Kenya, Kyrgyzstan, Latvia, Lithuania, Mozambique, Namibia, Poland, Romania, Sierra Leone, Slovakia, Swaziland, Turkmenistan, Ukraine, USA and Zambia) where the trade mark (for Class 30) has been registered under International Registration No. 828934, in Russia where the trade mark (for Classes 29, 30 and 31) has been registered under Registration No. 2003722934 and in Singapore where the trade mark (for Class 30) has been registered under Registration No. T0407967F.

The validity period of the above trade marks is usually for an initial period of 10 years and is renewable.

PROPERTIES AND FIXED ASSETS

The material properties currently owned or leased by our Group are as follows:-

Properties Owned by our Group

Description/ Address	Land area (sq m)	Floor area (sq m)	Purchase consideration	Use of property (capacity)
Apartment No. 12 Block 4a, Abdullahev Street, Yakkasarayskiy District, Tashkent Uzbekistan	---	167.77	USD111,979	Staff residence
Padanthalumoodu Cashew Factory Door No 12/82-B, Thinavilai, Behind NTC Depot, Padanthalumoodu PO Kanyakumary	4,411.23	187.73	INR3,815,000	Processing of cashews (276 tons of kernels for FY2004 and 230 tons of kernels for each of FY2003 and FY2002)
Murungavila Cashew Factory Murungavila, Palliyadi, Kanyakumary	4,117.82	890.14	INR3,500,000	Processing of cashews (438 tons of kernels for FY2004 and 346 tons of kernels for each of FY2003 and FY2002)
Kurunthankodu Cashew Factory Kurunthancode Asarivilai, Saral Post, Kanyakumary	3,885.12	1,002.13	INR2,400,000	Processing of cashews (760 tons of kernels for FY2004, 392 tons of kernels for FY2003 and 484 tons of kernels for FY2002)
Jelludupudi Cashew Factory Jalledupdi, Vemulapu di P O Nataravaram, Mandal, Vishakapattanam	8,539.17	2,629.46	INR6,700,000	Processing of cashews (2,534 tons of kernels for FY2004 and 1,613 tons of kernels for each of FY2003 and FY2002)
Bangalore Apartments ⁽¹⁾ 105 A & 105 B, Embassy Square, Infantry Road, Bangalore	---	306.69	INR22,400,000	Commercial property for lease

Description/ Address	Land area (sq m)	Floor area (sq m)	Purchase consideration	Use of property (capacity)
Amalapuram in Vishakapatanam District in the State of Andhra Pradesh	6,536	1,460	INR4,400,000	Factory (1,843 tons of kernels for FY2004 and 1,267 for each of FY2003 and FY2002)
Giddathur in Vishakapatanam District in the State of Andhra Pradesh	7,972	1,432	INR4,200,000	Factory (1,267 tons of kernels for FY2004 and 806 tons of kernels for each of FY2003 and FY2002)
Borrampalem in the State of Andhra Pradesh	4,046	---	INR60,500	Land for construction of cashew processing factory
Vadakkevila in Kollam District in the State of Kerala	252	---	INR137,000	Land for construction of cashew processing factory

(1) The owner of the two units (105 A and 105 B) is G.S. Hotels Private Limited ("G.S. Hotels"), who owns the entire Bangalore Apartments. Olam India owns 19,800 shares in G.S. Hotels. Pursuant to 2 agreements both dated 18 November 1995, G.S. Hotels confirmed that Olam India, being a shareholder of G.S. Hotels, was the registered allottee of both units (105 A and 105 B) with, *inter alia*, full right and liberty to lease out, rent out and enjoy the income and benefits arising from the units.

Properties Leased by our Group

Description/ Address	Land area (sq m)	Floor area (sq m)	Tenure	Annual rent/ consideration	Use of property
9 Temasek Boulevard #11-02 Suntec City Office Tower II Singapore 038989	---	764.70	36 months, from 1 May 2002 to 30 April 2005	\$416,615 (Annual rent)	Office
9 Temasek Boulevard #11-03 Suntec City Office Tower II Singapore 038989	---	130.13	16 months, 27 days, from 5 December 2003 to 30 April 2005	\$60,480 (Annual rent)	Office
9 Temasek Boulevard #11-01 Suntec City Office Tower II (part only) Singapore 038989	---	140.54	1 year, from 1 May 2004 to 30 April 2005	\$74,390 (Annual rent)	Office
Portion of Technical College. Plot A, Amuwo Odofin Industrial Scheme, Lagos – State, Nigeria	2.5 hectare	25,000	99 years commencing 2 June 2003	NGN43,513,000	Vacant land for development
Di Linh factory at Hamlet 7, Gia Hiep Village, Lam Dong Province, Vietnam ⁽¹⁾	8,000	4,000	20 years commencing 30 November 1999	VND1,798,901,814	Processing Coffee (40,500 tons of coffee per year for each of FY2004, FY2003 and FY2002)
Loteco factory at E-05, Long Binh Industrial Zone, Dong Nai Province, Vietnam ⁽¹⁾	10,000	2,025	43 years commencing 10 March 2003	VND4,599,756,079	Processing pepper and packing center for cashew nuts (15,000 tons of pepper per year (processing) since commencement of operations) (15,000 tons of kernels for FY2004 and 7,500 tons of kernels for FY2003 since commencement of operations (fillings))

Description/ Address	Land area (sq m)	Floor area (sq m)	Tenure	Annual rent/ consideration	Use of property
Warehouses numbers 1,2,3,4, and 5 and the offices and yard in front thereof situated at Plots 7 and 9 comprised in the former LRV 2346 Folio 5 Mapeera Road, Nalukolongo, Uganda	---	5,040	6 years commencing 1 October 2002	US\$108,864 (Annual rent)	Warehouse

Note:

⁽¹⁾ The certificates of title for the Di Linh factory and the Loteco factory have not yet been issued. With regard to the Loteco factory, we have applied to the Department of Construction of Dong Nai Province for approval of the construction work, which is a pre-requisite for obtaining the certificate of title. With regard to the Di Linh factory, we are at present unable to obtain a certificate of title for the factory as there has been a recent change in the law and until the implementation regulations have been passed pertaining to the new law, we are unable to apply for a certificate of title for this factory.

The level of utilisation of our processing facilities depends on the crop seasons of specific products in specific geographic regions. For the past three FYs, our cashew processing factories are utilised throughout the year while coffee and pepper processing factories are used for approximately 8 to 9 months in a year.

DIRECTORS, MANAGEMENT AND STAFF

DIRECTORS

The Board of Directors is entrusted with the responsibility for the overall management of our Group. The names, ages, addresses and principal occupations of our Directors are listed below:-

Name	Age	Residential address	Country of principal residence	Principal occupation
Murli Kewalram Chanrai	82	14 Leonie Hill Road #08-18 Futura Singapore 239193	Singapore	Executive Chairman of Kewalram and Non-Executive Chairman of Kewalram Chanrai Group
Rangareddy Jayachandran	60	1 Belmont Road #06-00 The Belmont Singapore 269852	Singapore	Director of Kewalram and Non-Executive Director of Kewalram Chanrai Group
Sunny George Verghese	45	61 Grange Road #14-04 Beverly Hill Singapore 249570	Singapore	Group Managing Director and Chief Executive Officer
Sridhar Krishnan	50	46 Jalan Haji Alias Singapore 268539	Singapore	Senior Managing Director
Shekhar Anantharaman	41	3 Tanjong Rhu Road #04-01 The Waterside Singapore 436881	Singapore	Senior Managing Director
Narain Girdhar Chanrai	56	28 Leonie Hill #04-30 Leonie Towers Singapore 239227	Singapore	Managing Director of Kewalram and Non-Executive Director of Kewalram Chanrai Group
Peter Francis Amour	45	22A Belgravia, 57 South Bay Road, Hong Kong	Hong Kong	Chief Executive Officer of AIF Capital Limited
Tse Po Shing	38	Flat C, 17/F, Block 15, Braemar Hill Mansions, 43 Braemar Hill Road, North Point, Hong Kong	Hong Kong	Managing Director of AIF Capital Limited
Wong Heng Tew	52	79 Highgate Crescent Singapore 598857	Singapore	Managing Director, Strategic Development, Temasek Holdings (Pte) Ltd
Lim Sheau Ming (alternate to Wong Heng Tew)	42	300 Tanjong Katong Road #01-07 Singapore 437083	Singapore	Director, Strategic Development, Temasek Holdings (Pte) Ltd
Mark Haynes Daniell	49	10 Cuscaden Walk #26-02 Four Seasons Park Singapore 249693	Singapore	Chairman, The Cuscaden Group Pte Ltd
Michael Lim Choo San	58	11 Caldecott Close Singapore 299120	Singapore	Chairman, Land Transport Authority of Singapore Chairman, National Healthcare Group Pte Ltd
Robert Michael Tomlin	59	22 Saunders Road Singapore 228266	Singapore	Vice Chairman, Asia, UBS Investment Bank

Information on the area of responsibility and working experience of our Directors are set out below:-

Murli Kewalram Chanrai is the Non-Executive Chairman of the Company and was appointed to the Board in 1995. Mr M. K. Chanrai has been the Executive Chairman of Kewalram since 1976 and the Non-Executive Chairman of the KC Group since 1992. As Executive Chairman of Kewalram, he is responsible for providing policy guidelines for expansion and diversification of Kewalram and its subsidiaries and associated companies in Singapore and South East Asia and he co-ordinates the Far East affairs of the KC Group. As Non-Executive Chairman of the KC Group, Mr. M. K. Chanrai is responsible for providing policy guidelines for expansion and diversification plans for all the companies in the KC Group. Mr M. K. Chanrai has been engaged in the Kewalram Chanrai Group family business for over 60 years. He has lived and worked in various Kewalram Chanrai Group operations in Africa, India, UK, Indonesia and Singapore. Mr M. K. Chanrai matriculated from the Navalrai Hiranand Academy Hyderabad Sind in 1938.

Mr M. K. Chanrai has also been very active in trade and social service bodies. From 1992 to 1994 and from 1994 to 1996, Mr M. K. Chanrai was the Chairman of the Singapore Indian Chamber of Commerce and Industry. Mr M. K. Chanrai is a founding member of Parameswara Holdings Limited and has, since June 1993, been the Deputy Chairman of the organisation. Mr M. K. Chanrai was the Chairman of the Rotary Family Service Centre from July 1996 to June 1997 and has been a member of the Foundation of Rotary Club (Singapore) Ltd since 1994. He is also the Managing Trustee of the Kewalram Chanrai Foundation and the Managing Trustee of the Jaslok Hospital and Research Centre, both of which are situated in India.

Rangareddy Jayachandran is the Non-Executive Vice-Chairman of the Company and was appointed to the Board in 1995. Mr. Jayachandran has also been a Director of the KC Group since 1992 and a Director of Kewalram since 1979. His primary responsibilities include capital raising activities of the KC Group and formulation of group-wide information technology strategies. Mr. Jayachandran is also tasked with formulating the KC Group's strategic planning, business development, banking and investor relations. As a Director of Kewalram, Mr. Jayachandran is responsible for overseeing the performance of its subsidiaries. Mr. Jayachandran obtained a Bachelor of Commerce degree from Loyola College, Madras, India, qualified as a member of the Institute of Chartered Accountants of India in 1969 and became a member of the Institute of Certified Public Accountants of Singapore in 1989. Mr. Jayachandran also completed the Advanced Management Program (AMP) from the Graduate School of Business Administration of Harvard University in 1995.

Sunny George Verghese is our Group Managing Director and Chief Executive Officer ("CEO"). Mr Verghese was appointed to the Board in 1996. From 1990 to 1995, Mr Verghese was the General Manager and Director of Chanrai International Ltd in London. From 1986 to 1990, Mr Verghese worked as Project Manager in the Kewalram Chanrai Group in Nigeria where he was given the mandate in 1989 to build an agricultural products export business for the Kewalram Chanrai Group, initially with a base in Nigeria. In 1990, Mr Verghese relocated to London to spearhead the expansion of Olam's activities. Mr Verghese, as the CEO of Olam, is responsible for setting the direction and providing the leadership to steer the Company through its expansion and growth plans. He is responsible for the strategic planning, business development and overall management for the Olam group of companies worldwide. In this capacity, he is also responsible for formulating the financial, operational, legal and compliance policies for the Group.

Mr Verghese has also been involved in many other professional and trade bodies, including: Member, Tax Advisory Committee in the Ministry of Finance; Member, Action Community for Entrepreneurship (ACE); Member of the Board & Chairman of Audit Committee, International Enterprise Singapore; Member, Economic Review Committee ("ERC"); Member, Services Subcommittee of the ERC and Co-Chairman of the Trading and Logistics Working Group of the ERC.

Mr Verghese graduated with a Bachelor of Science (Agriculture) degree in 1979 from the Banaras Hindu University (Varanasi), India and obtained a Post-Graduate Diploma in Management (Agriculture) from the Indian Institute of Management, Ahmedabad, India in 1982. Mr Verghese also completed the Advanced Management Program (AMP) from the Graduate School of Business Management of Harvard University in 1994.

Sridhar Krishnan is an Executive Director of the Company and a Senior Managing Director. Mr Krishnan was appointed to the Board in 1998. Mr Krishnan is a member of the three-man Corporate Executive Team (CET) of the Company. Mr Krishnan is responsible for the Company's rice and shipping business and also oversees the Company's human resource function. Mr Krishnan has also headed the sesame and sheanuts businesses in the past. Mr Krishnan joined Chanrai International Ltd in 1991 in London where he was the Business and General Manager. Mr Krishnan obtained a Bachelor of Commerce (Honors) degree in 1973 from the University of Delhi, India and a Master of Business Administration degree in 1975 from the University of Delhi, India.

Shekhar Anantharaman is an Executive Director of the Company and a Senior Managing Director. Mr Anantharaman was appointed to the Board in 1998. Mr Anantharaman is also a member of the three-man Corporate Executive Team (CET) of the Company. Mr Anantharaman is responsible for three businesses in the Company, namely, the edible nuts, spices and beans business and the packaged food business. In addition, Mr Anantharaman also oversees the information technology function for the Group. Mr Anantharaman joined Olam Nigeria Ltd in 1992 and has performed a wide variety of roles and functions within the Group, including senior positions in country management as well as heading various businesses. Mr Anantharaman obtained a Bachelor of Engineering (Aeronautical) degree in 1984 from the Panjab University, India and a Master of Business Administration degree in 1986 from the Panjab University, India.

Narain Girdhar Chanrai is a Non-Executive Director of the Company and was appointed to the Board in 1995. Mr N. G. Chanrai has been the Managing Director of Kewalram since 1989 and a Non-Executive Director of the Kewalram Chanrai Group (the "KC Group") since 1992. As Managing Director of Kewalram, he is responsible for property development projects and also oversees the manufacturing activities in textile garment in Indonesia, Philippines and Sri Lanka as well as palm oil refining facilities in Malaysia. As a Non-Executive Director of the KC Group, Mr. N. G. Chanrai oversees the KC Group's treasury and accounting functions. Mr N. G. Chanrai obtained a Bachelor of Science (Economics) Degree from the University of London in 1970.

Peter Francis Amour is a Non-Executive Director of the Company and was appointed to the Board on 2 September 2004. Mr Amour is Chief Executive Officer of AIF Capital Limited which he joined in April 2002 after having been a consultant to the company since 1998. Mr Amour is also Chairman of the Hong Kong listed company SunCorp Technologies Limited. Mr Amour previously worked in the Charoen Pokphand Group, where he was actively involved in a large number of investments and financings in Asia. Mr Amour studied Chinese language in Fudan University in Shanghai and speaks and reads Mandarin. Mr Amour obtained a Bachelor of Commerce (Accounting and Finance) degree in 1982 and a Bachelor of Laws degree in the same year, both from the University of New South Wales, as well as a Master of Laws from the University of Melbourne in 2002. He was admitted as a solicitor of the Supreme Court of New South Wales in 1982, as a solicitor of the Supreme Court of England and Wales in 1992 and a solicitor of the Supreme Court of Hong Kong in 1994. Mr Amour was appointed as a Fellow of The Hong Kong Institute of Directors in 2000 and has been registered as an Investment Adviser with the Securities and Futures Commission of Hong Kong since 1998.

Tse Po Shing is a Non-Executive Director of the Company and was appointed to the Board in September 2002. Mr Tse has been the Managing Director of AIF Capital Limited, a private equity firm based out of Hong Kong, since July 2001. He has over 13 years of experience in private equity investment in infrastructure and other related sectors in Asia, including Korea, Japan, China, Hong Kong, Singapore, the Philippines, Indonesia, India, Sri Lanka, Thailand as well as Australia. Mr Tse has been involved in developing, negotiating, structuring, financing and managing various transportation and logistics, power and energy, telecommunications and other manufacturing and direct investments undertaken by funds managed or advised by AIF Capital Limited. Prior to joining AIF Capital Limited, Mr Tse worked with Hopewell Holdings Limited developing, financing, operating and managing their infrastructure investments in Asia, including toll roads, bridges, power plants and related investments since 1991. Mr Tse obtained a Bachelor of Science degree from the Chinese University of Hong Kong in 1989 and a Master of Business Administration degree from the Chinese University of Hong Kong in 1991. He was conferred an Investment Adviser's licence by the Securities and Futures Commission of Hong Kong in 2000 and he obtained the qualification of a Chartered Financial Analyst in September 2003 from the CFA Institute of the US (formerly Association for Investment Management and Research).

Wong Heng Tew is a Non-Executive Director of the Company and was appointed to the Board in October 2003. Mr Wong has been the Managing Director, Strategic Development in Temasek since September 2002. Prior to that he was the Managing Director, Private Equity Investment (Services) at Temasek Capital Pte Ltd since January 2001. From November 1980 to December 2000, he has held various appointments at Temasek including those of Manager, Vice President and Senior Vice President, and his portfolios during that time included investments, mergers and acquisitions, restructuring of companies, divestments and corporate stewardship. Mr Wong obtained a Bachelor of Engineering (Industrial Systems) degree from the University of Singapore in 1975 and had completed the Program for Management Development at the Graduate School of Business Administration of Harvard University in 1989.

Lim Sheau Ming is the alternate Director to Mr Wong Heng Tew, who is our Non-Executive Director. He was appointed to the Board in November 2004. Mr Lim has been a Director, Strategic Development in Temasek since August 1989, where he has been involved with their investments, divestments and corporate stewardship. Mr Lim obtained a Bachelor of Business Administration degree in 1985 from the National University of Singapore.

Mark Haynes Daniell is an Independent Director of the Company and was appointed to the Board in October 2002. Mr Daniell has been the Chairman of The Cuscaden Group Pte Ltd since July 2003. Prior to that Mr Daniell was the President of and Strategic Adviser to K1 Ventures Ltd during 2003 and 2004. Before his appointments with K1 Ventures Ltd, Mr Daniell worked with Bain & Company from 1980 as a Director in their Boston, London, Munich, Zurich and Singapore offices, as well as being a Managing Director for Bain & Company (Asia) Inc. in Singapore from 1997 to 2001. He continues to be a Director Emeritus with Bain. Mr Daniell also worked with the investment banking firm Wasserstein Perella as a Director from end 1989 to 1993. He founded Bain & Company's merger and acquisitions practice area in 1986. He has been engaged in corporate transformation programmes, developing business strategies, and developing mergers and acquisition strategies for clients in US, Europe and Asia. Mr Daniell is also the author of the book "World of Risk: Next Generation Strategy for a Volatile Era" published by John Wiley & Sons (2000). Mr Daniell obtained a Diploma from The Philips Exeter Academy in 1973, a Diploma in French Studies from Universite de Paris IV (Sorbonne) in 1976, a Certificate in Political Studies from Institut d'Etudes Politiques de Paris, France in 1976, a Bachelor of Arts degree from Amherst College, USA (Phi Beta Kappa, Magna cum laude) in 1977, a Bachelor of Arts degree from the University of Oxford in 1979, a Juris Doctorate from the Harvard Law School in Cambridge, Massachusetts, USA in 1981. He qualified as an Attorney in the Commonwealth of Massachusetts in 1981.

Michael Lim Choo San is an Independent Director of the Company and was appointed to the Board on 24 September 2004. Mr Lim has been the Chairman of the Land Transport Authority since 1 September 2002 and the Chairman of the National Healthcare Group Pte Ltd since 15 April 2000. Mr Lim was the Executive Chairman of PriceWaterhouseCoopers, Singapore from 1 July 1999 until his retirement on 31 December 2003. Prior to that, he was Managing Partner of Price Waterhouse, Singapore from 1 January 1992 to 30 June 1999. Mr Lim is also presently a member of the Public Service Commission, a member of the Nanyang Technological University Council and a member of the Appeal Advisory Panel of the Monetary Authority of Singapore. In March 1995, Mr Lim was also appointed by the Minister of Finance to investigate into the collapse of Barings Futures Singapore. Mr Lim was awarded the Public Service Medal (Pingat Bakti Masyarakat) at the 1998 National Day Honours and the Public Service Star (Bintang Bakti Masyarakat) at the 2003 National Day Honours. Mr Lim obtained a Bachelor of Commerce and Administration degree in 1970 from the Victoria University of Wellington in New Zealand in 1970, qualified as a Chartered Accountant with the Institute of Chartered Accountants of New Zealand in 1973 and as a Member of the Institute of Certified Public Accountants of Singapore in 1975.

Robert Michael Tomlin is an Independent Director of the Company and was appointed to the Board on 24 September 2004. Mr Tomlin has been Vice-Chairman, Asia of UBS Investment Bank, Singapore ("UBS") since September 2003 where he is responsible for senior marketing of investment banking products in South East Asia. Mr Tomlin has been with UBS since March 2000 where he has held the positions of Managing Director, Corporate Finance and subsequently, Branch Manager and County Head. Prior to joining UBS, he was the Chief Executive Officer of Dane Court Pte Ltd from January 1999 to February 2000, which is an investment advisory firm which he founded. From June 1986 to September 1998 he was the Chief Executive Officer of Schroder International Merchant Bankers Ltd

where he was responsible for the management of its Singapore, Malaysia, Thailand and Indonesia operations. Mr Tomlin was previously a member of the Council of the Stock Exchange of Singapore and a past director of PSA Corporation Limited. Mr Tomlin is presently the Chairman of the Singapore Repertory Theatre and has also been a member of the Governing Board of the Yong Siew Toh Music Conservatory since 1 May 2004. Mr Tomlin obtained a Bachelor of Arts from Downing College, Cambridge in 1966 and a Master in Business Administration from the Faculty of Business Administration from Harvard University in 1973.

Experience and Expertise of the Board of Directors

Our Directors have appropriate expertise to act as directors of the Company, as evidenced by their business and working experience set out above. Mr Wong Heng Tew was a director of other public listed companies in Singapore and is familiar with the roles and responsibilities of a director of a public listed company in Singapore. Messrs Peter Francis Amour, Tse Po Shing and Robert Michael Tomlin have been directors of public listed companies outside of Singapore. The Company will be making arrangements for Messrs Murli Kewalram Chanrai, Rangareddy Jayachandran, Sunny George Verghese, Sridhar Krishnan, Shekhar Anantharaman, Narain Girdhar Chanrai, Peter Francis Amour, Tse Po Shing, Lim Sheau Ming, Mark Haynes Daniell, Michael Lim Choo San and Robert Michael Tomlin to receive the relevant training and to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore subsequent to the listing of the Company.

MANAGEMENT

Our day-to-day operations are entrusted to our Executive Directors who are assisted by a management team of experienced Executive Officers. The names, ages, addresses and positions of the Executive Officers are set out below:-

Name	Age	Residential address	Country of principal residence	Principal occupation
Krishnan Ravikumar	40	75 Meyer Road #14-03 Hawaii Tower Singapore 437901	Singapore	Chief Financial Officer
Gerard Anthony Manley	46	31 Streathbourne Road, London SW17 8QZ United Kingdom	United Kingdom	Managing Director, Cocoa Division
Jagdish Achleshwar Prasad Parihar	47	5 Tanjong Rhu Road #15-03 The Waterside Singapore 436882	Singapore	Managing Director, Cotton Division
Vivek Verma	43	79 Meyer Road #19-03 Casa Meyfort Singapore 437906	Singapore	Managing Director, Coffee and Dairy Products Division
Ashok Krishen	42	1 Tanjong Rhu Road #08-03 The Waterside Singapore 436879	Singapore	Senior Vice President, Cashews & Spices Division
Ashok Chandra Mohan Hegde	37	123 Meyer Road #10-05, The Makena Singapore 437934	Singapore	Vice President, Wood Products Division
Devashish Chaubey	37	4 Amber Road #01-03 Amber Towers East Wing Singapore 439852	Singapore	Vice President, Sugar & Sesame Division
James Edward Green	54	1 Hook Green Barn, Hook Green Road, Southfleet, Kent DA13 9NQ United Kingdom	United Kingdom	Senior Trader, Cocoa Division
Renatus George Goudriaan	45	38 Coronation Road West #01-01 Singapore 269257	Singapore	Vice President, Edible Nuts Division
Venkataramani Srivathsan	40	F-5, Simisola Estate, Robinson Close, Apapa, Lagos Nigeria	Nigeria	Vice President, Nigeria
Ranveer Singh Chauhan	39	15 BP 200, Abidjan, Cote d'Ivoire, West Africa	Cote d'Ivoire	Vice President, West Africa
Moochikal Damodran Ramesh	38	Suite 801, Berea Centre, Berea Road, Durban, South Africa	South Africa	Vice President, East & South Africa
Raj Vardhan	39	Room 101, Block 45, Lane 428, Bai Hua Road, Shanghai, China	China	General Manager, China
Rajeev Pandurang Kadam	44	121 Meyer Road #13-08 The Makena Singapore 437932	Singapore	Vice President, Risk Management & Internal Audit

Joydeep Bose	42	1 Amber Road #07-04 Amber Point Singapore 439845	Singapore	Vice President, Human Resources
Sundararajan Suresh	34	120 Tanjong Rhu Road #04-03 Casuarina Cove, Singapore 436904	Singapore	General Manager, Corporate Affairs
Raj Sekhar	48	No. 77, Bindusaras, Soundaraya Colony, AnnaNagar West Extension, Chennai 600 101 Tamil Nadu, India	India	Chief Technology Officer

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

Krishnan Ravikumar joined Olam Nigeria as Financial Controller in 1992 and Mr Ravikumar was appointed as the Financial Controller of Chanrai International Ltd in November 1993. When our Company was incorporated in 1996, Mr Ravikumar became the Chief Financial Officer of our Company. Mr Ravikumar is primarily responsible for the entire accounting and financial operations of our Company. 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. Mr Ravikumar became a qualified Company Secretary with the Institute of Company Secretaries in India in 1989 and obtained a Post Graduate Diploma in Business Management from Xavier Labour Relations Institute, India in 1990.

Gerard Anthony Manley joined the Company in 1998. Mr Manley is primarily responsible for the worldwide cocoa business of the Group. Prior to joining the Company, Mr Manley worked in ED & F Man Cocoa Ltd in London as a Director since 1990. 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. Mr Parihar became the Managing Director of our cotton division in 1996. Mr Parihar obtained a B.Sc. Degree from Gujarat University in India in 1974 and obtained a Masters degree in Management Studies from the Birla Institute of Technology in Pilani, India in 1979. Mr Parihar was the co-author of a book on Agri-business and Commodity Risk and he is also involved in teaching Risk Management at Rhodes College, USA and the Liverpool Cotton Association UK.

Vivek Verma joined Olam India in 1992 as a Business Manager and was transferred to our Company in 1996, where he was appointed as the Vice President responsible for our coffee business. Mr Verma was subsequently promoted to Managing Director where he was given responsibility over the entire coffee and dairy products business of our Group. Mr Verma 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. Mr Krishen was transferred to our Company in 1996 as the Vice President of the rice and sugar division. Since 2002, he has been the Senior Vice President of our cashews and spices division where he is primarily responsible for the entire raw cashews and spices business of our Group. Mr Krishnen holds a Bachelor of Science (Physics) degree from the University of Kerala in India and obtained an Honours 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 our Company in 1996 where he has held various positions including Country Head of Indonesia and Regional Controller of South East

Asia. Mr Hegde was appointed as the Vice President of our wood products division in 2000 where he is primarily responsible for the entire wood products business of our Group. 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.

Devashish Chaubey joined Olam Ivoire in 1994 where Mr Chaubey was appointed as the Regional Controller. Mr Chaubey was transferred to our Company in 2000 where he holds the position of Vice President of our sugar and sesame division. Mr Chaubey is primarily responsible for the entire sugar and sesame business of our 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 Post Graduate Diploma in Management from the Xavier Labour Relations Institute in India in 1989.

James Edward Green joined our Group in March 2003. Mr Green is a senior trader in the Cocoa Division and is primarily responsible for managing hedging, dealing with industry customers and origin suppliers. Prior to joining our Group he had been with the ED & F Man Cocoa Ltd in London since 1989 where his last held position was that of Manager of Cocoa Futures Broking, where he was primarily responsible for liaising with and advising customers and executing cocoa futures business on their behalf. Mr. Green holds a GCE "O" Levels certificate.

Renatus George Goudriaan joined our Group in May 1998. Mr Goudriaan is primarily responsible for the entire edible nuts business of our Group. Prior to joining our Group he was the Interim Manager of L. Baljet & Zn. B.V. from March 1997 to April 1998 acting as Managing Director, and prior to that, he had been with Man-Producten Rotterdam B.V. since 1980. Mr Goudriaan holds a Baccalaureat Diploma from St. Montfort College in the Netherlands, which he obtained in 1980.

Venkataramani Srivathsan joined Olam Nigeria in 1994. Mr Srivathsan has held various positions in our Group including Financial Controller, Nigeria and Country Head, Ghana. Mr Srivathsan is currently responsible for our Group's operations in Nigeria, Ghana, Benin and Togo. 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 our Group in April 1993. In October 1997, Mr Chauhan left our Group to join Melagro Exports Ltd as their General Manager and Head of Exports before returning to our Group November 1998 to be the Regional Controller of West Africa. Mr Chauhan is presently responsible for our Group's entire operations in Cote d'Ivoire, Cameroon, Guinea Bissau, Guinea Conkry and Burkina Faso. Mr Chauhan 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 Post Graduate Diploma in Business Management from The Indian Institute of Management, Ahmedabad, India in 1989.

Moochikal Damodran Ramesh joined our Group in 1992. Mr Ramesh has held various positions in our Group 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 our Group's operations in South Africa, Tanzania, Mozambique, Uganda, Madagascar and Zimbabwe. Mr Ramesh 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 Mr Vardhan has held various positions including Branch Coordinator and Profit Centre Head, Nigeria. Mr Vardhan joined our Company 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 there in April 1994. Mr Kadam joined our Company as the General Manager of Internal Audit in 1996 before being promoted to his present position of Vice President of Risk Management and Internal Audit of our Group. Mr Kadam obtained a Bachelor of Commerce degree in 1980 from the

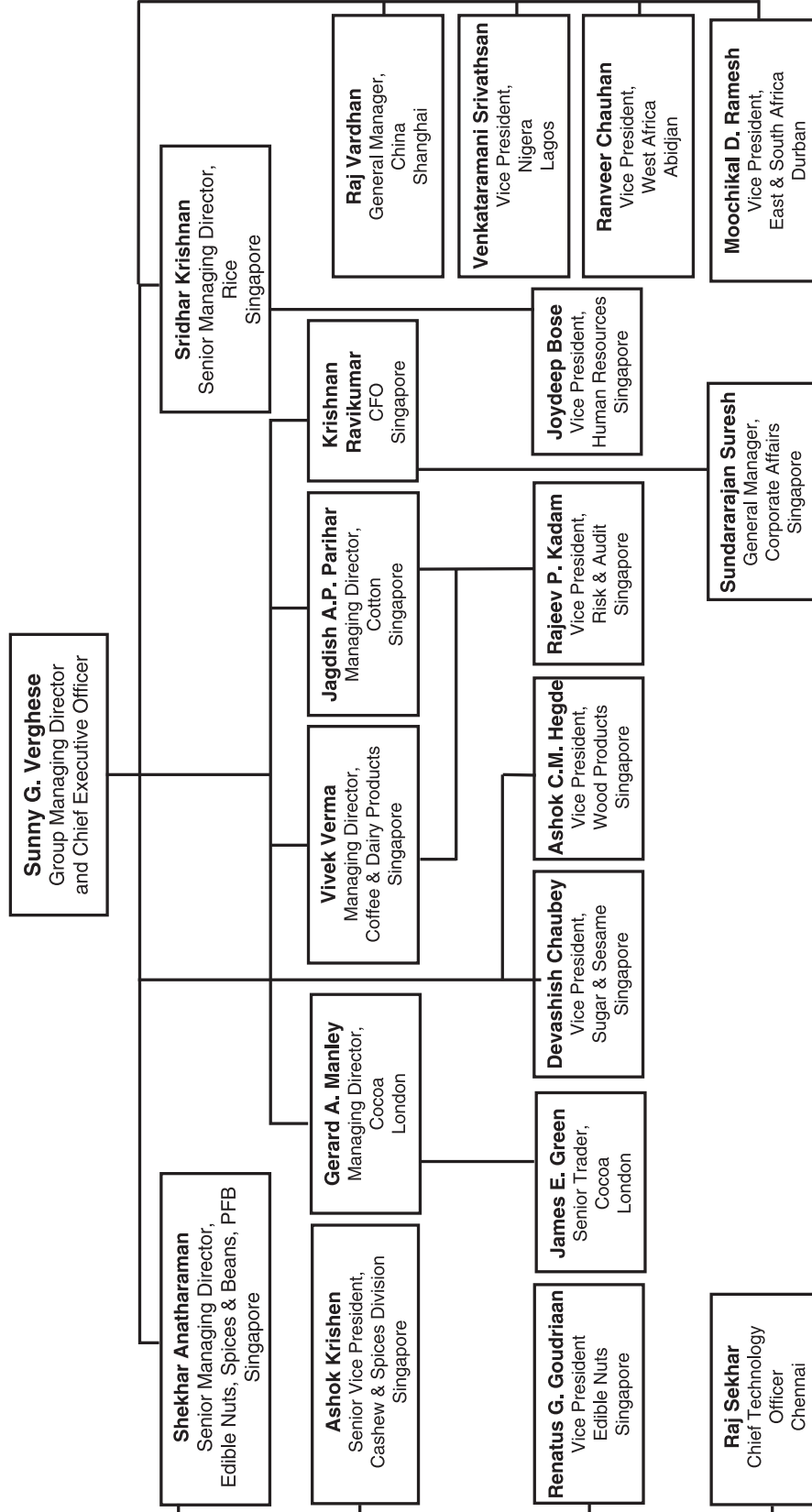
University of Bombay, India and later passed his Chartered Accountant Final (I) examination of the Institute of Chartered Accountants of India. Mr Kadam was awarded the certification of Certified Internal Auditor in November 2003 by the Institute of Internal Auditors and the Certification in Control Self-Assessment in June 2004 by the same professional body.

Joydeep Bose joined our Company in July 2003. Mr Bose is primarily responsible for the management and administration of the human resources function of our Group. Prior to joining our Company, 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 where he was the finance manager of Olam Cam. In May 1998, Mr Suresh transferred to our Company and was appointed as the General Manager, Corporate Affairs, of our Group. Prior to joining our 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 1996. Mr Suresh 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.

Raj Sekhar joined Olam India in June 1995 as their Manager-IT. In February 1998 Mr Sekhar was transferred to our Company as Manager-IT and was promoted to Chief Technology Officer in 2000. Mr Sekhar is primarily responsible for information technology solutions for our Group. Prior to joining Olam India, he was a consultant to various corporations and has designed, developed and implemented ERP solutions in the manufacturing and service industries since 1986. Mr Sekhar obtained a Bachelor of Science (Hons) degree in 1976 from the University of Poona, India. Mr Sekhar has also obtained certain other certifications, namely, certification in Rubber cultivation, processing and estate management in 1982 from Rubber Research Institute of India, certificate of Computer fundamentals and COBOL programming in 1984 from International Data Processing Co. Ltd. in 1984, Certificate in Computer Programming in 1985 from Madurai University, India, certificate in System Analysis and Design from Computer Society of India in 1985, certificate in Oracle 7.1 with Developer 2000 in 1997 from Software Technology Group International Ltd, India in 1997 and certificate in e-Commerce/Java Application Developer in 2000 from Data Software Research Co. Ltd., India.

MANAGEMENT REPORTING STRUCTURE



SERVICE AGREEMENT

Service Agreement with Mr Sunny George Verghese

On 1 March 1996, our Company entered into a service agreement (the "Service Agreement") with Mr Sunny George Verghese (the "Appointee") whereby the Appointee was appointed as the Group Managing Director of our Company. According to the terms of the Service Agreement, during the appointment, the Company shall pay the Appointee a consolidated salary of USD175,000 per year net of tax (which has since been revised to a gross annual salary of SGD500,000 with effect from 1 January 2004). This salary is deemed to include any fees received by the Appointee as a Director of the Company or any Group company. Other than the provisions relating to the provision of housing benefits, medical insurance, travel expenses and other benefits normally available to employees, there are no provisions for contractual bonuses to be paid, profit sharing incentives and benefits, save as disclosed below:-

During the term of his employment with our Company, our Company will provide him with the opportunity to participate in the equity of our Company up to a maximum of 12 per cent. (the "Amount") of the issued capital of the Company as at the date immediately prior to the Invitation. Half of the Amount was to have been allotted and issued to the Appointee free of any payment by the Appointee, whilst the remaining half of the Amount was to have been paid for by the Appointee within three years of the allotment.

As at the Latest Practicable Date, the Appointee holds an aggregate of 79,022,630 Shares in the Company representing approximately 6.66 per cent. of the issued share capital in our Company. The Company does not intend to allot and issue any additional Shares to the Appointee pursuant to the Service Agreement. Accordingly, on 29 December 2004 the Company and the Appointee entered into a supplemental agreement whereby the Appointee agreed to waive his entitlement under the Service Agreement for the Company to issue the balance 5.34 per cent. of the issued share capital of the Company to him.

The Board may in its absolute discretion, in addition to the above payments, make other payments, allowances or benefits to the above Appointee. Review of the basic salary, allowances and benefits of the appointees will be conducted by the Board on an annual basis.

The Company may terminate the Appointee's employment with the Company without any notice or payment in lieu of notice if the Appointee:-

- (i) is guilty of any gross default or misconduct in connection with or affecting the business of the Company or any Group company;
- (ii) commits any serious or repeated breach or non-observance of any stipulations in his service agreement;
- (iii) becomes bankrupt or makes any composition or enters into any deed or arrangement with his creditors;
- (iv) is convicted of any arrestable criminal offence (other than an offence under road traffic legislation in Singapore or elsewhere for which a fine or non-custodial penalty is imposed);
- (v) is disqualified from holding office in any company;
- (vi) becomes of unsound mind;
- (vii) is convicted of any offence under any other present or future statutory enactment or regulations relating to insider dealings;
- (viii) resigns as a director of the Company otherwise than at the request of the Company; or
- (ix) shall be unable by reason of incapacity to perform his duties under the Service Agreement for an aggregate period of or exceeding 26 weeks in any 52 weeks.

The Service Agreement provides that the Appointee will not for a period of six months after ceasing to be employed by the Company without the prior written consent of the Board in connection with the carrying on of any business similar to or in competition with the business of the Company and/or any Group company on his own behalf or on behalf of any person firm or company directly or indirectly:-

- (i) seek to procure orders from or do business with any person firm or company who has at any time during the six months immediately preceding such cesser done business with the Company or any Group company; or
- (ii) endeavour to entice away from the Company any person who has at any time during the six months immediately preceding such cesser been employed or engaged by the Company or any Group company,

provided that the above shall not prohibit the seeking or procuring of orders or the doing of business not relating or similar to the nature and extent of the business or businesses described above.

The Appointee has also covenanted with the Company that he will not within six months after ceasing to be employed by the Company without the prior written consent of the Board either alone or jointly with or as manager agent consultant or employee of any person firm or company directly or indirectly carry on or be engaged in any activity or business which will be in competition with the business of the Company or any Group company.

On 21 April 2004, the Board ratified and approved the purchase by the Company of a company car (the "car") at a consideration of \$240,000 for the use of the Appointee in the course of his employment with the Company. Although the car was registered in the name of the Appointee, the Appointee had on 11 April 2004 signed a declaration of trust declaring that he held the car on trust for the Company.

There are no existing service contracts between any of our Directors and our Company or any of our Subsidiaries which provide for benefits upon termination of employment with our Company.

There is no amount set aside or accrued by our Company or our Subsidiaries to provide pension, retirement or similar benefits for our Directors.

None of our Directors are appointed for any fixed term. However, one-third of our Directors are required to retire at every general meeting of our Company and all Directors are required to retire from office at least once every three years, although such Directors will be eligible for re-election at the meeting at which he retires.

STAFF

Staff Strength

As at the Latest Practicable Date, our Group has 3,044 full time employees. We do not employ a significant number of temporary employees.

The functional distribution of our employees for the Period Under Review is as follows:-

	As at 30 June 2002	As at 30 June 2003	As at 30 June 2004
Management (including Directors)	135	145	170
Procurement and Processing	1,523	1,512	1,950
Quality Control	158	160	208
Sales and Marketing	270	271	330
Finance/Administration/Systems	286	287	345
Total	2,372	2,375	3,003

The geographical distribution of our employees for the Period Under Review is as follows:-

	As at 30 June 2002	As at 30 June 2003	As at 30 June 2004
Africa	1,739	1,744	2,269
Americas	6	7	50
Europe	13	12	19
Asia and Middle East	614	612	665
Total	2,372	2,375	3,003

The number of full time employees is not subject to any significant seasonal fluctuations. Save for our employees in Nigeria, our employees are not unionised. The relationship between our management and our staff is generally good and there has not been any incidence of work stoppages or labour disputes which has affected our operations.

Training

Our training process commences from the day an employee joins us. New employees join an orientation program, aimed at bringing the employee on board with the organisation's businesses and processes. Training is imparted through a number of formal and informal processes at various stages of an individual's career progression with the organisation, with emphasis on enabling the employee to enhance his effectiveness in his current role and also to develop the employee to take on additional and higher responsibilities. Some of our key training programs, apart from the orientation program, are:

Induction Training Program: This is an intensive four-week program aimed at providing the managers with an in-depth knowledge of our procurement, processing and marketing operations and an exposure to our accounts, finance, risk management and logistics functions.

Summer Trainee Program: Business management graduates are taken for an eight-week internship to focus on "live projects" in our various operations worldwide. The objective of this training program is two-fold; firstly, to carry out specific studies which may not receive the attention of our regular staff and, secondly, to expose trainees to our organisation and culture. We use this program to identify potential candidates for recruitment into our mainstream activities.

Management Trainee Program: We recruit, at the entry level, postgraduates in management or accounting. The Management Trainee Program provides trainees with an intensive six-month grounding in field operations, accounting and finance, risk, trading and logistics management, under the direct supervision of our more experienced managers. As part of the training, individuals are observed under various situations and provided with opportunities to manage small parts of the operation independently.

On-the-job Training: On-the-job training is conducted by senior managers and immediate supervisors, who act as mentors and coaches to their subordinates. The training and development needs of each individual are identified through a system of formal half-yearly appraisals. We train our employees not just for their current roles, but also for their future career development.

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION BANDS

(a) Directors

The amount of remuneration paid by our Company to our Directors on an aggregate basis and in remuneration bands of up to \$250,000 for the 12 month periods ended 30 June 2003 and 30 June 2004 and the estimated amount of remuneration paid or to be paid by our Company to our Directors in remuneration bands of up to \$250,000 on an aggregate basis for the 12 month period ending 30 June 2005 are as follows:-

	12 months ended June 2003	12 months ended June 2004	12 months ending June 2005 ⁽¹⁾
Murli Kewalram Chanrai	-	-	A
Rangareddy Jayachandran	-	-	A
Sunny George Verghese	B	C	C
Sridhar Krishnan	B	B	B
Shekhar Anantharaman	B	B	B
Narain Girdhar Chanrai	-	-	A
Peter Francis Amour	-	-	A
Tse Po Shing	-	-	A
Wong Heng Tew	-	-	A
Lim Sheau Ming	-	-	A
Mark Haynes Daniell	A	A	A
Michael Lim Choo San	-	-	A
Robert Michael Tomlin	-	-	A

Notes:

Band A = up to \$250,000

Band B = between \$250,001 to \$500,000

Band C = between \$500,001 to \$750,000

⁽¹⁾ Excludes estimated compensation to be paid pursuant to any bonus or profit sharing.

(b) Executive Officers

The amount of remuneration paid by our Company to our Executive Officers on an aggregate basis and in remuneration bands of up to \$250,000 for the 12 month periods ended 30 June 2003 and 30 June 2004 and the estimated amount of remuneration paid or to be paid by our Company to our Executive Officers in remuneration bands of up to \$250,000 on an aggregate basis for the 12 month period ending 30 June 2005 are as follows:-

	12 months ended June 2003	12 months ended June 2004	12 months ending June 2005⁽¹⁾
Krishnan Ravikumar	A	B	A
Gerard Anthony Manley	B	B	B
Jagdish Achleshwar Prasad Parihar	B	B	B
Vivek Verma	B	B	A
Ashok Krishen	A	B	A
Ashok Chandra Mohan Hegde	A	A	A
Devashish Chaubey	A	B	A
James Edward Green	A	A	B
Renatus George Goudriaan	A	A	A
Venkataramani Srivathsan	A	A	A
Ranveer Singh Chauhan	A	A	A
Moochikal Damodran Ramesh	A	A	A
Raj Vardhan	A	A	A
Rajeev Pandurang Kadam	A	A	A
Joydeep Bose	-	A	A
Sudararajan. Suresh	A	A	A
Raj Sekhar	A	A	A

Notes:

Band A = up to \$250,000

Band B = between \$250,001 to \$500,000

⁽¹⁾ Excludes estimated compensation to be paid pursuant to any bonus or profit sharing.

Annual Report Disclosure

The total remuneration paid to our Directors as well as Executive Officers will be disclosed in our annual report.

CORPORATE GOVERNANCE

OVERVIEW

Corporate governance refers to the processes and structure by which the business and affairs of a company are directed and managed, in order to enhance long term shareholder value through improving corporate performance and accountability. Good corporate governance therefore embodies both enterprise (performance) and accountability (conformance).

Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to the Shareholders of the Company. In compliance with the recommendations under the Code of Corporate Governance issued on 21 March 2001, we have formed the following committees:-

AUDIT COMMITTEE

Our business and operations are presently under the management and close supervision of our Executive Directors who are assisted by a team of Executive Officers. The overall management is overseen by our Group Managing Director, Mr Sunny George Verghese.

After our listing, our Executive Directors and Executive Officers will manage the business and operations of our Group. The Audit Committee will assist our Board of Directors with regard to discharging its responsibility to safeguard our Company's assets, maintain adequate accounting records, and develop and maintain effective systems of internal controls with an overall objective to ensure that our management creates and maintains an effective control environment in our Group.

Our Audit Committee comprises our Independent Directors, Michael Lim Choo San, Mark Haynes Daniell and Robert Michael Tomlin. Our Audit Committee is chaired by Michael Lim Choo San.

Our Audit Committee will meet at least quarterly to discuss and review the following where applicable:-

- (a) review with the external auditors the audit plan, their evaluation of the system of internal controls, their audit report, their management letter and our management's response;
- (b) review the quarterly and annual financial statements and balance sheet and profit and loss accounts before submission to our Board of Directors for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- (c) review the internal controls and procedures and ensure co-ordination between the external auditors and our management, reviewing the assistance given by our management to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary);
- (d) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (e) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
- (f) review transactions falling within the scope of Chapter 9 of the Listing Manual;
- (g) undertake such other reviews and projects as may be requested by our Board of Directors and will report to our Board of Directors its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
- (h) generally undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

In addition, all future transactions with related parties shall comply with the requirements of the Listing Manual. As required by paragraph 1(9)(e) of Appendix 2.2 of the Listing Manual, our Directors shall abstain from voting in any contract or arrangement or proposed contract/arrangement in which he has a personal material interest.

REMUNERATION COMMITTEE

Our Remuneration Committee comprises our Independent Director, Mark Haynes Daniell, our Non-Executive Vice-Chairman, Rangareddy Jayachandran, and our Non-Executive Directors, Wong Heng Tew and Tse Po Shing. Our Remuneration Committee is chaired by Rangareddy Jayachandran.

Our Remuneration Committee is responsible for the following:-

- (a) to recommend to our Board of Directors a framework of remuneration for our Board of Directors and key executives, and to determine specific remuneration packages for each Executive Director and the Group Managing Director (or executive of equivalent rank), such recommendations to be made in consultation with the Chairman of the Board of Directors and submitted for endorsement by the entire Board of Directors and should cover all aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, and benefits in kind; and
- (b) in the case of service contracts, to consider what compensation commitments the Directors' contracts of service, if any, would entail in the event of early termination with a view to be fair and avoid rewarding poor performance.

NOMINATING COMMITTEE

Our Nominating Committee comprises our Independent Directors, Mark Haynes Daniell and Michael Lim Choo San, our Non-Executive Vice-Chairman, Rangareddy Jayachandran, and our Non-Executive Director, Narain Girdhar Chanrai. Our Nominating Committee is chaired by Mark Haynes Daniell.

The Nominating Committee is responsible for the following:-

- (a) to make recommendations to our Board of Directors on all board appointments, including re-nominations, having regard to the director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an independent director; All Directors will be required to submit themselves for re-nomination and re-election at regular intervals and at least once every three years;
- (b) to determine annually whether or not a director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors;
- (c) in respect of a Director who has multiple board representations on various companies, to decide whether or not such Director is able to and has been adequately carrying out his/her duties as Director, having regard to the competing time commitments that are faced when serving on multiple boards; and
- (d) to decide how our Board of Directors' performance may be evaluated and propose objective performance criteria, as approved by our Board of Directors that allows comparison with its industry peers, and addresses how our Board of Directors has enhanced long term shareholder value.

OTHER BOARD COMMITTEES

In addition to the 3 committees above, our Company also has the following Board committees:

FINANCE AND INVESTMENT COMMITTEE

Our Finance and Investment Committee comprises our Non-Executive Directors, Tse Po Shing (who is also the Chairman of the Finance and Investment Committee) and Narain Girdhar Chanrai, our Group

Managing Director, Sunny George Verghese, our Independent Director, Robert Michael Tomlin, and our Executive Director, Sridhar Krishnan. The responsibilities of our Finance and Investment Committee are as follows:-

- (a) to review and recommend financial strategies, policies, and capital structure of the Group;
- (b) to review and recommend equity capital raising plans;
- (c) to review and recommend debt capital raising plans and significant banking arrangements;
- (d) to review investment policy guidelines and capital expenditure plans;
- (e) to review and assess the adequacy of foreign currency management;
- (f) to review and recommend on mergers, acquisitions and divestments; and
- (g) to review and recommend on dividend policy and dividend declarations.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

Our Corporate Responsibility and Sustainability Committee comprises our Independent Directors, Mark Haynes Daniell (who is also the Chairman of the Corporate Responsibility and Sustainability Committee) and Robert Michael Tomlin, and our Executive Director, Shekhar Anantharaman. The responsibilities of our Corporate Responsibility and Sustainability Committee are as follows:-

- (a) to review and recommend the Group's policy with respect to corporate responsibility and sustainability issues;
- (b) to review the Group's environmental policies and standards;
- (c) to review the social impact of the Group's business practices in the communities that it operates;
- (d) to review and recommend policies and practices with regard to key stakeholders (suppliers, customers and employees); and
- (e) to review and recommend policies and practices with regard to regulators.

RISK COMMITTEE

Our Risk Committee comprises our Non-Executive Director, Tse Po Shing (who is also the Chairman of the Risk Committee), our Group Managing Director, Sunny George Verghese, and our Non-Executive Director, Narain Girdhar Chanrai. A summary of the responsibilities of our Risk Committee is as follows:-

- (a) to review the adequacy and effectiveness of our Group's risk management policies and systems;
- (b) to review and recommend risk limits and budgets;
- (c) to review major non-compliances with risk policies; and
- (d) to review compliance with statutory and regulatory requirements.

For more details of the functions and operations of our Risk Committee, please refer to the section entitled "Business Overview – Risk Management System" beginning on page 89 and to Appendix D of this Prospectus.

SHARE SCHEMES

EMPLOYEE SHARE BENEFIT SCHEME

On 26 August 1999, our shareholders set up an employee share benefit scheme namely, the “Olam International Limited Employee Share Benefit Scheme” (the “ESBS”) to motivate and retain highly qualified and experienced employees within our Group. To date, the ESBS has been fully implemented. The ESBS comprises 141,199,072 Shares in the Company originally owned by and registered under the name of Kewalram.

CICL (a company incorporated in Bahamas which controls the entire issued and paid up share capital of Kewalram), has made available interest-free loans (the “Loan”) to eligible employees who exercise their options, to enable them to participate in the ESBS and to exercise the option to acquire the Shares under the ESBS. Such Shares were charged to CICL as security for the interest-free loans (the “Security”).

An eligible employee who had participated in the ESBS and had acquired Shares in the Company pursuant to the ESBS shall be deemed to have sold the Shares to Kewalram at par or at a pre-determined formula (the “Pre-Determined Formula”), as the case may be, upon the termination of his employment with any Group company before the expiry of the agreed period resulting from the occurrence of certain specific events as spelt out in the ESBS. The Pre-Determined Formula allowed Kewalram to re-purchase the Shares at a price equivalent to the value of the Company’s assets (but excluding any goodwill) less the value of the Company’s total liabilities and minority interest to be determined by its Auditors based on the latest audited accounts of the Company; or if the Shares are listed on any stock exchange, at the market price of the Shares to be determined on the basis of the last dealt price prior to the occurrence of any of the three aforesaid events.

A number of 216 employees of the Group have participated in the ESBS and have exercised the option to acquire a total aggregate number of 141,199,072⁽¹⁾ Shares. These shares are held in trust by Messrs Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose as trustees under the ESBS. As of the date of this Prospectus, all Loans have been fully repaid to CICL by the eligible employees. Following the admission of our Company to the Official List of the SGX-ST, no further Shares will be offered by Kewalram under the ESBS.

Note (1) : Includes Shares owned by Mr. Sridhar Krishnan and Mr. Shekhar Anantharaman, both Executive Directors of the Company, who are also participants under the ESBS and have each acquired 8,669,448 Shares under the ESBS.

EMPLOYEE SHARE SUBSCRIPTION SCHEME

On 26 October 2004, our Company implemented an employee share subscription scheme, namely, the “Olam International Limited Employee Share Subscription Scheme 2004” (the “ESSS”). The purpose of the ESSS, similar to the ESBS, was to motivate and retain highly qualified and experienced employees within our Group. The ESSS comprised 73,913,044 Shares, which to date, have been fully allotted and issued by our Company. Under the ESSS, an eligible employee of the Group was given the option of subscribing for Shares in the Company at \$0.23 per Share (the “Subscription Price”). Upon the execution of a share subscription agreement (the “Subscription Agreement”) by an eligible employee together with payment of the relevant Subscription Price, the Company would issue the prescribed number of Shares in the name of (1) Dexia Trust Services Singapore Limited (“Dexia Trust”), where such eligible employees have utilised certain arranged financing facilities granted to Dexia Trust, or (2) Messrs Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose as trustees for such eligible employees who do not require such financing. Such Shares are held on trust by the relevant trustee(s) for such eligible employees and administered in accordance with the rules of the ESSS and the terms and conditions of the Trust Deed dated 26 October 2004 entered into between Dexia Trust and the Company or the Trust Deed dated 26 October 2004 entered into between Messrs Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose and the Company (as the case may be).

Under the rules of the ESSS, 50 per cent. of the Shares acquired by an eligible employee under the ESSS (the “Restricted Shares”) were not permitted to be sold, transferred, mortgaged/charged, other

than as security for any loans taken from a financial institution approved by the Company for the subscription of such Shares (the “Sale Restrictions”), except in the manner provided as follows:-

- (i) at the time of the Invitation, the eligible employee shall be entitled to sell such number of Restricted Shares as may be determined by the committee appointed by the Board to administer the ESSS (the “ESSS Committee”);
- (ii) on or after the first anniversary of the date of the Subscription Agreement, the eligible employee shall be entitled to sell 33 per cent. of the Restricted Shares (inclusive of the Restricted Shares sold pursuant to (i) above);
- (iii) on or after the second anniversary of the date of the Subscription Agreement, the eligible employee shall be entitled to sell 66 per cent. of the Restricted Shares (inclusive of the Restricted Shares sold pursuant to (i) and (ii) above); and
- (iv) on or after the third anniversary of the date of the Subscription Agreement, the eligible employee shall be entitled to sell 100 per cent. of the Restricted Shares (inclusive of the Restricted Shares sold pursuant to (i), (ii) and (iii) above),

(such period commencing on the date of the Subscription Agreement and ending on the date immediately before the third anniversary of the Subscription Agreement hereinafter referred to as the “Restriction Period”).

Notwithstanding the above, dealings in the Shares subscribed for by any eligible employees (including the Restricted Shares) are subject to the moratorium periods imposed by the SGX-ST on the dealings of such Shares, if applicable.

In the event an eligible employee (the “Defaulting Employee”) ceases employment with the relevant Group company during the Restriction Period for certain reasons, with respect to the Restricted Shares which are still subject to the Sale Restrictions (the “Default Shares”), the relevant trustee(s) shall, *inter alia*:-

- (a) at the discretion of the ESSS Committee, either sell the Default Shares on the market and/or make available for purchase any or all of the Default Shares to other eligible employees (the “New Participant(s)”) at a price no less than the applicable market price of the Shares; and thereafter
- (b) pay to the Defaulting Employee a sum equal to the aggregate of the lower of the Subscription Price which he had paid for his Shares pursuant to the ESSS and the applicable market price of the Default Shares which have been sold on the market or purchased by the New Participant(s).

A number of 147 employees of the Group have participated in the ESSS and have acquired a total aggregate number of 73,913,044 Shares pursuant to the ESSS. Following the admission of our Company to the Official List of the SGX-ST, no further Shares will be issued by our Company under the ESSS. The table below sets out details of the Shares subscribed for by our Directors and Executive Officers under the ESSS:-

Director	Date of Grant	No. Of Shares Subscribed	Subscription Price (per Share)	Exercise Period / Expiration Date
Sridhar Krishnan	26 October 2004	4,492,600	\$0.23	14 days (excluding Sundays and public holidays) / 12 November 2004
Shekhar Anantharaman	26 October 2004	4,492,600	\$0.23	14 days (excluding Sundays and public holidays) / 12 November 2004

No Shares were subscribed for by our Chief Executive Officer under the ESSS.

GRANT OF OPTIONS TO OUR CHIEF EXECUTIVE OFFICER

On 4 January 2005, we granted 15,000,000 options to Mr Sunny George Verghese, our Chief Executive Officer, at an exercise price which is equal to the Invitation Price. The Options shall be exercisable in three equal tranches of 5,000,000 Shares each on the date falling on or after the first, second and third anniversaries respectively of the date of the admission of the Company to the Official List of the SGX-ST. Options granted to our Chief Executive Officer will have a life span of 10 years and will be on the terms of the Olam Employee Share Option Scheme. Please refer to Appendix E of this Prospectus for details of the rules of the Olam Employee Share Option Scheme. The grant of options will enable us to give recognition to the contributions made by our Chief Executive Officer to our Group.

The cost of the options, the applicable accounting rules as well as the financial impact arising from the grant of such options to our Chief Executive Officer are assessed in a similar manner as the options to be granted under the ESOS as set out in the section entitled "Cost of the ESOS to our Company" on page 134 of this Prospectus.

OLAM EMPLOYEE SHARE OPTION SCHEME

The Olam Employee Share Option Scheme (the "ESOS") was approved by our Shareholders at an Extraordinary General Meeting held on 4 January 2005. The terms of the ESOS are set out in Appendix E of this Prospectus. The ESOS conforms to the requirements as set out in Chapter 8 Part VIII of the Listing Manual.

Under the rules of the ESOS, our Directors (except our Non-Executive Directors and Independent Directors) and employees of our Group are eligible to participate in the ESOS. Controlling Shareholders and associates of Controlling Shareholders are not eligible to participate in the ESOS.

As at the date of this Prospectus, no options have been granted under the ESOS.

Objectives of the ESOS

In conjunction with our Company's listing on the SGX-ST, our Company has adopted an employee share option scheme known as "Olam Employee Share Option Scheme" (the "ESOS"). The objectives of the ESOS are to provide an opportunity for employees of our Group, directors or full-time employees of our Company, to participate in the equity of our Company so as to motivate them to greater dedication, loyalty and higher standard of performance, and to give recognition to employees of our Group who have contributed to the success and development of our Company and/or our Group. Our Company recognises that it is important to the well-being and stability of our Group that our Company acknowledges the services and contributions made by the categories of persons described in the above, and that our Group continues to receive their support and contribution.

Our Company, by adopting the ESOS, will give these categories of persons a real and meaningful stake in our Company and hopes to achieve the following objectives:-

- (i) the motivation of participants to optimise performance standards and efficiency and to maintain a high level of contribution;
- (ii) the recognition of the past services, support and contributions made by deserving employees and retention of key employees whose contributions are important to the long term growth, profitability and prosperity of our Group; and
- (iii) the development of a participatory style of management which promotes greater commitment and dedication amongst the employees and instills loyalty and a stronger sense of identification with the long term prosperity of our Group.

It is hoped that by having the ESOS, our Company will also strengthen its working relationships with the participants by inculcating in them a stronger and more lasting sense of identification with our Group.

Summary of the ESOS

A summary of the rules of the ESOS is set out as follows:-

(1) Participants and Eligibility

Under the rules of the ESOS, our Executive Directors and employees of our Group ("Group Employees") are eligible to participate in the ESOS. Controlling Shareholders and associates of Controlling Shareholders are not entitled to participate in the ESOS.

The extension of the ESOS to Executive Directors and employees of our Group allows us to have a fair and equitable system to reward Directors and employees who have made and who continue to make significant contributions to the long term growth of our Group.

(2) ESOS administration

The ESOS is administered by our Company's Remuneration Committee (the "Committee") appointed and authorised by our Directors to administer the ESOS. The Committee may consist of Directors (including Directors who may be participants of the ESOS). A member of the Committee who is also a participant of the ESOS must not be involved in its deliberations in respect of options granted or to be granted to him.

(3) Size of the ESOS and maximum entitlements

The aggregate number of Shares over which the Committee may grant options on any date, when added to the number of Shares issued and issuable in respect of all options granted under the ESOS and Shares subject to any other share option schemes of our Company, shall not exceed 15 per cent. of the issued Shares of our Company on the date preceding the grant of an option.

The number of Shares comprised in any options to be offered to a participant in the ESOS shall be determined at the absolute discretion of the Committee, who shall take into account criteria such as rank, past performance, years of service and potential for future development of that participant, subject always to the following limitation:-

- (i) the total number of Option Shares to be offered to Directors as a whole under the ESOS shall not exceed 10 per cent. of the total number of Option Shares at each grant.

Our Company believes that the ESOS should be of a sufficient size to enable us to have the flexibility to structure remuneration and incentive packages and to offer options over a significant number of Shares to our employees. Such number of Shares ought to be significant enough to serve as a meaningful incentive and reward to our employees for their contribution to our Group. If the number of Shares available under the ESOS is too small, the number of options available may not be sufficiently attractive to achieve the objectives of the ESOS. Taking into account the current issued share capital of our Company, the current number of employees and the possible increase in headcount should the business activities of our Company increase in the future during the duration of the ESOS, our Directors estimate that 15 per cent. of the issued share capital would be required to provide sufficient Shares over which options may be granted to achieve the objectives of the ESOS.

(4) Option exercise period and exercise price

Options that are granted under the ESOS may have exercise prices that are, at the Committee's discretion, set at a discount to a price ("Market Price") equal to the average of the last dealt prices for a Share on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding the grant of the relevant option of a Share (subject to a maximum discount of 20 per cent.) where such options ("Incentive Options") may be exercised after the 2nd anniversary from the date of grant of the option, or fixed at the Market Price where such options ("Market Price Options") may be exercised after the 1st anniversary from the date of grant of the option. In no circumstances shall the exercise price be less than the par value of a Share.

Additionally, we will also have the discretion to impose conditions on exercise of the options (whether an Incentive Option or a Market Price Option) such as limiting the number of Shares in respect of which the option may be exercised during the exercise period applicable to that option.

(5) Grant of options

Under the rules of the ESOS, there are no fixed periods for the grant of options. As such, offers of the grant of options may be made at any time and from time to time at the discretion of the Committee. However, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second Market Day from the date on which the aforesaid announcement is released.

(6) Termination of options

Special provisions in the rules of the ESOS deal with the lapse or early exercise of options in circumstances which include the termination of the participant's cessation of employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company, and the winding-up of our Company.

(7) Acceptance of options

Offers of options made to grantees, if not accepted by the grantees within 30 days from the date of the offer, will lapse. Upon acceptance of the offer, the grantee must pay us a consideration of \$1.00.

(8) Rights of Shares arising

Shares arising from the exercise of options are subject to the provisions of the Memorandum and Articles of Association of our Company. The Shares so allotted will upon issue rank pari passu in all respects with the then existing issued Shares, and shall rank in full for all entitlements, including any dividends, or other distributions declared or recommended in respect of the then existing Shares, the record date ("Record Date") for which falls on or before the relevant exercise date of the option. "Record Date" means the date as at the close of business on which our Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.

(9) Duration of the ESOS

The ESOS shall continue in operation for a maximum duration of 10 years commencing on the date on which the ESOS is adopted by our Company in general meeting, provided always that the ESOS may continue beyond the above stipulated period with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Grant of options with a discounted exercise price

The ability to offer options to participants of the ESOS with exercise prices set at a discount to the prevailing market price of our Shares will operate as a means to recognise participants for their outstanding performance as well as to motivate them to continue to excel while encouraging them to greater dedication and loyalty to our Group through a longer vesting period before the option may be exercised.

The flexibility to grant Share options with discounted exercise prices is also intended to cater to situations where the stock market performance has overrun the general market conditions. In such events, the Committee will have the absolute discretion to:-

- (i) grant Share options set at a discount to Market Price of a Share (subject to a maximum limit of 20 per cent.); and
- (ii) determine the participants to whom, and the options to which, such reduction in exercise prices will apply. In determining whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration factors including the performance of our Company or our Group, the years of service and the performance of the participant concerned, the contribution of the participant to the success and development of our Group, and the prevailing market conditions. It is envisaged that our Company may consider granting Share options with exercise prices set at a discount to the Market Price of our Shares prevailing at the time of grant under circumstances including (but not limited to) the following:-
 - (a) where, due to speculative forces in the stock market resulting in an overrun of the market, the market price of our Shares at the time of the grant of options is not a true reflection of the financial performance of our Company;
 - (b) to enable our Company to offer competitive remuneration packages in the event that the practice of granting options with exercise prices that have a discount element becomes a

general market norm. As share options become more significant components of executive remuneration packages, a discretion to grant options with discounted exercise prices will provide our Company with a means to maintain the competitiveness of our Group's compensation strategy; and/or

- (c) where our Group needs to provide more compelling motivation for specific business units to improve our performance, grants of share options with discounted exercise prices will help to align the interests of employees to those of the Shareholders as they would be perceived more positively by the employees who receive such options. In addition, the ability to offer options to participants of the ESOS at a discount to the prevailing market price of the Shares will operate as a means to recognise participants for their outstanding performance as well as to motivate them to continue to excel while encouraging them to greater dedication and loyalty to our Group through a longer vesting period before the option may be exercised. The Committee will determine on a case-by-case basis whether a discount will be given, and if so, the quantum of the discount, taking into account the objective that is desired to be achieved by our Company and the prevailing market conditions. As the actual discount given will depend on the relevant circumstances, the extent of the discount may vary from one case to another, subject to a maximum discount of 20 per cent. to the Market Price of our Shares. The discretion to grant options to subscribe for Shares at an exercise price set at a discount to the market price will, however, be used judiciously. The amount of the discount may vary from one offer to another, and from time to time, subject to a limit of 20 per cent. on the quantum of discount in respect of options granted under the ESOS.

In determining the quantum of such discount, the Committee will take into consideration such criteria as the Committee may, in its absolute discretion, deem appropriate including but not limited to:-

- (i) the performance of our Company and our Group;
- (ii) the individual performance of the participant; and
- (iii) the contribution of the participant to the success and development of our Company and/or our Group.

Such flexibility in determining the quantum of discount would enable the Committee to tailor the incentives in the grant of options to be commensurate with the performance and contribution of each individual participant. By individually recognising the degree of performance and contribution of each participant, the granting of options at a commensurate discount would enable the Committee to provide incentives for better performance, greater dedication and loyalty of the participants.

Our Company may also grant options without any discount to the market price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the options (whether such options are granted at the market price or at a discount to the market price), such as restricting the number of shares for which the option may be exercised during the initial years following its vesting.

The objectives of the ESOS apply equally to employees and directors of our Group as they are able to set the direction of our Company, define objectives and roles of management, and influence decisions made by our Company. The grant of Options under the ESOS to such persons will serve both as a reward to them for their dedication to our Company and a motivation for such key employees to take a long-term view of our Company.

Cost of the ESOS to our Company

Any options granted under the ESOS, whether such options are Market Price Options or Incentive Options, will have a fair value. In the event that such options are granted at prices below the fair value of the options, there will be a cost to our Company. Such costs may be more significant in the case of Incentive Options, where such options are granted with exercise prices set at a discount to the prevailing market price of our Shares. The cost to our Company of granting options with a discounted exercise price under the ESOS will be as follows:-

- (i) the exercise of an option at a discounted exercise price would translate into a reduction of the proceeds from the exercise of such options, as compared to the proceeds that our Company

would have received from such exercise had the exercise been made at the prevailing market price of our Shares. Such reduction of the exercise proceeds would represent the monetary cost to our Company of granting options with a discounted exercise price;

- (ii) as the monetary cost of granting options with a discounted exercise price is borne by our Company, the earnings of our Company would effectively be reduced by an amount corresponding to the reduced interest earnings that our Company would have received from the difference in proceeds from an exercise price with no discount versus the discounted exercise price. Such reduction would, accordingly, result in the dilution of our Company's EPS; and
- (iii) the effect of the issue of new Shares upon the exercise of options on our Company's NTA per Share will increase if the exercise price is above the NTA per Share and decrease if the exercise price is below the NTA per share.

The grant of Options under the ESOS will not have an impact on our Company's reported profit under current accounting rules set out in the Singapore Financial Reporting Standards ("FRS") applicable for the financial years ended 30 June 2004, 30 June 2003 and 31 March 2002. However, a new accounting standard, which will be effective for the financial periods beginning on or after 1 January 2005, will require the recognition of an expense in respect of Options granted under the ESOS. The expenses will be based on the fair value of the Options at the date of the grant (as determined by an option-pricing model) and will be recognised over the vesting period. However, no expense will ultimately be recognised for any Options granted that do not vest (for example, through forfeiture). The requirement to recognise an expense in respect of Options granted to employees is set out in FRS 102 issued by the Council on Corporate Disclosure and Governance.

The exercise price of the Options will be determined at the time the options are granted. As and when the Options are exercised, the cash inflow will add to the net tangible assets of our Company and its share capital will increase. The impact of the issue and allotment of new Shares upon the exercise of Options on our NTA per Share will be accretive if the exercise price is above the NTA per Share, but dilutive otherwise. This impact, however, will materialise only if and when the relevant Options are actually exercised.

We have made an application to the SGX-ST for permission to deal in, and for quotation of, the Shares on the Official List of the SGX-ST, which may be issued upon the exercise of the options to be granted under the ESOS. The approval of the SGX-ST is not to be taken as an indication of the merits of our Company, our Subsidiaries, our Shares, the New Shares or the Option Shares.

The rules of the ESOS are set out in Appendix E to this Prospectus. Details of the number of options granted, the number of options exercised and the exercise price (as well as any discount involved) will be disclosed in our annual report. The committee currently appointed to administer the ESOS is the Remuneration Committee.

OWNERSHIP STRUCTURE AND PRINCIPAL SHAREHOLDERS

Our Shareholders and their respective shareholdings immediately before and after the Invitation (assuming the Over-Allotment Option is not exercised) are summarised below:-

	Before the Invitation				After the Invitation			
	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	%	Direct Interest Number of Shares	%	Deemed Interest Number of Shares	%
Directors								
Murli Kewalram Chanrai ⁽³⁾	-	-	544,103,820	45.87	-	-	508,134,877	33.91
Rangareddy Jayachandran	-	-	-	-	-	-	-	-
Sunny George Verghese ⁽¹⁰⁾	79,022,630	6.66	15,000,000	1.26	79,022,630	5.27	15,000,000	1.00
Sridhar Krishnan ⁽¹⁾	-	-	13,162,048	1.11	-	-	147,972,960	9.88
Shekhar Anantharaman ⁽²⁾	-	-	13,162,048	1.11	-	-	147,972,960	9.88
Narain Girdhar Chanrai ⁽³⁾	-	-	544,103,820	45.87	-	-	508,134,877	33.91
Peter Francis Amour	-	-	-	-	-	-	-	-
Tse Po Shing	-	-	-	-	-	-	-	-
Wong Heng Tew	-	-	-	-	-	-	-	-
Lim Sheau Ming	-	-	-	-	-	-	-	-
Mark Haynes Daniell	-	-	-	-	-	-	-	-
Michael Lim Choo San	-	-	-	-	-	-	-	-
Robert Michael Tomlin	-	-	-	-	-	-	-	-
Substantial Shareholders (5% or more)								
Kewalram Singapore Limited	544,103,820	45.87	-	-	508,134,877	33.91	-	-
Chanrai Investment Corporation Limited ⁽³⁾	-	-	544,103,820	45.87	-	-	508,134,877	33.91
Kewalram Chanrai Holdings Limited ⁽³⁾	-	-	544,103,820	45.87	-	-	508,134,877	33.91
Nearco Trustee Company (Jersey) Limited as trustee of Dayal Damodar Chanrai Settlement ⁽³⁾	-	-	544,103,820	45.87	-	-	508,134,877	33.91
Nearco Trustee Company (Jersey) Limited, Murli Kewalram Chanrai and Narain Girdhar Chanrai as trustees of Girdhar Kewalram Chanrai Settlement ⁽³⁾	-	-	544,103,820	45.87	-	-	508,134,877	33.91

	Before the Invitation				After the Invitation			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Nearco Trustee Company (Jersey) Limited, Narain Girdhar Chanrai and Koshu Murli Chanrai as trustees of Murli Kewalram Chanrai Settlement ⁽³⁾	-	-	544,103,820	45.87	-	-	508,134,877	33.91
Nearco Trustee Company (Jersey) Limited, Narain Girdhar Chanrai and Vinod Pitamber Chanrai as trustees of Pitamber Kewalram Chanrai Settlement ⁽³⁾	-	-	544,103,820	45.87	-	-	508,134,877	33.91
Russell AIF Singapore Investments Limited ⁽⁴⁾	129,503,890	10.92	38,537,744	3.25	129,503,890	8.64	21,733,581	1.45
Russell AIF Asia II, L.P. ⁽⁵⁾	-	-	168,041,634	14.17	-	-	151,237,471	10.09
International Finance Corporation	104,323,378	8.80	-	-	104,323,378	6.96	-	-
Seletar Investments Pte Ltd	75,542,216	6.37	-	-	75,542,216	5.04	-	-
Temasek ⁽⁶⁾	-	-	75,542,216	6.37	-	-	75,542,216	5.04
Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose (as trustees under ESBS) ⁽⁷⁾	141,199,072	11.90	-	-	134,362,110	8.97	-	-
Dexia Trust, (as trustee under ESSS) ⁽⁸⁾	59,671,400	5.03	-	-	57,100,868	3.81	-	-
Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose (as trustees under ESSS) ⁽⁸⁾	14,241,644	1.20	-	-	13,610,850	0.91	-	-
Shareholder of Less Than 5%								
Dragon Orient Holdings Limited ⁽⁴⁾	38,537,744	3.25	-	-	21,733,581	1.45	-	-
Other Shareholders								
Management/ Employees ⁽⁹⁾	-	-	215,112,116	18.14	-	-	205,073,828	13.69
Public (including Reserved Shares)	-	-	-	-	375,000,000	25.03	-	-
Total	1,186,145,794	100.0			1,498,334,400	100.0		

Notes:-

- (1) Deemed interest of Sridhar Krishnan in 13,162,048 pre-Invitation Shares arises from the (1) 8,669,448 Shares allocated to him pursuant to the ESBS which held by the trustees of the ESBS in accordance with the terms of the ESBS and (2) the 4,492,600 Shares allocated to him pursuant to the ESSS which are held by the trustees of the ESSS in accordance with the terms of the ESSS.
- (2) Deemed interest of Shekhar Anantharaman in 13,162,048 pre-Invitation Shares arises from the (1) 8,669,448 Shares allocated to him pursuant to the ESBS which are held by the trustees of the ESBS in accordance with the terms of the ESBS and (2) the 4,492,600 Shares allocated to him pursuant to the ESSS which are held by the trustees of the ESSS in accordance with the terms of the ESSS.
- (3) Kewalram is a wholly-owned subsidiary of CICL (a company incorporated in Bahamas), which in turn is a wholly-owned subsidiary of Kewalram Chanrai Holdings Limited (a company incorporated in Jersey). CICL and Kewalram Chanrai Holdings Limited are therefore deemed to be interested in the 544,103,820 pre-Invitation Shares held by Kewalram, representing 45.87 per cent. of the issued share capital of our Company prior to the Invitation.

The trustee (the "DKC Trustee") of the Dayal Damodar Chanrai Settlement ("DKC Settlement"), the trustees (the "GKC Trustees") of the Girdhar Kewalram Chanrai Settlement ("GKC Settlement"), the trustees (the "MKC Trustees") of the Murli Kewalram Chanrai Settlement ("MKC Settlement") and the trustees (the "PKC Trustees") of the Pitamber Kewalram Chanrai Settlement ("PKC Settlement") are the shareholders of Kewalram Chanrai Holdings Ltd with the DKC Trustee, GKC Trustees, MKC Trustees and PKC Trustees each (as a body and in their capacity as trustees) holding (either directly or through nominees) 3,000 ordinary shares of US\$1.00 each, representing 25% of the issued and paid-up capital of Kewalram Chanrai Holdings Limited. DKC Settlement, GKC Settlement, MKC Settlement and PKC Settlement are all discretionary trusts for the primary benefit of the decendants of Damodar Kewalram Chanrai, Girdhar Kewalram Chanrai, Murli Kewalram Chanrai and Pitamber Kewalram Chanrai respectively. The DKC Trustee is Nearco Trustee Company (Jersey) Limited. The GKC Trustees are Nearco Trustee Company (Jersey) Limited, Murli Kewalram Chanrai and Narain Girdhar Chanrai. The MKC Trustees are Nearco Trustee Company (Jersey) Limited, Narain Girdhar Chanrai and Koshu Murli Chanrai. The PKC Trustees are Nearco Trustee Company (Jersey) Limited, Narain Girdhar Chanrai and Vinod Pitamber Chanrai.

The DKC Trustee, GKC Trustees, MKC Trustees and PKC Trustees are deemed to be interested in the 544,103,820 pre-Invitation Shares held by Kewalram, representing 45.87 per cent. of the issued share capital of our Company prior to the Invitation, as they, in their capacity as trustees, each (as a body) have control over the exercise of 25 per cent. of the votes attached to the shares in Kewalram Chanrai Holdings Limited.

- (4) The 38,537,744 pre-Invitation Shares held by Dragon Orient Holdings Limited are held as nominee for Russell AIF Singapore Investments Limited.
- (5) Deemed interest of Russell AIF Asia II, L.P. in 168,041,634 pre-Invitation Shares arises as a result of Russell AIF Asia II, L.P. being the holding company of both Russell AIF Singapore Investments Limited and Dragon Orient Holdings Limited.
- (6) Deemed interest of Temasek in 75,542,216 pre-Invitation Shares arises as a result of Seletar Investments Pte Ltd being a wholly-owned subsidiary of Temasek Capital (Pte) Ltd, which is in turn a wholly owned subsidiary of Temasek.
- (7) The 141,199,072 pre-Invitation Shares are held or controlled by Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose are in their capacity as trustees for the management (including the Directors) and the employees of the Group under the ESBS. Please see the section entitled "Employee Share Benefit Scheme" on page 127 of this Prospectus for more details of the ESBS.
- (8) Dexia Trust is holding the 59,671,400 pre-Invitation Shares and Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose are holding the 14,241,644 pre-Invitation Shares in their capacities as trustees for the management (including the Directors) and the employees of the Group pursuant to the terms of the ESSS. Please see the section entitled "Employee Share Subscription Scheme" beginning on page 127 of this Prospectus respectively for more details of the ESSS.
- (9) These are the management (including the Directors) and employees of the Group who have received shares pursuant to the ESBS and the ESSS. Pursuant to the terms of the ESBS and the ESSS, these shares are all held by Sridhar Krishnan (for the ESBS), Dexia Trust, Sridhar Krishnan, Shekhar Anantharaman and Joydeep

Bose (for the ESSS) on trust for such management and employees. No participant of the ESBS or the ESSS has been allotted more than one per cent. of the pre-Invitation issued share capital of the Company pursuant to the ESBS or the ESSS.

- ⁽¹⁰⁾ On 4 January 2005, the Directors approved the grant of 15,000,000 options to Mr Sunny George Verghese, our Chief Executive Officer, to subscribe for 15,000,000 Shares, which he has accepted. The exercise price of these options will be at the Invitation Price. Options granted to our Chief Executive Officer will have a life span of 10 years and will be on the terms of the Olam Employee Share Option Scheme. Please refer to the section "Grant of Options to our Chief Executive Officer" on page 131 of this Prospectus.

None of the Directors of our Company are related to each other save and except for Murli Kewalram Chanrai who is the uncle of Narain Girdhar Chanrai. There are no other relationships between our Directors, Executive Officers and Substantial Shareholders.

Our Non-Executive Directors, Peter Francis Amour and Tse Po Shing, were nominated by Russell AIF Singapore Investments Limited to our Board. Our Non-Executive Director, Wong Heng Tew and his alternate Director, Lim Sheau Ming, were nominated by Seletar Investments Pte Ltd to our Board. Save as aforesaid, there is no arrangement or understanding with a Substantial Shareholder, customer or supplier or any other person pursuant to which any person was selected as a Director or Executive Officer of our Company.

There is no known arrangement the operation of which may, at a subsequent date, result in a change in the control of our Company.

Save as disclosed above, our Company is not directly or indirectly owned or controlled by another corporation, any government or other natural or legal person whether severally or jointly.

There has not been any public take-over offer, by a third-party in respect of our Shares or by us in respect of the shares of another corporation, which has occurred during the last and current financial year.

MORATORIUM

Olam International Limited

We have undertaken to the Joint Global Co-ordinators that for a period of six months from the date of our admission to the Official List of the SGX-ST, we will not:

- issue, offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive, subscribe for or purchase Shares);
- enter into any transaction (including a derivative transaction) having an economic effect similar to that of a sale of Shares;
- publicly announce any intention to issue, offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Share (or any securities convertible into or exercisable or exchangeable for or that represent the right to receive, subscribe for or purchase Shares); or
- deposit any Shares (or any securities convertible into or exercisable or exchangeable for, or which carry rights to subscribe or purchase Shares) in any depository receipt facility,

without the prior written consent of each of the Joint Global Co-ordinators, which consent shall not be unreasonably withheld or delayed.

The foregoing restrictions shall not apply in respect of Shares (or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase Shares) issued, offered, allotted, appropriated, modified or granted under the Olam Employee Share Option Scheme. During the period of six months from the date of admission to the Official List of the SGX-ST, we will also not undertake any capital markets fund raising activities.

Shareholders

Kewalram which holds 508,134,877 Shares, representing 33.91 per cent. of our Company's issued and paid-up share capital immediately after the Invitation (assuming that the Over-Allotment Option is not exercised), has undertaken to the Joint Global Co-ordinators not to sell, realise, transfer or otherwise dispose of any part of its shareholdings in our Company immediately after the Invitation for a period of 18 months commencing from the date of admission of our Company to the Official List of the SGX-ST.

Our Group Managing Director, Sunny George Verghese, who holds 79,022,630 Shares, representing 5.27 per cent. of our Company's issued and paid-up share capital immediately after the Invitation (assuming that the Over-Allotment Option is not exercised), has undertaken to the Joint Global Co-ordinators not to sell, realise, transfer or otherwise dispose of any part of his shareholdings in our Company immediately after the Invitation for a period of 18 months commencing from the date of admission of our Company to the Official List of the SGX-ST. This undertaking does not apply to disposals which are made in accordance with the terms of the Share Lending Agreement described on page 37 of this Prospectus.

Russell AIF Singapore Investments Limited which holds 129,503,890 Shares, representing 8.64 per cent. of our Company's issued and paid-up share capital immediately after the Invitation (assuming that the Over-Allotment Option is not exercised), has undertaken to the Joint Global Co-ordinators not to sell, realise, transfer or otherwise dispose of any part of its shareholdings in our Company immediately after the Invitation for a period of 12 months commencing from the date of admission of our Company to the Official List of the SGX-ST.

Dragon Orient Holdings Limited which holds 21,733,581 Shares, representing 1.45 per cent. of our Company's issued and paid-up share capital immediately after the Invitation (assuming that the Over-Allotment Option is not exercised), has undertaken to the Joint Global Co-ordinators not to sell, realise,

transfer or otherwise dispose of any part of its shareholdings in our Company immediately after the Invitation for a period of 12 months commencing from the date of admission of our Company to the Official List of the SGX-ST.

International Finance Corporation which holds 104,323,378 Shares, representing 6.96 per cent. of our Company's issued and paid-up share capital immediately after the Invitation (assuming that the Over-Allotment Option is not exercised), has undertaken to the Joint Global Co-ordinators not to sell, realise, transfer or otherwise dispose of any part of its shareholdings in our Company immediately after the Invitation for a period of 12 months commencing from the date of admission of our Company to the Official List of the SGX-ST.

Seletar Investments Pte Ltd which holds 75,542,216 Shares, representing 5.04 per cent. of our Company's issued and paid-up share capital immediately after the Invitation (assuming that the Over-Allotment Option is not exercised), has undertaken to the Joint Global Co-ordinators not to sell, realise, transfer or otherwise dispose of any part of its shareholdings in our Company immediately after the Invitation for a period of 12 months commencing from the date of admission of our Company to the Official List of the SGX-ST.

Employee Share Schemes

Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose who hold 134,362,110 Shares as trustees under the ESBS, representing 8.97 per cent. of our Company's issued and paid-up share capital immediately after the Invitation (assuming that the Over-Allotment Option is not exercised), have undertaken to the Joint Global Co-ordinators not to sell, realise, transfer or otherwise dispose of any part of the Shares held by them in trust pursuant to the ESBS immediately after the Invitation for a period of 18 months commencing from the date of admission of our Company to the Official List of the SGX-ST.

The participants of our ESSS, who have an aggregate interest in 70,711,718 Shares (the "ESSS Shares"), representing 4.72 per cent. of our Company's issued and paid-up share capital immediately after the Invitation (assuming that the Over-Allotment Option is not exercised), are also subject to a moratorium period during which 50 per cent. of the Shares which they had subscribed for under the ESSS (the "Restricted Shares") are not permitted to be sold, transferred, mortgaged/charged, other than as security for any loans taken from a financial institution approved by the Company for the subscription of the ESSS Shares, except, *inter alia*, in the manner provided as follows:-

- (i) on or after the first anniversary of the date of their subscription of the ESSS Shares, the participant shall be entitled to sell 33 per cent. of the Restricted Shares (inclusive of the Restricted Shares sold at the time of the Invitation);
- (ii) on or after the second anniversary of the date of their subscription of the ESSS Shares, the participant shall be entitled to sell 66 per cent. of the Restricted Shares (inclusive of the Restricted Shares sold pursuant to (i) above); and
- (iii) on or after the third anniversary of the date of their subscription of the ESSS Shares, the participant shall be entitled to sell 100 per cent. of the Restricted Shares (inclusive of the Restricted Shares sold pursuant to (i) and (ii) above),

Please refer to the section entitled "Employee Share Subscription Scheme" beginning on page 129 of this Prospectus for more details of the ESSS.

Others

CICL, which is the holding company of Kewalram, has given an undertaking to the Joint Global Co-ordinators that it shall maintain and not reduce its effective interest in our Company for a period of 18 months commencing from the date of admission of our Company to the Official List of the SGX-ST.

Kewalram Chanrai Holdings Ltd, which is the holding company of CICL, has given an undertaking to the Joint Global Co-ordinators that it shall maintain and not reduce its effective interest in our Company for a period of 18 months commencing from the date of admission of our Company to the Official List of the SGX-ST.

The trustee (the “DKC Trustee”) of the Dayal Damodar Chanrai Settlement (“DKC Settlement”), the trustees (the “GKC Trustees”) of the Girdhar Kewalram Chanrai Settlement (“GKC Settlement”), the trustees (the “MKC Trustees”) of the Murli Kewalram Chanrai Settlement (“MKC Settlement”) and the trustees (the “PKC Trustees”) of the Pitamber Kewalram Chanrai Settlement (“PKC Settlement”), have jointly given an undertaking to the Joint Global Co-ordinators that they shall jointly maintain and not reduce their effective interests in our Company for a period of 18 months commencing from the date of admission of our Company to the Official List of the SGX-ST. The DKC Trustee is Nearco Trustee Company (Jersey) Limited. The GKC Trustees are Nearco Trustee Company (Jersey) Limited, Murli Kewalram Chanrai and Narain Girdhar Chanrai. The MKC Trustees are Nearco Trustee Company (Jersey) Limited, Narain Girdhar Chanrai and Koshu Murli Chanrai. The PKC Trustees are Nearco Trustee Company (Jersey) Limited, Narain Girdhar Chanrai and Vinod Pitamber Chanrai.

Please see the section entitled “Ownership Structure and Principal Shareholders” beginning on page 136 of this Prospectus for more details on the Shareholders of our Company.

VENDORS

The names of the Vendors and the number of Vendor Shares which each of the Vendors will offer pursuant to the Invitation are set out below:-

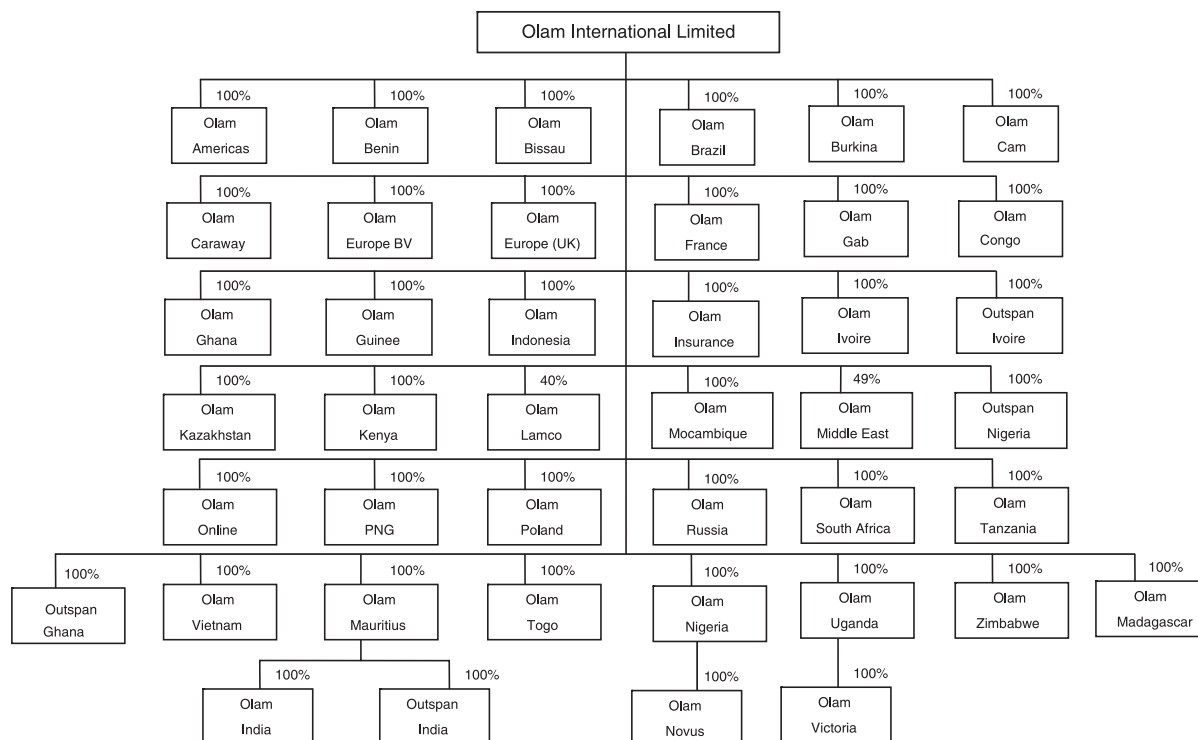
Name/ Relationship with our Group	Shares held immediately before the Invitation		Vendor Shares offered pursuant to the Invitation		Shares held after the Invitation	
	Number of Shares	% of pre- Invitation share capital	Number of Vendor Shares	% of pre- Invitation share capital	Number of Shares	% of post- Invitation share capital
Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose ⁽¹⁾ <i>Executive Director/ Executive Director/ Executive Officer</i>	141,199,072	11.90	6,836,962	0.58	134,362,110	8.97
Kewalram Singapore Limited <i>Controlling Shareholder</i>	544,103,820	45.87	35,968,943	3.03	508,134,877	33.91
Dragon Orient Holdings Limited <i>Shareholder</i>	38,537,744	3.25	16,804,163	1.42	21,733,581	1.45
Dexia Trust ⁽²⁾ <i>Shareholder</i>	59,671,400	5.03	2,570,532	0.22	57,100,868	3.81
Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose ⁽²⁾ <i>Shareholder</i>	14,241,644	1.20	630,794	0.05	13,610,850	0.91

⁽¹⁾ Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose are selling the 6,836,962 Vendor Shares in their capacity as trustees for the management and employees who are the beneficial owners of such Shares (who include Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose themselves) under the ESBS. Please see the sections entitled "Ownership Structure and Principal Shareholders" and "Employee Share Benefit Scheme" beginning on pages 134 and 127 respectively of this Prospectus for more details of the Shares held by Sridhar Krishnan and the ESBS.

⁽²⁾ Dexia Trust is selling the 2,570,532 Vendor Shares and Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose are selling the 630,794 Vendor Shares in their capacities as trustees for the management and employees who are the beneficial owners of such Shares (who include Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose themselves) under the ESSS. Please see the sections entitled "Ownership Structure and Principal Shareholders" and "Employee Share Subscription Scheme" beginning on pages 136 and 129 respectively of this Prospectus for more details of the Shares held by Dexia Trust, Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose and the ESSS.

OUR SUBSIDIARIES

Our corporate structure as at the Latest Practicable Date is as follows:-



The details of our Subsidiaries and representative offices as at the date of lodgment of this Prospectus with the Authority, which are not listed on any stock exchange, are set out as follows:-

Subsidiaries of the Company	Place and date of incorporation	Issued and paid-up capital	Percentage of equity interest held by the Group (%)	Principal activities
Olam Americas	North Carolina, USA, 7 November 2002	US\$1,000	100	Sourcing, processing and trading of agri commodities.
Olam Benin	Benin, 16 June 1993	XOF237,330,000	100	Sourcing, processing and trading of agri commodities.
Olam Bissau	Guinea-Bissau, 01 September 2000	XOF5,000,000	100	Sourcing, processing and trading of agri commodities.
Olam Brazil	Brazil, 21 June 2000	R\$571,600	100 ¹	Sourcing, processing and trading of agri commodities.
Olam Burkina	Burkina Faso, 7 November 1996	XOF130,000,000	100 ²	Sourcing, processing and trading of agri commodities.
Olam Cam	Cameroon, 24 April 1995	XAF200,000,000	100 ³	Sourcing, processing and trading of agri commodities.
Olam Caraway	Singapore 2 June 2003	\$2	100	Sourcing, processing and packing of agri commodities.

Olam Congo	Kinshasa, Congo, 4 July 2003	US\$25,000	100 ⁴	Sourcing, processing and trading of agri commodities.
Olam Europe (UK)	United Kingdom, 22 September 1994	GBP250,000	100	Trading of agri commodities.
Olam Europe BV	Netherlands, 15 September 1997	EUR18,151.21	100	Trading of agri commodities.
Olam France	Marseilles, France, 23 July 2002	EUR7,500	100	Sourcing, processing and trading of agri commodities.
Olam Guinee	Conakry, Guinea, 25 April 2002	GNF5,000,000	100	Sourcing, processing and trading of agri commodities.
Olam Ghana	Accra, Ghana 7 April 1994	GCD7,735,535,000	100	Sourcing, processing and trading of agri commodities.
Outspan Ghana	Accra, Ghana 15 July 1998	GCD254,935,000	100	Sourcing, processing and trading of agri commodities.
Olam Gab	Libreville, Gabon, 10 November 1998	XAF100,000,000	100 ⁵	Sourcing, processing and trading of agri commodities.
Olam Kazakhstan	Kazakhstan, 25 September 2002	KZT1,543,500	100	Sourcing, processing and trading of agri commodities.
Olam Ivoire	Abidjan, Cote d'Ivoire, 21 February 1994	XOF200,000,000	100 ⁶	Sourcing, processing and trading of agri commodities.
Outspan Ivoire	Abidjan, Cote d'Ivoire, 22 August 1997	XOF2,500,000,000	100 ⁷	Sourcing, processing and trading of agri commodities.
Olam India	India, 28 October 1994	INR90,489,700	100 ⁸	Sourcing, processing and trading of agri commodities.
Outspan India	India, 6 February 1996	INR108,000	100 ⁹	Sourcing, processing and trading of agri commodities.
Olam Indonesia	Indonesia, 29 November 1996	USD1,100,000	100 ¹⁰	Sourcing, processing and trading of agri commodities.
Olam Insurance	Isle of Man, 22 June 2000	USD100,000	100	Providing insurance related services
Olam Kenya	Kenya, 8 January 1999	KSH100,000	100	Sourcing, processing and trading of agri commodities.
Olam Madagascar	Madagascar, 10 November 1998	MGF50,000,000	100 ¹¹	Sourcing, processing and trading of agri commodities.
Olam Mauritius	Mauritius, 10 June 1994	USD 10,000	100	Investment holding.
Olam Middle East	Dubai, UAE, 2 March 2003	AED300,000	49 ¹²	Sourcing, processing and trading of agri commodities.
Olam Mocambique	Mozambique, 26 October 1998	MZM14,017,257,980	100 ¹³	Sourcing, processing and trading of agri commodities

Olam Nigeria	Nigeria, 16 November 1989	NGN264,751,94914	100 ¹⁴	Sourcing, processing and trading of agri commodities.
Outspan Nigeria	Nigeria, 20 October 1995	NGN37,500,000	100 ¹⁵	Sourcing, processing and trading of agri commodities.
Olam Novus	Nigeria, 4 August 2003	NGN100,000,000 issued and Nil paid-up	100 ¹⁶	Sourcing, processing and trading of agri commodities.
Olam Online	Singapore, 13 September 2000	\$2	100	Trading of agri commodities through the Internet.
Olam PNG	Papua New Guinea, 10 April 2000	K324,675	100	Sourcing, processing and trading of agri commodities.
Olam Poland	Poland, 3 March 2000	PLZ866,000	100	Sourcing, processing and trading of agri commodities.
Olam Russia	Russia, 10 October 2002	RUR10,000	100	Sourcing, processing and trading of agri commodities.
Olam South Africa	South Africa, 23 August 2000	ZAR1000	100	Sourcing, processing and trading of agri commodities.
Olam Tanzania	Tanzania, 29 September 1994	TZS1,588,000,000	100 ¹⁷	Sourcing, processing and trading of agri commodities.
Olam Togo	Togo, 23 February 1996	XOF150,000,000	100	Sourcing, processing and trading of agri commodities.
Olam Uganda	Uganda, 16 May 1997	UGS100,000,000	100 ¹⁸	Sourcing, processing and trading of agri commodities.
Olam Victoria	Uganda 3 January 2002	UGS5,000,000	100 ¹⁹	Sourcing, processing and trading of agri commodities.
Olam Vietnam	Dak Lak Province, Vietnam, 30 November 1999	USD1,000,000	100	Sourcing, processing and trading of agri commodities.
Olam Zimbabwe	Zimbabwe, 1 March 2004	Zim100	100	Sourcing, processing and trading of agri commodities.
Associated Company				
Olam Lamco	Italy, 25 February 2003	EUR250,000	40 ²⁰	Sourcing, processing and trading of agri commodities.

Representative Offices

Our Company has also established representative offices in China, Russia, Turkmenistan, Vietnam and Uzbekistan.

Save as disclosed below, none of our Directors or Substantial Shareholders has any direct interest in our Subsidiaries.

Notes:

¹ 1 share held by Sumeet Singh Dhillon on trust for the Company.

² 1 share held by Shekhar Anantharaman on trust for the Company.

³ 10 shares held by Sunny George Verghese on trust for the Company.

⁴ 10 shares held by Sridhar Krishnan on trust for the Company.

⁵ 200 shares held by Sunny George Verghese on trust for the Company.

⁶ 1 share held by Sunny George Verghese on trust for the Company.

⁷ 5,000 shares held by Toure Faraban Serge, 200 shares held by Krishnan Ravikumar, 200 shares held by Jagdish Achleshwar Prasad Parihar, 200 shares held by Vivek Verma, 200 shares held by Sridhar Krishnan and 200 shares held by Shekhar Anantharaman all on trust for the Company.

⁸ Olam India is a subsidiary of Olam Mauritius, which holds 9,048,964 shares in Olam India. Ashok Krishen, Sanjay Sacheti, Brijesh Krishnaswamy, Parakeet Limited and Intertech International Limited each hold 1 share in Olam India, all on trust for Olam Mauritius. The Company holds 1 share directly in Olam India.

⁹ 3600 shares are held by Manoj Marar on trust for Olam Mauritius and 7,200 shares are held by Ramarathinam K.S. on trust for Olam Mauritius.

¹⁰ 65 shares held by Sunny George Verghese on trust for the Company.

¹¹ 1 share held by Shekhar Anantharaman on trust for the Company.

¹² The remaining 51% of shares is held by Sultan Mohd. Sultan Harib Al Falahi ("Al Falahi"), a national of UAE. The Company controls the financial and operating policies of Olam Middle East through a Shareholders' Agreement dated 21 January 2004 ("Shareholders' Agreement") signed between Al Falahi and the Company. Pursuant to the Shareholders' Agreement, Al Falahi authorised the Company to receive all dividends and profits accruing to the shares in Olam Middle East registered in his name and appointed the Company as his proxy to attend and vote at all meetings convened by Olam Middle East. Accordingly, Olam Middle East is accounted for as a wholly owned subsidiary of the Company under normal accounting consolidation principles.

¹³ 1 quota of nominal value MZM140,172,580 held by Shekar Anantharaman on trust for the Company.

¹⁴ 10 shares held by Sunny George Verghese on trust for the Company.

¹⁵ 10 shares held by Sunny George Verghese on trust for the Company.

¹⁶ 1 share held by Srivathsan Venkataramani on trust for Olam Nigeria.

¹⁷ 1 share held by Sunny George Verghese on trust for the Company.

¹⁸ 1 share held by Arun Sharma on trust for the Company.

¹⁹ 1 share held by P. Sankarasubban on trust for Olam Uganda.

²⁰ The remaining 60% of shares ownership belongs to Cosco Cafimport srl, a company which is not related to either our Directors or Shareholders.

INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

PAST INTERESTED PERSON TRANSACTIONS

Details of each transaction or loan for the period starting from 1 July 2001 and ending on 30 June 2004 between us and (a) our Controlling Shareholders, (b) our Director, Shekhar Anantharaman, and their respective associates and which are material in the context of the Invitation are set forth below:

Guarantees provided by Kewalram to secure banking facilities granted to our Company

Our Company's Controlling Shareholder, Kewalram has previously provided corporate guarantees and a letter of comfort (collectively the "KSL Guarantees") for certain credit facilities granted by financial institutions to our Company in FY2004 and for the period from 1 July 2004 up to the Latest Practicable Date in the amount of USD23,125,000, which is the largest amount of facilities guaranteed by Kewalram in the aforesaid period. There was no fee paid by our Company to Kewalram for the KSL Guarantees and as such was not on an arm's length basis. We have, as at the Latest Practicable Date, already procured the discharge of the KSL Guarantees by the aforesaid financial institutions.

Guarantees provided by CICL to secure banking facilities granted to our Company and/or our Subsidiaries

CICL, the holding company of our Company's Controlling Shareholder Kewalram, has previously provided corporate guarantees/letters of comfort (the "CICL Guarantees") for certain credit facilities granted by financial institutions to our Company and/or our Subsidiaries. There was no fee paid by our Company to CICL for the CICL Guarantees and as such was not on an arm's length basis. The amounts secured by the CICL Guarantees granted as at the dates set out below were as follows:-

	30 June 2002	30 June 2003	30 June 2004
Amounts guaranteed (USD)	101,200,000	192,189,000	258,625,000

The largest amount of facilities guaranteed by CICL during the Period Under Review and from the period beginning from 1 July 2004 to the Latest Practicable Date is USD258,625,000. We have, as at the Latest Practicable Date, already procured the discharge of the CICL Guarantees by the aforesaid financial institutions.

Use by our Company of trade finance facilities granted by financial institutions to Kewalram

Our Company has in the past, utilised certain trade finance facilities granted by certain financial institutions to Kewalram, as permitted under the terms of such facilities, although Kewalram remained liable for the repayment of such facilities. There was no fee paid by our Company to Kewalram for the use of such facilities and as such, this use was not on an arm's length basis. The largest amounts of banking facilities used by our Company during the Period Under Review were as follows:-

	12 months ended 30 June 2002	12 months ended 30 June 2003	12 months ended 30 June 2004
Amounts of trade finance facilities utilised (SGD)	22,957,022	-	1,403,000

As at the Latest Practicable Date, our Company has repaid all amounts drawn down by our Company under these facilities and has ceased to utilise these banking facilities. Our Company does not intend to make use of such banking facilities in the future.

Loan from Kewalram

On 31 March 1999, our Controlling Shareholder, Kewalram, granted an interest-free loan of USD5 million (the "Loan") to the Company. The purpose of the Loan was for meeting the general working capital requirements of the Group. The Loan was unsecured and had no fixed terms of repayment and as such, was not granted on an arm's length basis. The largest amount owing from our Company to

Kewalram during the Period Under Review and from the period beginning from 1 July 2004 to the Latest Practicable Date was SGD9,205,000. The amounts due under the Loan from our Company to Kewalram as at the dates set out below were as follows:-

	30 June 2002	30 June 2003	30 June 2004
Amounts due to Kewalram (SGD)	8,937,500	8,805,500	8,600,000

As at the Latest Practicable Date, the Loan has been fully repaid. There have been no further advances or loans extended by Kewalram to our Company or any company in our Group.

Amounts due to our Company from CICL

In 1995, our Company acquired certain of our present subsidiaries which were at that time owned by the KC Group. At the time of the acquisition, some of these subsidiaries had accumulated losses amounting to an aggregate of SGD9 million and CICL had undertaken to pay an amount equivalent to such losses to our Company in eight annual instalments commencing from 31 March 1998. The largest amount owing from CICL to our Company during the Period Under Review and from the period beginning from 1 July 2004 to the Latest Practicable Date was SGD7,841,758. However, as at the Latest Practicable Date, CICL has already fully repaid the aforesaid SGD9 million to our Company. The amounts due to our Company as at the dates set out below were as follows:-

	30 June 2002	30 June 2003	30 June 2004
Amounts due to our Company (SGD)	5,987,167	5,361,606	3,000,478

Lease of 3 Tanjong Rhu Road #04-01, The Waterside, Singapore 436881 by Shekhar Anantharaman to our Company

Our Executive Director, Shekhar Anantharaman and his wife, Ruby Shekhar (jointly the “Lessors”), are the owners of the property at 3 Tanjong Rhu Road, #04-01, The Waterside, Singapore 436881 (the “Property”). The Company had entered into a lease agreement with the Lessors for the lease of the Property for a monthly rent of \$2,900 and for the initial period of two years commencing from 1 June 2001 to 31 May 2003 (the “Lease”). The Lease was extended for a further term of one year from 1 June 2003 to 30 June 2004 on the same terms and conditions. The Lease was entered into between our Company and the Lessors on mutually acceptable terms. The aggregate annual rent paid by our Company to the Lessors for the Period Under Review was as follows:-

	12 months ended 30 June 2002	12 months ended 30 June 2003	12 months ended 30 June 2004
Rent paid by our Company (SGD)	34,800	34,800	34,800

The Lease has expired with effect from 1 July 2004 and has not been renewed.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Licence of the Kewalram Logo to our Company

On 21 October 2004, Kewalram entered into a licence agreement with our Company granting to our Company the right to use the Kewalram Logo in consideration of a one-time payment of SGD10 licence fee, which was paid on 21 October 2004. The licence extends to all jurisdictions where our Group has operations and is a perpetual licence unless terminated by either party giving six months’ prior notice to the other party. The licence also permits our Company to grant sub-licences to all companies within the Group from time to time for the use of the Kewalram Logo. Please refer to the section entitled “Intellectual Property” beginning on page 104 of this Prospectus for more details of the Kewalram Logo. This licence agreement was entered into on an arm’s length basis.

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSONS TRANSACTIONS

Review By Audit Committee

Save as disclosed above, we currently do not anticipate that our Group will be entering into any further transactions with persons who are considered “interested persons” as defined in Chapter 9 of the Listing Manual.

Our Audit Committee will review all interested person transactions on a quarterly basis to ensure that they are carried out on normal commercial terms and will not be prejudicial to the interests of our minority Shareholders. In the event that a member of the Audit Committee is interested in any of the interested person transactions, he will abstain from reviewing that particular transaction.

Our Audit Committee will also review all future interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular Chapter 9 of the Listing Manual) are complied with. We will also endeavour to comply with the principles and best practices set out in the Listing Manual.

POTENTIAL CONFLICTS OF INTEREST

Seletar Investments Pte Ltd

In October 2003, Seletar Investments Pte Ltd (“Seletar Investments”) acquired 75,542,216 Shares representing an interest in approximately 6.37 per cent. of the pre-Invitation issued and paid up share capital of our Company. Our Non-Executive Director, Wong Heng Tew and his alternate director, Lim Sheau Ming are members of the management staff of Temasek. Seletar Investments is an investment holding vehicle of Temasek. Temasek and other investment holding vehicles in the Temasek group of companies (collectively, the “Temasek Companies”) including Seletar Investments may, from time to time, invest in companies that carry on similar businesses or deal in similar products as our Group, or which compete with the business of our Group.

In the event of any possible conflict of interest between our Group and any of the Temasek Companies or between our Group or any company in which any of the Temasek Companies has an investment, Mr Wong and Mr Lim will (to the extent that they are aware of such conflict and are not able to act in the best interests of the Company as a result of such conflict) disclose the situations of conflict to our Board and abstain from voting or participating in the decision-making process in relation to those matters.

Save as disclosed in this Prospectus, during the past three financial years and up to the date of this Prospectus:-

- (a) No Director, Substantial Shareholder, Executive Officer or Controlling Shareholder of our Group and associates of any such Director, Substantial Shareholder, Executive Officer or Controlling Shareholder of our Group has any interest, direct or indirect, in any material transactions to which our Group is a party;
- (b) No Director, Substantial Shareholder, Executive Officer or Controlling Shareholder of our Group and associates of any such Director, Substantial Shareholder, Executive Officer or Controlling Shareholder of our Group has any interest, direct or indirect, in any business carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group;
- (c) No Director, Substantial Shareholder, Executive Officer or Controlling Shareholder and associates of any such Director, Substantial Shareholder, Executive Officer or Controlling Shareholder of our Group has any interest, direct or indirect, in any enterprise or company that is our Group’s major customer or supplier of goods or services; and
- (d) No Director, Substantial Shareholder, Executive Officer or Controlling Shareholder and associates of any such Director, Substantial Shareholder, Executive Officer or Controlling Shareholder of our Group has any interest, direct or indirect, in any material transactions undertaken by our Group within the last 3 years.

GENERAL AND STATUTORY INFORMATION

1. SHARE CAPITAL

- (a) As at the date of this Prospectus, there is only one class of shares in the share capital of our Company and which are registered shares. Save for the Option Shares, there are no founder, management or deferred shares reserved for issuance for any purpose. The rights and privileges attached to our Shares are stated in our Articles of Association. The Shares owned by our Directors and Substantial Shareholders do not carry different voting rights from the Invitation Shares.
- (b) Our Company was incorporated on 4 July 1995. It presently has an authorised share capital of \$220,000,000 divided into 2,200,000,000 ordinary shares of \$0.10 each.
- (c) Upon completion of the Invitation, the issued and paid-up share capital of our Company will be increased to \$149.83 million divided into 1,498,334,400 Shares (assuming the Over-Allotment Option is not exercised).
- (d) Save as disclosed below and in the section entitled “Share Capital” on page 52 of this Prospectus, there were no changes in the issued and paid-up share capital of our Company or our Subsidiaries within the three years preceding the date of lodgment of this Prospectus.

Changes in share capital of our Subsidiaries in the three years preceding the date of this Prospectus:-

Subsidiary/Date of issue	Number of shares issued	Issue price per Share	Purpose of issue	Resultant issued share capital
Olam Europe (UK)/ 28 August 2003	249,998	GBP1	Working capital	GBP250,000
Olam Gab/ 19 January 2004	19,000	XAF5,000	Working capital	XAF100,000,000
Olam Ghana/ 13 February 2002	66,355	GCD¢ 99,012.89	Working capital	GCD¢7,735,535,000
Olam Kazakhstan/ 14 October 2002	KZT1,461,200 in value of capital increased	NA	Working capital	KZT1,543,500
Outspan Ivoire/ (i) 30 July 2003 (ii) 9 July 2004	32,500 17,500	XOF10,000 XOF10,000	Both to meet local statutory requirement	XOF2,325,000,000 XOF2,500,000,000
Olam Indonesia/ (i) 2 March 2001 (ii) 22 July 2003	30,000 40,000	USD10 USD10	Both for working capital	USD700,000 USD1,100,000
Olam Mocambique/ 18 February 2002	MZM13,980,927,980 in value of capital increased	USD15	Working capital	MZM14,017,257,980
Olam Nigeria/ 17 May 2004	248,311,949	NGN1	Working capital	NGN264,715,949
Olam PNG/ 13 February 2004	324,675	K 1	Working capital	K324,775
30 September 2004	100 (valuation in share capital)	K1	Share buy-back	K324,675

Olam Poland/ 30 November 2001	616	PLZ1,000	Working capital	PLZ866,000
Olam South Africa/ 17 April 2002	900	ZAR1	Working capital	ZAR1,000
Olam Tanzania/ 09 March 2002	48,800	TZS10,000	Working capital	TZS1,588,000,000
Olam Vietnam/ 28 February 2003	USD490,000 in value of capital increased	NA	Working capital	USD1,000,000
Outspan India/ 2 December 2002	10,500	INR10	Working capital	INR108,000

- (e) Save as disclosed in this Prospectus, there were no shares in, or debentures of, our Company or any of our Subsidiaries which have been issued, or are proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash, within the three years preceding the date of lodgment of this Prospectus.

On 9 March 2004, our Company entered into a Programme Agreement with Standard Chartered Bank, as arranger and dealer, for the issue of multi-currency medium term fixed and floating rate notes (the "Notes") of an aggregate value of \$200,000,000 by our Company (the "MTN Programme"). The Notes were offered for subscription only to institutional investors as specified in section 274 of the SFA and sophisticated investors as specified in section 275 of the SFA.

On 13 December 2004, the maximum aggregate principal amount of the MTN Programme was increased to \$400,000,000.

Please refer to the section entitled "Material Contracts" beginning on page 178 of this Prospectus for details of the documents entered into by our Company pursuant to the MTN Programme.

- (f) Save as disclosed in the sections "Over-Allotment and Stabilisation", "Employee Share Subscription Scheme", "Grant of Options to Our Chief Executive Officer", "Olam Employee Share Option Scheme" and "Ownership Structure and Principal Shareholders" beginning on pages 37, 129, 131, 131 and 136 respectively of this Prospectus and in paragraph 1(e) above, no person has, or has the right to be given, an option to subscribe for or purchase shares in, or debentures of, our Company or any of our Subsidiaries.

2. INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

- (a) The names, addresses, ages, principal occupations and business and working experience of all our Directors and Executive Officers are set out in the section "Directors, Management and Staff" beginning on page 111 of this Prospectus.

- (b) The list of present directorships and past directorships of each Director (excluding directorships held in our Company) as at the date of this Prospectus and over the five years preceding the date of this Prospectus is set out below:-

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Murli Kewalram Chanrai	Directorships within Olam Group Olam Investments Limited, Mauritius	Directorships within Olam Group Nil
	Other Directorships Alceba Limited, Jersey Aquarius Investment Advisors Private Limited Cadensworth Trading Private Limited Cashtech Systems Private Limited Chanrai Holdings Limited, Jersey Chanrai Investment Corporation Limited, Bahamas Emkay Investments Limited, Bahamas G Kewalram & Sons (HK) Limited, Mauritius Hota-te Investments Limited, Bahamas Kay Asia Services Private Limited Kewalram Chanrai Holdings Limited, Jersey Kewalram (M) Sdn Bhd, Malaysia Kewalram Nominees Limited, Jersey Kewalram Oils Sdn Bhd, Malaysia Kewalram Singapore Limited Leonie Investments Limited, Jersey Magnus Capital Corporation Limited, Mauritius One Phillip Street Private Limited Parameswara Holdings Limited Parameswara Investments Limited, Mauritius Presco Private Limited RCI Limited, Mauritius Redington Private Limited Southern Fashions Limited, Sri Lanka Space Passage Sdn Bhd, Malaysia Vilco Private Limited	Other Directorships Kewalram Realty Limited Kewalram Realty Sdn Bhd, Malaysia Redington USA, Inc. USA Tri-M Technologies (S) Limited Valentino Garments Private Limited
Rangareddy Jayachandran	Directorships within Olam Group Olam Investments Ltd, Mauritius Olam Exports India Pte Ltd, India	Directorships within Olam Group Nil
	Other Directorships Aquarius Investment Advisors Private Ltd Cadensworth Trading Private Limited FCB-Ulka Advertising Limited, India Hollymount Investments Limited, Mauritius Holcomes Investments Limited, Mauritius Kay Asia Services Private Limited Kewalram Chanrai Holdings Limited, Jersey Kewalram Singapore Limited Leonie Investments Limited, Jersey Magnus Capital Corporation Limited, Mauritius Matchono Trading Private Limited Media Investments Limited, Mauritius Merlindus Technologies Pte Ltd Olam Holdings Limited, Jersey One Phillip Street Private Limited Presco Private Limited RCI Limited, Mauritius Redington Central Europe Limited, Hungary Redington Egypt Company Limited, Egypt	Other Directorships Angus Trading Limited, Mauritius Bees Holdings Limited, Mauritius Benley Holdings Limited, Mauritius Camplin International Holdings Ltd, Mauritius CWG (Asia) Pte Ltd Infocom Mauritius Limited, Mauritius Infosystems Limited, Mauritius IT Communications Limited, Mauritius Kewalram (M) Sdn Bhd, Malaysia Kewalram Nigeria Limited, Bahamas Kewalram Oils Sdn Bhd, Malaysia Kewalram Realty Limited Kewalram Realty Sdn Bhd, Malaysia Newington International Limited, Mauritius Orient Cartons Limited, Mauritius Portfolio Management & Services (1989) Limited, Bahamas

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
	Redington Gulf FZE, UAE Redington India Private Limited, India Redington Mauritius Limited, Mauritius Redington Private Limited Southern Fashions Limited, Sri Lanka Space Passage Sdn Bhd, Malaysia Wilco Private Limited Wyndham Holdings Limited, Mauritius	Redington USA Inc., USA Resource Technology (Mauritius) Ltd, Mauritius Silver Surf Limited, Bahamas Technology Resources Limited, Bahamas Trans Pacific Petroleum Limited, Bahamas Valentino Garments Private Limited
Sunny George Verghese	Directorships within Olam Group Lamco Spa, Italy Olam Americas Inc., USA Olam Europe BV, Netherlands Olam Europe Ltd, UK Olam Exports (India) Ltd, India Olam Insurance Ltd, Isle of Man Olam Ivoire Sarl, Cote d'Ivoire Olam Mocambique Limitada, Mozambique Olam Nigeria Ltd, Nigeria Olam Online Ltd Olam South Africa (Pty) Ltd, South Africa Olam Vietnam Ltd, Vietnam Other Directorships Nil	Directorships within Olam Group Nil Other Directorships Nil
Sridhar Krishnan	Directorships within Olam Group Olam Europe BV, Netherlands Olam Europe Ltd, UK Olam Insurance Ltd, Isle of Man Olam Kenya Ltd, Kenya Olam Mocambique Ltda, Mozambique Olam Nigeria Ltd, Nigeria Olam Tanzania Ltd, Tanzania Olam Uganda Ltd, Uganda Olam Vietnam Ltd, Vietnam Outspan Ivoire Sarl, Cote d'Ivoire Texturegate Investments (Private) Limited, Zimbabwe Other Directorships Nil	Directorships within Olam Group Nil Other Directorships Nil
Shekhar Anantharaman	Directorships within Olam Group Olam Americas, Inc. USA Olam Europe BV, Netherlands Olam Madagascar Sarl, Madagascar Olam Mocambique Ltda, Mozambique Olam Nigeria Ltd, Nigeria Olam Online Ltd Olam South Africa (Pty) Ltd, South Africa Olam Tanzania Ltd, Tanzania Olam Uganda Ltd, Uganda Olam Vietnam Ltd, Vietnam Outspan Ivoire Sarl, Cote d'Ivoire Outspan PNG Ltd, Papua New Guinea Other Directorships Nil	Directorships within Olam Group Nil Other Directorships Nil

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Narain Girdhar Chanrai	<p>Directorships within Olam Group</p> <p>Olam Investments Ltd, Mauritius</p> <p>Other Directorships</p> <p>Alceba Limited, Jersey Cadensworth Trading Private Limited Eco Oils Sdn Bhd, Malaysia Kay Asia Services Private Limited Kewalram Chanrai Holdings Limited, Jersey Kewalram (M) Sdn Bhd, Malaysia Kewalram Oils Sdn Bhd, Malaysia Kewalram Philippines Inc., Philippines Kewalram Realty Inc., Philippines Kewalram Realty Land, Philippines Kewalram Singapore Limited Leonie Investments Limited, Jersey Olam Holdings Limited, Jersey One Phillip Street Private Limited Presco Private Limited P T Kewalram Indonesia, Indonesia Redington Mauritius Limited, Mauritius Redington Private Limited Southern Fashions Limited, Sri Lanka Space Passage Sdn Bhd, Malaysia Valentino Garments Sdn Bhd, Malaysia Vilco Private Limited</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Camplin International Holdings Ltd, Mauritius Diversified Tracks Sdn Bhd, Malaysia Kewalram Nigeria Limited, Bahamas Kewalram Realty Private Limited Kewalram Realty Sdn Bhd, Malaysia Newington International Ltd, Mauritius Portfolio Management & Services (1989) Ltd, Bahamas Redington USA Inc., USA Silver Surf Ltd, Bahamas Technology Resources Ltd, Bahamas Trans Pacific Petroleum Limited, Bahamas Valentino Garments Private Limited</p>
Peter Francis Amour	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>AIF (Indonesia) Limited, British Virgin Islands AIF Energy Limited, British Virgin Islands AIF Capital Limited, Hong Kong AIF (Mauritius) India Telecom Limited, Mauritius AIF Engineering Development Limited, British Virgin Islands AIF Capital Management Co. Ltd, Cayman Islands AIF Steel Investment Holding Pte Ltd The Asian Infrastructure Fund, Cayman Islands Asian Infrastructure Fund Management Company Limited L.D.C., Cayman Islands Asian Infrastructure Fund Advisers Limited, Hong Kong Axia Capital Limited, Hong Kong Axia Capital Partners Limited, Hong Kong Axia Investments Limited, British Virgin Islands Bamboo Bay Investments Ltd, British Virgin Islands Best Dividend Investments Limited, British Virgin Islands Browns Communications Limited, Hong Kong CNK Digital Telecom (BVI) Limited, British Virgin Islands CNK Infrastructure Investment (BVI) Limited, British Virgin Islands CNK Telecommunications (BVI) Limited, British Virgin Islands</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Altus Asset Management Limited, Hong Kong Asian Information Resources (Holdings) Ltd, Cayman Islands Axia Capital International Limited, British Virgin Islands Axia Limited, Hong Kong Axia Nominees Limited, British Virgin Islands Cathay Partners Management Ltd, British Virgin Islands CNK Telecommunications Services Limited, Hong Kong Coolspeak.Com Pty Limited, Australia Fairy Secrets Limited, Hong Kong FMOT Pty Ltd, Australia Hans Andersen Club Ltd, Hong Kong Metamedia Advisors Limited, British Virgin Islands Pacific Ports Company Limited, Bermuda Q-Tel Hong Kong Limited, Hong Kong Sterling Holdings Limited, Hong Kong SunCorp Information Technologies Holding Limited, British Virgin Islands SunCorp Information Technologies (BVI) Limited, British Virgin Islands Verus Capital Ltd, Australia Verus Investments Ltd, Australia Verus Partners Ltd, Australia</p>

Name**Present Directorships****Past Directorships**

Delta Capital Consultants Limited,
British Virgin Islands
Dongya Ports Limited, British Virgin Islands
Dragon Orient Holdings Limited,
British Virgin Islands
Equity Dynamic Ltd, British Virgin Islands
First Ministry of Technology, Inc., USA
Global Precision Investments Limited,
Hong Kong
Golden Palm Limited, Mauritius
Good View Group Limited, Cayman Islands
H B Electronics (China) Limited,
British Virgin Islands
H B Investments (China) Limited,
British Virgin Islands
Joint Power Agents Limited,
British Virgin Islands
Keira International Limited, Cook Islands
Meiya Power Company Limited, Bermuda
MONDIAL Communications Limited,
Hong Kong
MONDIAL Investment Holdings Limited,
British Virgin Islands
Randwick Enterprises Limited, Hong Kong
Russell AIF Capital Inc., Mauritius
Russell AIF India Telecom Limited, Mauritius
Russell AIF Singapore Investments Limited,
British Virgin Islands
Russell AIF Investments Limited,
Cayman Islands
Serene Peace Limited, British Virgin Islands
SGW Electronics Limited, Hong Kong
South Asia Wireless Communications
(Mauritius) Limited, Mauritius
South Bay Investments Pty Limited, Australia
Square Bay Associates Limited,
British Virgin Islands
SunCorp Communications Limited, Hong Kong
SunCorp Communications Equipment
(Shenzhen) Limited, China
SunCorp Communications Holding Limited,
British Virgin Islands
SunCorp Group Limited, British Virgin Islands
SunCorp Industrial Limited, Hong Kong
SunCorp Industrial (China) Limited,
British Virgin Islands
SunCorp Information Technologies Limited,
Hong Kong
SunCorp Information Technologies (Asia)
Limited, Hong Kong
SunCorp Partners Limited,
British Virgin Islands
SunCorp Technologies Limited, Bermuda
Tak San Development Limited, Hong Kong
Tiger Capital Developments Limited,
British Virgin Islands
Topcliffe Investments Limited,
British Virgin Islands
Varina Group Limited, British Virgin Islands
Yes Bank Ltd, India

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Tse Po Shing	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>AIF Capital Ltd, Hong Kong AIF Steel Investment Holding Pte. Ltd Asian Infrastructure Fund Advisers Limited, Hong Kong Bantam Ventures Ltd, British Virgin Islands Beijing Aucone Food Catering Limited, China China Expressways Co. Ltd, British Virgin Islands CSX World Terminals Hong Kong Limited, Hong Kong CSX World Terminals Infrastructure Limited, Hong Kong DeMaT TransAsia Holdings Limited, Cayman Islands Dongya Ports Limited, British Virgin Islands Dragon Orient Holdings Limited, British Virgin Islands Fareast Allied Investments Ltd, British Virgin Islands Geranium Ventures Limited, Good View Group, British Virgin Islands Limited, Cayman Islands Grand Bay Venture Limited, British Virgin Islands Hadrian Assets Limited, British Virgin Islands Java Jalan (Mauritius) Holdings Limited, Mauritius Java Jalan Investment Inc., British Virgin Islands Malachy Developments Limited, British Virgin Islands Prime Tollways Company Limited, Bermuda PT Marga Mandalasakti, Indonesia Pushkin Enterprises Limited, British Virgin Islands Russell AIF Singapore Investments Limited, British Virgin Islands Sinoplus Developments Limited, British Virgin Islands Sinosmart Limited, British Virgin Islands Topwell Venture Limited, British Virgin Islands Transasia Development (Xinhui) Limited, British Virgin Islands</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Cactusland Limited, British Virgin Islands (struck off) DeMaT Infrastructure Holding Inc., British Virgin Islands (wound up) Hebei Lindu Express Highway Company Limited, China Huizhou Huibo Highway Company Limited, China Huizhou Huibo Highway Management Company Limited, China (wound up) Pacific Ports Company Limited, Bermuda Platinum Inspirations Limited, British Virgin Islands (struck off) The New China Hong Kong Highway Limited, British Virgin Islands Tribillion Investments Limited, British Virgin Islands Xiangtan Jiaxiang Roads and Bridges Development Company Limited, China</p>
Wong Heng Tew	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Aegean Investments Pte Ltd Aranda Investments Pte Ltd Aranda Investments (Mauritius) Pte Ltd Arcadia Global Corporation Limited Banyan Investments Pte Ltd Baytree Investments (Mauritius) Pte Ltd Centaura Investments (Mauritius) Pte Ltd Coleman Fund Management Pte Ltd ECGC Ltd ECICS Ventures 2 Ltd</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Alexandra Fund Management Pte Ltd Asean Bintulu Fertilizer Sdn Bhd, Malaysia Asean Potash Mining Public Company Limited, Australia Asia Leasing Limited Blueframe Solutions Pte Ltd Cassia Fund Management Pte Ltd eG Innovations Pte Ltd ENV Corporation Pte Ltd/FHTK Holdings Ltd/Finlayson Fund Investments Pte Ltd Finlayson Investments Pte Ltd Finlayson Alpha</p>

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
	ECICS Ventures Pte Ltd ECIL Ltd e-Cop Pte Ltd EH Group Ltd Elmtree Investments Private Limited EPL Ltd Great Concept Investments Limited HDB Corporation Pte Ltd Maju Investments (Mauritius) Pte Ltd Marina Centre Holdings Pte Ltd Parkstone Real Estate Pte Ltd Perikatan Asia Sdn Bhd Pinetree Investments (Mauritius) Pte Ltd PLE Investments Pte Ltd Singapore Aircraft Leasing Enterprise Pte Ltd Somerset Global Corporation Limited Temasek Financial Limited Tuas Fund Investments Pte Ltd	Finlayson Alpha Investments Pte Ltd Finlayson Global Corporation Ltd Finlayson One Pte Ltd FMPL Investments Pte Ltd FPL Alpha Investments Pte Ltd Fullerton (Overseas) Holdings Pte Ltd Fullerton (Pte) Ltd Fullerton Alpha Investments Pte Ltd Fullerton Fund Investments Pte Ltd Fullerton Global Corporation Ltd Fullerton Management Pte Ltd Havelock Fund Investments Pte Ltd Havelock Investments Pte Ltd Health Answers (Australia) Pty Ltd, Australia Health Answers Asia Pte Ltd Hong Lim Fund Investments Pte Ltd Muvee Technologies Pte Ltd Pacific Leasing Limited PT Asean Aceh Fertilizer, Indonesia PWD Corporation Pte Ltd SEL Holdings Pte Ltd SembCorp Gas Pte Ltd Singapore Pools (Pte) Ltd Urban Management Co (1987) Pte Ltd
Lim Sheau Ming	Directorships within Olam Group Nil Other Directorships Catalyst Enterprises Ltd, Hong Kong Crown Million Enterprises Ltd, Hong Kong Crown Pacific Development Ltd, Hong Kong Duxton Investments Pte Ltd Germiston Developments Ltd, British Virgin Islands Hard Rock Hotels & Resorts Management Pte Ltd LCD (Vietnam) Pte Ltd MCH Services (Sydney) Pte Ltd Plumtree Investments Pty Ltd, Australia Prestige Landmark Pte Ltd SembCorp Gas Pte Ltd Singapore-Suzhou Township Development Pte Ltd Suzhou Property Development Pte Ltd Tuas Power Ltd Union Charm Development Limited, Hong Kong Wesclove Investments Pte Ltd Winners Path Pte Ltd	Directorships within Olam Group Nil Other Directorships Ascendas Holdings (Manila) Pte Ltd Ascendas-Xinsu Development (Suzhou) Co Ltd, PRC Asia Environment Development Ltd, Hong Kong Canberra Investments Pte Ltd Dover Investments Pte Ltd Duxton Investments Pte Ltd JTCI Industrial Holdings (Bangkok) Pte Ltd Regional Infrastructure Management Pte Ltd SembCorp Parks Management Pte Ltd Singapore-Suzhou Industrial Holdings Pte Ltd Singapore-Wuxi Investment Holdings Pte Ltd Vietnam Singapore Industrial Park Pte Ltd Vietnam-Singapore Industrial Park JV Co, Vietnam Wealth Come (Asia) Ltd, Hong Kong Wuxi Garden City Mall Hotel Co Ltd, PRC Wuxi International Management Services Pte Ltd Wuxi-Singapore Industrial Park Development Co Ltd, PRC
Mark Haynes Daniell	Directorships within Olam Group Nil Other Directorships Exeter Premedia Services Ltd Merlindus Technologies Pte Ltd The Cuscaden Group Pte Ltd	Directorships within Olam Group Nil Other Directorships Asia Net Media B.V. Bain & Company (Inc.), USA Bain & Company (Asia) Inc, USA Bain International Inc., USA

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Michael Lim Choo San	Directorships within Olam Group Nil Other Directorships Affinity Health Holdings Australia Pty Limited, Australia Affinity Health Finance Australia Pty Limited, Australia Affinity Health Limited, Australia National Healthcare Group Pte Ltd National Skin Centre (Singapore) Pte Ltd National University Hospital (Singapore) Pte Ltd Tan Tock Seng Hospital Pte Ltd	Directorships within Olam Group Nil Other Directorships Bestmark Investment Ltd E.C.P.K. Enterprises (Pte) Ltd Health Corporation of Singapore Pte Ltd National Neuroscience Institute of Singapore Pte Ltd PricewaterhouseCoopers GHRS Pte Ltd
Robert Michael Tomlin	Directorships within Olam Group Nil Other Directorships Dane Court Pte Ltd Singapore Repertory Theatre Pte Ltd The Old Parliament House Ltd	Directorships within Olam Group Nil Other Directorships Ah Kong's Birthday Pte Ltd Arisaig India Fund, Mauritius PSA Corporation Limited P.T. UBS Securities Indonesia, Indonesia UBS AG, Switzerland UBS Futures & Options Singapore Pte Ltd UBS Warburg Pte Ltd

- (c) The list of present directorships and past directorships of each Executive Officer as at the date of this Prospectus and over the five years preceding the date of this Prospectus is set out below:-

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Krishnan Ravikumar	Directorships within Olam Group Olam Nigeria Ltd, Nigeria Olam Exports (India) Ltd, India Other Directorships Nil	Directorships within Olam Group Nil Other Directorships Nil
Gerard Anthony Manley	Directorships within Olam Group Olam Europe Ltd, United Kingdom Other Directorships The Federation of Cocoa Commerce Ltd	Directorships within Olam Group Nil Other Directorships Nil
Jagdish Achleshwar Prasad Parihar	Directorships within Olam Group Nil Other Directorships Nil	Directorships within Olam Group Nil Other Directorships Nil

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Vivek Verma	<p>Directorships within Olam Group</p> <p>Lamco Spa, Italy Olam Uganda Ltd, Uganda Outspan PNG Ltd, Papua New Guinea</p> <p>Other Directorships</p> <p>Nil</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Nil</p>
Ashok Krishen	<p>Directorships within Olam Group</p> <p>Olam Benin Sarl, Benin Olam Exports (India) Ltd, India</p> <p>Other Directorships</p> <p>Nil</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Nil</p>
Ashok Chandra Mohan Hegde	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Nil</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Nil</p>
Devashish Chaubey	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Nil</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Nil</p>
James Edward Green	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Nil</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Nil</p>
Renatus George Goudriaan	<p>Directorships within Olam Group</p> <p>Olam Europe BV, Netherlands</p> <p>Other Directorships</p> <p>Nil</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Nil</p>
Venkataramani Srivathsan	<p>Directorships within Olam Group</p> <p>Olam Nigeria Ltd, Nigeria</p> <p>Novus Nigeria Ltd, Nigeria</p> <p>Other Directorships</p> <p>Nil</p>	<p>Directorships within Olam Group</p> <p>Nil</p> <p>Other Directorships</p> <p>Nil</p>

<u>Name</u>	<u>Present Directorships</u>	<u>Past Directorships</u>
Ranveer Singh Chauhan	Directorships within Olam Group	Directorships within Olam Group
	Olam Benin Sarl, Benin Olam Cam Sarl, Cameroon	Nil
	Other Directorships	Other Directorships
	Nil	Nil
Moochikal Damodran Ramesh	Directorships within Olam Group	Directorships within Olam Group
	Olam Benin Sarl, Benin Olam Togo Sarl, Togo Olam Ghana Ltd, Ghana Olam Guinee Sarl, Guinea	Nil
	Other Directorships	Other Directorships
	Nil	Nil
Raj Vardhan	Directorships within Olam Group	Directorships within Olam Group
	Nil	Nil
	Other Directorships	Other Directorships
	Nil	Nil
Rajeev Pandurang Kadam	Directorships within Olam Group	Directorships within Olam Group
	Nil	Nil
	Other Directorships	Other Directorships
	Nil	Nil
Joydeep Bose	Directorships within Olam Group	Directorships within Olam Group
	Nil	Nil
	Other Directorships	Other Directorships
	Nil	Nil
Sundararajan Suresh	Directorships within Olam Group	Directorships within Olam Group
	Caraway Pte Ltd	Nil
	Other Directorships	Other Directorships
	Nil	Nil
Raj Sekhar	Directorships within Olam Group	Directorships within Olam Group
	Nil	Nil
	Other Directorships	Other Directorships
	Nil	Nil

(d) Save as disclosed in the section entitled “Ownership Structure and Principal Shareholders” beginning on page 136 of this Prospectus, none of our Directors and Executive Officers is related to one another or to any of our Substantial Shareholders.

(e) The following table sets out the significant changes in the shareholding interests of our Directors and Substantial Shareholders in our Shares in the last three years prior to the Latest Practicable Date. Save as disclosed below, there were no significant changes in the percentage of ownership in our Company in the three years before the Latest Practicable Date.

	As at 31 December 2001		As at 31 December 2002		As at 31 December 2003		As at 29 December 2004	
	No. of ordinary shares of \$0.20 owned	%	No. of ordinary shares of \$0.20 owned	%	No. of ordinary shares of \$0.20 owned	%	No. of ordinary shares of \$0.20 owned	%
Directors								
Murli Kewalram Chanrai	82,360,000 (Deemed)	74.78	248,047,175 (Deemed)	60.87	272,051,910 (Deemed)	56.13	272,051,910 (Deemed)	45.87
Sunny George Verghese	11,000,000 (Direct)	10.00	36,025,000 (Direct)	8.84	39,511,315 (Direct)	8.15	39,511,315 (Direct)	6.66
Sridhar Krishnan	1,100,000 (Direct)	1.00	3,602,500 (Deemed)	0.88	3,951,131 (Deemed)	0.82	6,581,024 (Deemed)	1.11
Shekhar Anantharaman	1,100,000 (Direct)	1.00	3,602,500 (Deemed)	0.88	3,951,131 (Deemed)	0.82	6,581,024 (Deemed)	1.11
Narain Girdhar Chanrai	82,360,000 (Deemed)	74.78	248,047,175 (Deemed)	60.87	272,051,910 (Deemed)	56.13	272,051,910 (Deemed)	45.87
Substantial Shareholders (5% or more)								
Kewalram Singapore Limited ⁽¹⁾	82,360,000 (Direct)	74.78	248,047,175 (Direct)	60.87	272,051,910 (Direct)	56.13	272,051,910 (Direct)	45.87
Russell AIF Singapore Investments Limited	-	-	59,038,501 (Direct)	14.49	64,751,945 (Direct)	13.36	64,751,945 (Direct) 19,268,872 (Deemed)	10.92 3.25
Russell AIF Asia II, L.P.	-	-	59,038,501 (Deemed)	14.49	64,751,945 (Deemed)	13.36	84,020,817 (Deemed)	14.17
International Finance Corporation ⁽²⁾	-	-	-	-	52,161,689 (Direct)	10.76	52,161,689 (Direct)	8.80
Seletar Investments Pte Ltd ⁽³⁾	-	-	-	-	37,711,108 (Direct)	7.78	37,771,108 (Direct)	6.37
Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose (as trustees under ESBS)	-	-	60,767,625	14.91	66,648,405	13.75	70,599,536	11.90
Dexia Trust (as trustee under ESSS)	-	-	-	-	-	-	29,835,700	5.03
Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose (as trustees under ESSS)	-	-	-	-	-	-	7,120,822	1.20

Notes:

⁽¹⁾ As CICL, Kewalram Chanrai Holdings Limited, the trustee of the DKC Settlement, the trustees of the GKC Settlement, the trustees of the MKC Settlement and the trustees of the PKC Settlement are each deemed to be interested in all the Shares held by Kewalram, the changes in their deemed interests in their Shares are the same as Kewalram's. Please refer to the section entitled "Ownership Structure and Principal Shareholders" beginning on page 136 of this Prospectus for more details of the aforesaid corporations and settlements.

⁽²⁾ The shares owned by International Finance Corporation were Convertible Redeemable Shares prior to their conversion into ordinary shares on 21 October 2004.

⁽³⁾ As Seletar Investments Pte Ltd ("Seletar") is a wholly-owned subsidiary of Temasek and Temasek is deemed to be interested in all the Shares held by Seletar, the changes in Temasek's deemed interest in its Shares is the same as Seletar's.

(f) There is no shareholding qualification for Directors in our Articles of Association.

(g) Saved as disclosed below, none of our Directors or Executive Officers:-

- (i) has, at any time during the last 10 years, had a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner;
- (ii) has, at any time during the last 10 years, had a petition under any law of any jurisdiction filed against a corporation of which he was a director or key executive for the winding up of that corporation on the ground of insolvency;
- (iii) has any unsatisfied judgement against him;
- (iv) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment for 3 months or more, or has been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such purpose;
- (v) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings which he is aware of) for such breach;
- (vi) has, at any time during the last 10 years, had judgement entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, nor has he been the subject of any civil proceedings (including any pending civil proceedings which he is aware of) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (vii) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any corporation;
- (viii) has ever been disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (ix) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (x) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-
 - (aa) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

(bb) any corporation or partnership which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the corporation or partnership.

In March 1998, our Non-Executive Director, Tse Po Shing, appeared as a witness for an investigation of Pacific Ports Company Limited ("PPCL") by the Commercial Crime Bureau of Hong Kong ("CCB"). Following this investigation, the then Chairman of PPCL was found guilty and convicted for misappropriating funds in PPCL for his own use. At the relevant time Mr Tse was a representative (in that he participated in the board meetings of PPCL although he was not appointed as a director of PPCL at that time) of The Asian Infrastructure Fund ("AIF"), which was a shareholder in PPCL. Neither Mr Tse nor AIF was the subject of the aforesaid investigation by the CCB.

- (h) The aggregate remuneration paid by our Group to our Directors for services rendered in all capacities to our Company and our Subsidiaries for FY2004 amounted to approximately \$1,629,000. For FY2005, the unaudited aggregate remuneration payable to our Directors is estimated to be approximately \$1,355,000 (including benefits-in-kind but excluding bonuses).
- (i) Save as disclosed under the sections "Employee Share Benefit Scheme", "Employee Share Subscription Scheme", "Grant of Options to Our Chief Executive Officer" and "Olam Employee Share Option Scheme" beginning on pages 129, 129, 131 and 131 respectively of this Prospectus, no option to subscribe for securities of our Company or any of our Subsidiaries has been granted to, or was exercised by, any Director or Chief Executive Officer within the two years preceding the date of this Prospectus.
- (j) Save as disclosed in the section "Interested Person Transactions and Conflicts of Interest - Past Interested Person Transactions" beginning on page 148 of this Prospectus, none of our Directors is interested, directly or indirectly, in the promotion of, or in any assets acquired or disposed of by, or leased to, our Company or our Subsidiaries within the two years preceding the date of this Prospectus, or in any proposal for such acquisition or disposal or lease as aforesaid.
- (k) None of our Directors, Executive Officers or Substantial Shareholders or their Associates has any interest, direct or indirect, in any company carrying on the same trade or dealing in similar products as our Company or any of our Subsidiaries taken as a whole.
- (l) None of our Directors is materially interested in any existing contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of our Company and our Subsidiaries.
- (m) No sum or benefit has been paid or has been agreed to be paid to any Director or expert or to any firm in which such Director or expert is a partner or any corporation in which such Director holds shares or debentures in cash or in shares or otherwise by any person (i) (in the case of a Director) to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or such firm or corporation in connection with the promotion or formation of our Company or (ii) (in the case of an expert) for services rendered by which him or such firm or corporation in connection with the promotion or formation of our Company.
- (n) Save as disclosed in the section entitled "Business" beginning on page 74 of this Prospectus, our Group is not materially dependent on any patent or licence, industrial, commercial or financial contract (including a contract with a customer or supplier) or manufacturing process.
- (o) No expert named:-
 - (i) is employed on a contingent basis by our Company or our Subsidiaries;
 - (ii) has a material interest, whether direct or indirect, in our Shares or the Invitation Shares or in the shares of any of our Subsidiaries; or

- (iii) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.

3. MEMORANDUM AND ARTICLES OF ASSOCIATION

Our Company is registered with the Accounting and Corporate Regulatory Authority (ACRA) under the registration number 199504676H.

(a) Memorandum of Association

The Memorandum of Association of our Company states, among others, that the liability of members of our Company is limited.

The objects of the Company are set out in paragraph 3 of its Memorandum of Association which *inter alia* provide as follows:-

- (1) 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.
- (2) 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.

Our Company's objects and purposes are set out in full in paragraph 3 of our Memorandum of Association which is available for inspection at our registered office as stated in the section "General and Statutory Information – Documents for Inspection" on page 186 of this Prospectus. The complete listing of our objects and purposes can be found in our Memorandum of Association.

(b) Articles of Association

An extract of our Articles of Association on certain provision relating to Directors' rights, preferences and restrictions attaching to shares; and rights of non-resident or; foreign Shareholders are set out below. The Articles of Association of our Company are available for inspection at our registered office as stated in the section entitled "General and Statutory Information – Documents for Inspection" on page 186 of this Prospectus.

(i) Provisions relating to Directors

The provisions in the Articles of Association of our Company relating to (a) a Director's power to vote on a proposal, arrangement or contract in which the Director is interested; (b) the Director's power to vote on remuneration (including pension or other benefits) for himself or for any other director, and whether the quorum at a meeting of the board of directors to vote on directors' remuneration may include the director whose remuneration is the subject of the vote; (c) borrowing powers exercisable by the Directors and how such borrowing powers can be varied; (d) retirement or non-retirement of Directors under an age limit requirement; and (e) number of shares, if any, required for Director's qualification, are as follows:-

Appointment, Retirement and Removal of Directors

Article 98

Until otherwise determined by a Special Resolution at a General Meeting, the number of Directors shall not be less than two or more than twenty. All the Directors of the Company shall be natural persons.

Article 100

A Director shall not be required to hold any share in the Company.

Article 101(1)

Any Director may at any time and from time to time appoint any other person approved by a majority of the Directors for the time being to be his alternate. An alternate Director shall be entitled (subject to his giving to the Company an address within the Republic of Singapore at which notices may be served on him) to receive notice of meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not present, and generally at such meeting to exercise all the powers, rights, duties and authorities of the Director appointing him. Every person acting as an alternate Director shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults and he shall not be deemed to be the agent of or for the Director appointing him. All the appointments and removals of alternate Directors made by any Director in pursuance of this Article, shall be in writing under the hand of the Director making the same and shall be sent to or left at the Office. A Director may not act as an alternate for another Director. A person may not act as an alternate Director for more than one Director of the Company.

Article 101(2)

An alternate Director may be removed by his appointor and the appointor (subject to the approval of the Directors) may appoint another in his place. An alternate Director may be removed from office by a resolution of the Directors, but he shall be entitled to vote on such resolution and he shall, ipso facto, cease to be an alternate Director if his appointor ceases for any reason to be a Director. The appointment of an alternate Director shall also determine on the happening of any event which, if he were a Director, would cause him to vacate such office.

Article 104(1)

The office of a Director shall be vacant if the Director:-

- (a) ceases to be a Director by virtue of the Statutes; or
- (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (c) is or becomes prohibited from being a Director by reason of any order made under the Statutes; or
- (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under any law relating to mental disorder; or
- (e) resigns his office by notice in writing to the Company; or
- (f) for more than six months is absent without permission of the Directors from meetings of the Directors held during that period and his alternate Director (if any) shall not during such period have attended in his stead; or
- (g) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in manner required by the Statutes; or
- (h) if he is removed from office pursuant to the Statutes.

Article 104(2)

The appointment of any Director to the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Director shall automatically terminate if he ceases to be a Director but without prejudice to any claim for any damage or breach of any contract of service between him and the Company.

Article 104(3)

The appointment of any Director to any other executive office shall automatically terminate if he ceases from any cause to be a Director only if the contract or resolution under which he holds office expressly so provides, in which case such termination shall be without prejudice to any claim for damages or breach of any contract of service between him and the Company.

Article 107

At the Annual General Meeting in every year one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest one-third, shall retire from office Provided Always that all Directors shall retire from office at least once every 3 years.

Article 108

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Article 109

Subject to the Statutes, a retiring Director shall be eligible for re-election at the meeting at which he retires.

Nomination of Directors

Article 110

A person who is not a retiring Director shall be eligible for election to office of Director at any General Meeting if some Member intending to propose him has, at least eleven clear days before the meeting, left at the Office of the company a notice in writing duly signed by the nominee, giving his consent to the nomination and signifying his candidature for the office, or the intention of such Member to propose him, Provided That in the case of a person recommended by the Directors for election, nine clear days' notice only shall be necessary, and notice of each and every candidature for election to the Board of Directors shall be served on the registered holders of shares at least seven days prior to the meeting at which the election is to take place.

Article 111

The Company by Special Resolution in General Meeting may, from time to time, increase or reduce the number of Directors, and may alter their qualification, if any.

Article 112

The Directors may from time to time appoint one or more of their body to the office of Managing Director for such period (not exceeding 5 years) and on such terms as they think fit, and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. A Managing Director shall be subject to the control of the Directors and his appointment shall be automatically determined if he ceases from any cause to be a Director.

Article 117

The Directors shall have power at any time and from time to time to appoint any other qualified person as a Director either to fill a casual vacancy or as an addition to the Board. But any Director so appointed shall hold office only until the next Annual General Meeting of the Company, and shall be eligible for re-election.

Article 118

The Company may from time to time by Ordinary Resolution remove any Director before the expiration of his period of office, and may by an Ordinary Resolution appoint another person in his stead. The person so appointed shall continue to hold office until the next Annual General Meeting.

Article 125

The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to these Articles, the continuing Directors may, except in an emergency, act for the purpose of increasing the number of Directors to such minimum number, or of summoning a General Meeting of the Company, notwithstanding that there shall not be a quorum, but for no other purpose.

Directors' Remuneration

Article 101(3)

An alternate Director shall be entitled to contract and be interested in and benefit from contracts, arrangements or transactions to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any remuneration in respect of his appointment as alternate Director except only such part (if any) of the remuneration otherwise payable to his appointor in which event any fee paid by the Company to an alternate Director shall be deducted from the fees of the Director appointing the alternate.

Article 102(1)

The Directors shall be entitled to receive by way of fees for their services as Directors in each year such sum as shall from time to time, subject to Section 169 of the Act, be determined by the Company by resolution passed at a General Meeting, the notice of which shall specify the proposals concerning the same. Such remuneration shall be divided amongst the Directors as they shall determine or failing agreement equally.

Article 102(2)

The fees payable to the Directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the Meeting.

Article 102(3)

The remuneration of a non-executive Director shall be by a fixed sum and not by a commission on or percentage of profits or turnover. The remuneration of an executive Director may not include a commission on or a percentage of turnover.

Article 102(4)

The provisions of this Article are without prejudice to the power of the Directors to appoint any of their number to be employee or agent of the Company at such remuneration and upon such terms as they think fit without the approval of the Members in General Meeting provided that such remuneration may include a commission on or percentage of profits but not a commission on or percentage of turnover.

Article 102(5)

Subject to the provisions of the Statutes, the Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme of fund to pay premiums.

Article 103

If any Director, being willing and having been called upon to do so, shall hold an executive office in the Company, shall render or perform extra or special services of any kind, including services on any committee established by the Directors, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Directors may think fit for expenses, and also such remuneration as the Directors may think fit, either as a fixed sum or as provided in Article 102(3) (but not by way of commission on or percentage of turnover) and such remuneration may, as the Directors shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive, and the same shall be charged as part of the ordinary working expenses of the Company.

Article 105(3)

A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as a vendor, purchaser or otherwise. Subject to this Article 105, no such contract and no contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested shall be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Article 114

The Directors shall (subject to the provisions of any contract between the Managing Director and the Company) from time to time fix the remuneration of the Managing Director which may be by way of fixed salary, commission or participation in profits (but not turnover) of the Company or by any or all of these modes.

Restrictions on Voting Rights of Directors

Article 105(1)

A Director who is in any way whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 156 of the Act.

Article 105(2)

A Director shall not vote in respect of any contract or proposed contract or arrangement with the Company in which he has directly or indirectly a personal material interest and if he shall do so his vote shall not be counted nor save as provided by Article 106 shall he be counted in the quorum present at the meeting.

Article 105(3)

A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as a vendor, purchaser or otherwise. Subject to this Article 105, no such contract and no contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested shall be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Article 106

Subject to Article 105(2) above, a Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged.

Borrowing Powers of Directors

Article 62

The Directors may, from time to time, exercise all the powers of the Company to raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the Company.

Article 63

The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and, in particular, by the issue of debentures or debenture stock of the Company, perpetual or otherwise, charged upon or by mortgage charge or lien of and on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being, or by making, accepting, endorsing or executing any cheque, promissory note or bill of exchange.

Directors' power to vote for compensation to themselves or any members of their body in the absence of an independent quorum

Article 102(4)

The provisions of this Article are without prejudice to the power of the Directors to appoint any of their number to be employee or agent of the Company at such remuneration and upon such terms as they think fit without the approval of the Members in General Meeting provided that such remuneration may include a commission on or percentage of profits but not a commission on or percentage of turnover.

Article 102(5)

Subject to the provisions of the Statutes, the Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme of fund to pay premiums.

(ii) Provisions relating to rights, preferences and restrictions attaching to Shares

The provisions in the Articles of Association of our Company relating to (a) the rights, preferences and restrictions attaching to each class of shares; (b) any change in capital; (c) any change in the respective rights of the various classes of shares including the action necessary to change the rights; and (d) any time limit after which a dividend entitlement will lapse and an indication of the party in whose favour this entitlement then operates, are as follows:-

Variation of Members' Rights

Article 9

Subject to the provisions of the Statutes, all or any of the special rights or privileges for the time being attached to any preference share for the time being issued may from time to time (whether or not the Company is being wound up) be modified, affected, altered or abrogated and preference capital other than redeemable preference shares may be repaid if authorised by a Special Resolution passed by holders of such preference shares at a special meeting called for the purpose. To any such special meeting, all provisions of these Articles as to General Meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one third of the issued preference shares concerned and that every holder of the preference shares concerned shall be entitled on a poll to one vote for every such share held by him and that any holder of the preference shares concerned present either in person or by proxy may demand a poll Provided Always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from holders of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.

Article 61

Subject to the Statutes and save as provided by these Articles, all or any of the special rights or privileges attached to any class of shares in the capital of the Company for the time being issued may, at any time, as well before as during liquidation, be modified, affected, altered or abrogated, either with the consent in writing of the holders of not less than three-fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting, but so that the quorum thereof shall be not less than two persons personally present and holding or representing by proxy one-third of issued shares of the class, and that any holder of shares of the class, present in person or by proxy, shall on a poll be entitled to one vote for each share of the class held or represented by him, and if at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of shares of the class who are personally present shall be a quorum. The Directors shall comply with the provisions of Section 186 of the Act as to forwarding a copy of any such consent or Resolution to the Registrar of Companies.

Arrangement for transfer and any restrictions on the free transferability of the shares

Article 40

Save as provided by these Articles, there shall be no restriction on the transfer of fully paid shares (except where required by law or by the rules, bye-laws or listing rules of the Exchange). All transfers of shares may be effected by way of book-entry in the Depository Register Provided Always that the legal title in the shares may be transferred by the registered holders thereof by an instrument of transfer in the form approved by the Directors and the Exchange. The instrument of transfer shall be left at the Office accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the registered holder of the shares until the name of the transferee is entered in the Register in respect thereof.

Article 41

The instrument of transfer shall be signed both by the transferor and by the transferee, and it shall be witnessed Provided Always that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository.

Article 42

Shares of different classes shall not be comprised in the same instrument of transfer.

Article 43

No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Article 44(1)

All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

Article 44(2)

The Company shall be entitled to destroy:-

- (a) all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof;
- (b) all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof; and
- (c) all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof.

Article 44(3)

It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and that:-

- (a) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
- (b) every share certificate so destroyed was a valid and effective certificate duly and properly cancelled; and
- (c) every other document hereinbefore mentioned so destroyed was a valid and effective document;

in accordance with the recorded particulars thereof in the books or records of the Company.

Article 44(4)

Articles 44(2) and 44(3) shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant.

Article 44(5)

Nothing contained in this Article 44 shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstance which would not attach to the Company in the absence of this Article 44, and references in this Article 44 to the destruction of any document include references to the disposal thereof in any manner.

Article 45

The Directors may decline to accept any instrument of transfer unless:-

- (a) all or any part of the stamp duty (if any) payable on each share transfer and such fee not exceeding two Singapore Dollars for each transfer or such other sum as may from time to time be prescribed by the Exchange is paid to the Company; and
- (b) such fee not exceeding two Singapore Dollars as the Directors may from time to time determine is paid to the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares.

Article 46

The Directors may refuse to register the transfer of shares or allow the entry of or against a person's name in the Depository Register in respect of shares transferred or to be transferred to such person:-

- (a) which are not fully paid up; or
- (b) on which the Company has a lien.

Article 47

If the Directors refuse to register any transfer of any share they shall, where required by the Statutes, serve on the transferor and transferee, within one month beginning with the day on which the transfer was lodged with the Company, a notice in writing informing each of them of such refusal and of the facts which are considered to justify the refusal.

Article 48

The Register may be closed at such times and for such periods as the Directors may from time to time determine Provided Always that the Register shall not be closed for more than thirty days in any year Provided Always that the Company shall give prior notice of such closure as may be required to the Exchange stating the period and purpose or purposes for which such closure is to be made.

Alteration of Capital

Article 57

The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued have been fully paid up or not, increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company by the resolution authorising such increase shall direct.

Article 58(1)

Unless otherwise determined by the Company in General Meeting or except as permitted under the Exchange's listing rules, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings, in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled.

Article 58(2)

The offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in the manner hereinbefore provided.

Article 59

Subject to any directions that may be given in accordance with the powers contained in the Memorandum of Association or these Articles, any capital raised by creation of new shares shall be considered as part of the original capital and all new shares shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.

Article 60(1)

The Company may by Ordinary Resolution:-

- (a) consolidate and divide its capital into shares of larger amount than its existing shares; or
- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or

- (c) by subdivision of its existing shares or any of them divide its capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association. The resolution by which the subdivision is effected may determine that, as between the holders of the resulting shares, one or more of such shares may have any such preferred, deferred or other special rights or be subject to any restriction as the Company has power to attach to unissued or new shares; or
- (d) subject to the Statutes, convert any class of shares into any other class of shares.

Article 60(2)

The Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any requirement authorised and consent required by law.

Voting Rights of Members and General Meetings

Article 10

Preference shareholders shall have the same rights as ordinary Members as regards the receiving of notices, reports and balance sheets and the attending of General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital of the Company or winding up or sanctioning the sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.

Article 13(3)

The joint holder first named in the Register or the Depository Register, as the case may be, shall as regards voting, proxy, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share.

Article 66

In addition to any other meetings, a General Meeting shall be held once at least in every calendar year, at such time and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to elapse between any two such General Meetings.

Article 71

Subject to the Statutes relating to the convening of meetings to pass Special Resolutions and agreements for shorter notice, at least fourteen clear days' notice in writing specifying the place, day and hour of the meeting, and in case of special business, a notice in writing setting out the general nature of such special business, accompanied by a statement regarding the effect of any proposed resolution in respect of such special business, shall be given to all Members and the Exchange other than such as are not entitled under these Articles to receive such notices from the Company. Every such notice shall be published in at least one English Language daily newspaper circulating in Singapore at least fourteen clear days before the meeting. Whenever any meeting is adjourned for fourteen days or more, at least seven days' notice in writing of the place and hour of such adjourned meeting shall be given in like manner Provided Always that when a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

Article 80

At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded by:-

- (a) the Chairman of the meeting; or
- (b) not less than two Members present in person or by proxy and entitled to vote; or
- (c) a Member or Members present in person or by proxy, holding or representing, as the case may be:-
 - (i) not less than one-tenth of the total voting rights of all Members entitled to vote at the meeting; or

- (ii) shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Article 81(1)

If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Article 81(2)

No poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.

Article 82

Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Article 83(1)

No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting, as the case may be, at which the vote objected to is or may be given, tendered or cast, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

Article 83(2)

If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and unless in the opinion of the Chairman at the meeting or at any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.

Article 84

In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, as the case may be, shall have a second or casting vote.

Article 85(1)

Subject to and without prejudice to any special privileges or restriction as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company:-

- (a) every Member who is present in person or by proxy shall have one vote on a show of hands, the Chairman to decide which proxy shall be entitled to vote where a Member is represented by two proxies; and
- (b) every Member who is present in person or by proxy, in case of a poll, shall have one vote for every share which he holds or represents and upon which all calls or other sums due thereon to the Company have been paid.

Article 85(2)

For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting upon a poll being called, the number of shares held or represented shall, in relation to the shares of that Depositor, be the number of shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company.

Article 86

In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register or the Depository Register, as the case may be.

Article 87

Unless the Directors otherwise determine, no person other than a Member who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any question either personally or by proxy at any General Meeting.

Article 88

A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by the committee, curator bonis, or other person in the nature of committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may, on a poll, vote by proxy.

Article 89

On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Article 90(1)

A proxy need not be a Member.

Article 90(2)

A Member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting Provided Always that where the Member is a Depositor, the Company shall be entitled and bound:-

- (a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company;
- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company, whether that number be greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor; and
- (c) in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

Article 90(3)

In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.

Article 91

Any corporation which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meetings of the Company or any class of Members of the Company, and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder.

Article 92

An instrument appointing a proxy shall be in writing in any usual or common form (including the form approved from time to time by the Depository) or in any other form which the Directors may approve and:-

- (1) in the case of an individual shall be signed by the appointor or his attorney;
- (2) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

Article 93

Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Office, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

Article 94

The signature on an instrument of proxy need not be witnessed.

Article 95

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given Provided Always that no notice in writing of the death or revocation or transfer shall have been received at the Office one hour at least before the time fixed for holding the meeting.

Article 96

An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to speak at the meeting.

Article 97

Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.

Dividend Rights

Article 135

The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles as to the reserve fund shall be divisible among the Members in proportion to the amount of capital paid up on the shares held by them respectively.

Article 136

The Company in General Meeting may by Ordinary Resolution declare a dividend on or in respect of any share to the Members according to their rights and interest in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.

Article 137

No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.

Article 138

The declaration of the Directors as to the net profits of the Company shall be conclusive.

Article 139

The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies provided no such dividends shall be declared more than once in six months.

Article 140

The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

Article 141

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer or the entry of the shares against the Depositor's name in the Depository Register, as the case may be.

Article 142

Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of wholly or partly paid-up shares, debentures, or debenture stock of the Company, or wholly or partly paid-up shares, debentures, or debenture stock of any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof and may determine that cash payments shall be made to any Member upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividends as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with Section 63 of the Act, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective.

Article 143

The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmissions of shares hereinbefore contained entitled to become a Member, or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.

Article 144

In case several persons are registered in the Register or entered in the Depository Register, as the case may be, as the holders of any share, any resolution of the Directors or the Company in General Meeting declaring a dividend on shares of any class may specify that the dividend shall be payable to such persons at the close of business on a particular date and thereupon the dividend shall be payable in accordance with their respective holdings so registered. Any person registered in the Register or in the Depository Register, as the case may be, as the holder or joint holder of any share or is entitled jointly to a share in consequence of the death or bankruptcy of the holder may give effectual receipts for dividends, bonuses, other moneys payable or properties distributable and payment on account of dividends on or in respect of such shares.

Article 145

Notice of declaration of any dividend, whether interim or otherwise, may be given by advertisement.

Article 146

Unless otherwise directed, any dividend may be paid by cheque, dividend warrant or Post Office Order, sent through the post to the registered address appearing in the Register or the Depository Register, as the case may be, of the Member or person entitled, or where two or more persons are registered in the Register or entered in the Depository Register, as the case may be, as joint holders or are entitled to the dividend as a result of the death or bankruptcy of the holder, to that one whose name shall stand first on the Register or the Depository Register, as the case may be, in respect thereof and every cheque, dividend warrant or Post Office Order so sent shall be made payable to the order of the person to whom it is sent or to any person and address as such Member(s) or persons(s) may direct in writing. The Company shall not be responsible for the loss of any cheque, dividend warrant or Post Office Order, which shall be sent by post duly addressed to and at the sole risk of the Member or person for whom it is intended. Payment of the cheque, dividend warrant or Post Office Order by the bank upon which they are respectively drawn shall be a full and valid discharge to the Company. Notwithstanding the provisions of these Articles, payment by the Company to the Depository of any dividend payable to a Depositor shall also be a full and valid discharge of the Company from liability to the Depositor in respect of that payment to the extent of the payment made to the Depository.

Article 147

The Depository will hold all dividend unclaimed for six years after having been declared and paid before release to the Directors, and the Directors may invest or otherwise make use of the unclaimed dividends for the benefit of the Company until claimed.

(iii) Provisions relating to rights of non-resident or foreign Shareholders

The provisions of our Articles of Association relating to any limitation on the right to own Shares, including limitations on the right of non-resident or foreign Shareholders to hold or exercise voting rights on their Shares, are as follows:-

There are no limitations imposed by Singapore law or by our Articles of Association on the rights of non-resident shareholders to hold or exercise voting rights on our ordinary shares.

(vi) Provisions relating to the delaying, deferring or preventing change in control of the Company

There is no provision in our Articles of Association which would have an effect of delaying, deferring or preventing a change in control of the Company and which would operate only with respect to a merger, acquisition or corporate restructuring involving the Company.

4. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Group within the two years preceding the date of lodgment this Prospectus by the Authority and are or may be material:-

1. Memorandum of Understanding cum Joint Venture Agreement dated 9 January 2003 entered into between our Company and Cosco Cafimport S.R.L. ("Cosco") for the incorporation of Olam Lamco in Genova, Italy (to be held in the proportion of 60% by Cosco and 40% by our Company) whereby Olam Lamco would pay an annual service charge of EUR300,000 (reviewable every year) to Cosco for the provision of trading, logistics, accounting and other services to Olam Lamco for the importation of Robustas coffee by our Company (through Olam Lamco) into the Italian market.
2. Subscription Agreement dated 6 October 2003 entered into between our Company, Kewalram, CICL and Seletar Investments Pte Ltd ("Seletar Investments") whereby Seletar Investments agreed to subscribe for US\$10 million worth of new ordinary shares of par value \$0.20 each in our Company at the subscription price of \$0.45646 per share, which resulted in the issue of 37,771,108 Shares to Seletar Investments.
3. Shareholders' Agreement dated 10 October 2003 (the "Seletar Agreement") entered into between our Company, Kewalram, Sunny Verghese, ESBS Trust, Russell AIF and Seletar Investments, to regulate the relationship of the parties to the Seletar Agreement in the conduct of the affairs of our Company pursuant to the investment in our Company by Seletar Investments. Under the terms of the Seletar Agreement, the Seletar Agreement will be terminated automatically upon the listing and quotation of our Shares on the Official List of the SGX-ST.
4. Subscription Agreement dated 14 November 2003 entered into between our Company and International Finance Corporation ("IFC") pursuant to which IFC agreed to subscribe for US\$15 million worth of new convertible redeemable shares of par value \$0.20 each in our Company at the subscription price of \$0.49082 per share and pursuant to which our Company issued to IFC 52,161,389 Convertible Redeemable Shares (which have been converted into the equivalent number of Shares on 21 October 2004).
5. IFC Agreement dated 15 December 2003 ("IFC Agreement") entered into between our Company, Kewalram, Sunny Verghese, CICL, ESBS Trust, Russell AIF, Seletar Investments and IFC, to regulate the relationship of the parties to the IFC Agreement in the conduct of the affairs of our Company pursuant to the investment in our Company by IFC. The IFC Agreement will be terminated with effect from the first day of trading of our Shares on the Official List of the SGX-ST.
6. Deed of Ratification and Accession dated 20 January 2004 made by Dragon Orient Holdings Limited ("Dragon Orient") in favour of our Company, Kewalram, Sunny Verghese, ESBS Trust, Russell AIF and Seletar Investments whereby Dragon Orient agreed to observe and discharge all the terms and conditions of the Shareholders Agreement dated 10 October 2003 as if it had been an original party thereto.
7. Shareholders Agreement dated 21 January 2004 entered into between our Company and Sultan Mohamed Sultan Harib Al Falahi ("Al Falahi") whereby Al Falahi authorised our Company to receive all dividends and profits accruing to the Shares in Olam Middle East registered in his name and appointed our Company as his proxy to attend and vote at all meetings convened by Olam Middle East.

8. Accession Agreement to the IFC Agreement dated 24 February 2004 entered into between Dragon Orient, our Company, Kewalram, Sunny Verghese, CICL, ESBS Trust, Russell AIF, Seletar Investments and IFC whereby Dragon Orient became a party to the IFC Agreement and acceded to all articles of the IFC Agreement as if it was an original signatory to the IFC Agreement.
9. Trust Deed dated 9 March 2004 entered into between our Company and British and Malayan Trustees Limited (“BMTL”) whereby BMTL agreed to act as trustee under the Trust Deed for the Noteholders (as defined in the Trust Deed) under the MTN Programme.
10. Agency Agreement dated 9 March 2004 entered into between our Company, Standard Chartered Bank and BMTL whereby Standard Chartered Bank agreed to act as agent bank and issuing and paying agent under the MTN Programme.
11. Master Depository Services Agreement dated 9 March 2004 entered into between our Company and CDP, whereby CDP agreed to act as depository for the Bonds/Notes (as defined in the Master Depository Services Agreement) issued under the MTN Programme.
12. Deed of Covenant dated 9 March 2004 made by our Company in favour of the Relevant Account Holders (as defined in the Deed of Covenant) from time to time of CDP under the MTN Programme, to set out arrangements for the protection of the interests of the Relevant Account Holders as provided in the Deed of Covenant.
13. IFC Agreement to Issue a Guarantee and Novated Loan Agreement dated 29 June 2004 entered into between our Company and IFC, whereby IFC agreed to provide to our Company a partial guarantee facility of up to one-third of the obligations of our Company under a two-year revolving multi-currency committed trade facility for an amount of not more than the equivalent of US\$150 million granted to our Company by Standard Chartered Bank.
14. Licence Agreement dated 21 October 2004 entered into between our Company and Kewalram whereby Kewalram granted to our Company the right to use the Kelwalram Logo and the right for our Company to grant sub-licences to all companies within the Group from time to time to use the Kewalram Logo.
15. Trust Deed dated 26 October 2004 entered into between our Company and Dexia Trust whereby Dexia Trust had agreed to act as trustee for the administration of the ESSS in accordance with the terms and conditions set out in the Trust Deed and the rules of the ESSS.
16. Trust Deed dated 26 October 2004 entered into between our Company and Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose whereby Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose had agreed to act as trustees for the administration of the ESSS in accordance with the terms and conditions set out in the Trust Deed and the rules of the ESSS.
17. 147 Share Subscription Agreements dated 26 October 2004 entered into between our Company and each of the participants in the ESSS whereby the participants agreed to subscribe for shares in our Company in accordance with the terms and conditions set out in the rules of the ESSS.
18. Charge Over Accounts Deed dated 18 November 2004 (the “Charge Over Account”) entered into between our Company and Standard Chartered Bank (“SCB”) whereby our Company created in favour of SCB a first fixed charge and assignment over all monies in an account opened with SCB containing the salaries, bonuses, monetary benefits and other payments payable by our Company to our employees, as partial security for a \$15 million facility (the “SCB Facility”) granted by SCB to Dexia Trust (in its capacity as trustee under the ESSS).
19. Deed of Covenant dated 18 November 2004 entered into between our Company and Dexia Trust whereby our Company covenanted to provide certain information relating to, *inter alia*,

our Company's employees, as may be required by Dexia Trust and/or SCB in connection with the SCB Facility and the Charge Over Account.

20. Letter agreement dated 7 January 2005 entered into between SCB, Dexia Trust, Kewalram and our Company, whereby SCB has agreed to release and discharge the Charge Over Account and substitute it with a Deposit Agreement between the Company and SCB, upon the terms and subject to the conditions of the letter agreement.

5. WORKING CAPITAL

Our Directors are of the opinion that, after taking into account our present cash and bank balances, credit facilities and banking loans available to us, we have sufficient working capital for our present requirements.

In the opinion of our Directors, there are no minimum amounts which must be raised under the Invitation.

6. LOAN CAPITAL AND OTHER BORROWINGS

Save as disclosed in the sections "Capitalisation and Indebtedness" and "General and Statutory Information – Material Contracts" beginning on pages 73 and 178 respectively of this Prospectus and in the Audited Financial Statements of the Company and its Subsidiaries for FY2002, FY2003 and FY2004, the Auditor's Report by Ernst & Young and the Review Report for the Unaudited Profit & Loss Accounts of the Group for the 12-month periods ended 30 June 2003 and 30 June 2002 by Ernst & Young, our Group had no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

7. FINANCIAL CONDITION AND OPERATIONS OF OUR GROUP

- (a) Save as disclosed in this Prospectus, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our Subsidiaries.
- (b) Save as disclosed in this Prospectus, the financial condition and operations of our Group are not likely to be affected by any of the following:-
- (i) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;
 - (ii) material commitments for capital expenditure;
 - (iii) unusual or infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from operations; and
 - (iv) known trends or uncertainties that have had or that our Group expects to have a material favourable or unfavourable impact on our revenue or operating income.
- (c) In the opinion of our Directors and save as disclosed in this Prospectus up to the Latest Practicable Date, no significant change in circumstances has arisen since 30 June 2004, being the date the most recent audited financial statements of our Group were made up, which would have a material effect on the financial statements of our Group for FY2002, FY2003 and FY2004.

8. LITIGATION, ARBITRATION AND BANKRUPTCY PROCEEDINGS

Save as disclosed below, we are not engaged in any litigation or arbitration proceedings (either as plaintiff or defendant), including those relating to bankruptcy, receivership or similar proceedings and those involving any third-party as well as governmental proceedings, pending or known to be contemplated, in respect of any claims or amounts which is material in the context of the Invitation

or which may have, or have had in the last 12 months before the date of lodgment of this Prospectus with the Authority, a material effect on our financial position or profitability, and our Directors have no knowledge of any proceedings pending or threatened against our Group or any facts likely to give rise to any litigation, claims or proceedings which might have a material effect on our financial position or profitability.

Claim Against Mac-Nels Warehousing Pte Ltd and Easttrans Lines (S) Pte Ltd

Our Company had on 10 July 2004, as co-plaintiff with World Best Trading Co. LLC (a Dubai registered company) (jointly, the “Plaintiffs”), filed an application in the High Court of the Republic of Singapore against Mac-Nels Warehousing Pte Ltd and Easttrans Lines (S) Pte Ltd (the “Defendants”) for the return of timber logs (“timber”) shipped under the Plaintiffs’ bills of lading, costs and damages. The Defendants (whom the buyer had named as consignee under the bill of lading) had refused to release the timber from their warehouse.

By an Order of Court dated 14 July 2004, the Defendants were ordered to deliver possession of the timber to the Plaintiffs, upon the Plaintiffs’ paying to their counsel AsiaLegal LLC as stakeholder, an amount of \$196,091.57 (the “Stakeholding Monies”) pending final resolution of the matter. However, the Plaintiffs claimed that the timber removed from the Defendants’ warehouse was damaged and the Plaintiffs had to therefore sell some of the timber at a lower price.

On 23 September 2004, the Plaintiffs filed a Statement of Claim against the Defendants for, *inter alia*, damages for wrongful detention and/or conversion in the sum of US\$305,360.94 and damages to be assessed, an order for the release of the Stakeholding Monies, together with interests and costs. The matter is still presently pending resolution before the High Court.

Claim Against M/s Minoo Export Co.

Our Company had on 5 March 2004 written to The Federation of Cocoa Commerce Limited (“FCCL”) in London and filed for arbitration against M/s Minoo Export Co. of Iran. The claim relates to our Company’s supply of 300 metric tons of cocoa beans to M/s Minoo Export Co. The basis for the claim is M/s Minoo Export Co.’s non-payment of our Company’s invoice of USD634,720.50. In addition to claiming the aforesaid sum, our Company is also claiming, *inter alia*, expenses incurred for moving 21 containers in the aggregate sum of GBP6,400, survey charges in the aggregate sum of GBP4,900 and clearing agent and port authority charges in the amount of GBP3,000. We are presently awaiting FCCL for directions on commencement of the aforesaid arbitration proceedings.

Commodities Futures Trading Commission Order

On April 6, 2004, the Commodity Futures Trading Commission (“CFTC”) simultaneously filed and settled charges against our Company. The charges stemmed from two sets of futures transactions in June and July of 2002. The CFTC charged that our Company had violated the “wash sale” rules under the Commodity Exchange Act. Without admitting or denying the charges, we agreed to pay a civil penalty of \$20,000.

The circumstances underlying the settlement were that our Company gave London-based international brokerage firm orders to cross certain cocoa futures spread positions on the USA-based Coffee Sugar and Cocoa Exchange (“CSCE”). Our Company initiated the cross orders to offset equal and opposite spread positions that it held at different clearing members. Such cross orders would have been appropriate on the London cocoa futures market and the same end-result could have been properly accomplished on the CSCE by means of a single or series of standard back office transfers. Our Company’s London brokers did not notify us of the proper procedures in the USA for such trades and instead they were placed on the cocoa futures market in the USA in the same fashion that they would have been placed on the London market.

Subsequent to the two transactions, it was explained to our Company that the “wash sale” rule in the USA is formal and does not require an improper purpose for there to be a violation. Rather, for there to be a violation of the rule in the USA, there need only be a request for both sides of the trade to simultaneously cross where the trade results in the elimination of previously held positions by the same principal.

Recognizing the nature of the “wash sale” rule, and understanding that it could have been violated without an improper purpose, our Company elected to settle the matter. We made this decision because of the nature of legal requirements in the USA and because the relatively modest amount of the penalty was far less than the cost of pursuing the matter. During the entire course of the CFTC proceeding, our Company complied with all CFTC requests for documents and interviews.

Finally, it should be noted that the CFTC had on October 4, 2004, sanctioned our Company’s London-based brokers, in part, for their role in this matter. The sanctions imposed on the brokers did not have any impact on the Company’s operations.

Save as disclosed above, there have not been any other cases pertaining to breaches of any securities trading regulations by our Company in the past three years.

9. MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS

Pursuant to the management and underwriting agreement dated 31 January 2005 (the “Management and Underwriting Agreement”) entered into between our Company, the Vendors, DBS, CLSA and CLSA Singapore, our Company and the Vendors appointed DBS and CLSA as the Joint Global Co-ordinators to manage the Invitation, and DBS and CLSA Singapore (the “Joint Bookrunners”) to subscribe for or procure subscribers for, or to purchase or procure purchases for, the Offer Shares not subscribed for or purchased pursuant to the Invitation. DBS and CLSA will each receive a management fee from our Company for their services rendered in connection with the Invitation.

The Joint Bookrunners will also receive an underwriting commission of 2.25 per cent. of the aggregate Invitation Price for the total number of Offer Shares underwritten by each of the Joint Bookrunners, payable by our Company and each of the Vendors in the proportion in which the number of Offer Shares offered by each of them pursuant to the Invitation bears to the total number of Offer Shares (the “Agreed Proportion”). The number of Offer Shares each Joint Bookrunner has agreed to subscribe or procure subscribers for or, purchase or procure purchasers for, is as follows:-

DBS	19,500,000 Offer Shares
CLSA Singapore	10,500,000 Offer Shares

Brokerage will be paid by our Company and the Vendors on the Offer Shares in the agreed proportion at the rate of 0.25 per cent. of the Invitation Price for each Offer Share. For the Offer Shares, the brokerage will be paid to the Joint Bookrunners, the Participating Banks or the members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks on all successful applications for the Offer Shares made on Application Forms bearing their respective stamps, or to the Participating Banks in respect of successful applications made through Electronic Applications at their respective ATMs or IB websites (where applicable).

Pursuant to the placement agreement dated 31 January 2005 (the “Placement Agreement”) entered into between our Company, the Vendors, DBS, CLSA and CLSA Singapore, the Joint Bookrunners agreed to subscribe for or procure subscribers for, or to purchase or procure purchasers for, the Placement Shares for a placement commission of 2.50 per cent. of the Invitation Price for each Placement Share, payable by our Company and each of the Vendors in the proportion in which the number of Placement Shares offered by each of them pursuant to the Invitation bears to the total number of Placement Shares. The number of Placement Shares each of the Joint Bookrunners have agreed to subscribe for or procure subscribers for, or to purchase or procure purchasers for, is as follows:-

DBS	224,250,000 Placement Shares
CLSA Singapore	120,750,000 Placement Shares

In the event the Over-Allotment Option is exercised and the Stabilising Manager subscribes or procures subscribers for the Additional Shares, our Company will pay the Stabilising Manager and CLSA Singapore an aggregate fee of 2.50 per cent. of the aggregate Invitation Price of the New Shares subscribed by the Stabilising Manager, in consultation with CLSA, or for which subscribers have been procured.

The Management and Underwriting Agreement may be terminated by the Joint Global Co-ordinators and the Joint Bookrunners at any time prior to or at 9:00 am on the day of the commencement of trading of the Shares on the official list of the SGX-ST (the "Trading Date") on the occurrence of certain events including, inter alia:-

- (a) there shall come to the knowledge of the Joint Global Co-ordinators and/or the Joint Bookrunners any breach of the warranties or undertakings in Clause 13 of the Management and Underwriting Agreement or that any of the warranties in Clause 13 of the Management and Underwriting Agreement is untrue or incorrect; or
- (b) any event ("Specified Event") occurring after the date of the Management and Underwriting Agreement and prior to the Trading Date, which if it had occurred before the date of the Management and Underwriting Agreement, would have rendered any of the warranties or representations in Clause 13 of the Management and Underwriting Agreement untrue or incorrect and such a Specified Event comes to the knowledge of the Joint Global Co-ordinators or the Joint Bookrunners; or
- (c) if there shall have been since the date of the Management and Underwriting Agreement:-
 - (i) any adverse change, or any development involving a prospective adverse change, in the condition (financial or otherwise) of our Company and/or its Subsidiaries; or
 - (ii) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, policy, rule, guideline or directive in Singapore or elsewhere (whether or not having the force of law) and including, without limitation, any directive or request issued by the Authority, the Securities Industry Council of Singapore or the SGX-ST, in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere; or
 - (iii) any change, or any development involving a prospective change, in local, national, regional or international financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including without limitation, the imposition of any moratorium, suspension or restriction on trading in securities generally on the SGX-ST due to exceptional financial circumstances or otherwise); or
 - (iv) any imminent threat or occurrence of any local, national, regional or international outbreak or escalation of hostilities, insurrection, terrorist attacks or armed conflict (whether or not involving financial markets) in any jurisdiction; or
 - (v) any other occurrence of any nature whatsoever,

which event or events shall in the opinion of the Joint Global Co-ordinators and/or the Joint Bookrunners (i) results or is likely to result in a material adverse fluctuation or material adverse conditions in the stock market in Singapore or overseas, or (ii) is likely to materially prejudice the success or the subscription, purchase or offer of the Invitation Shares (whether in the primary market or in respect of dealings in the secondary market), or (iii) makes it impracticable, inadvisable, inexpedient or uncommercial to proceed with any of the transactions contemplated in the Management and Underwriting Agreement, or (iv) is likely to have a material adverse effect on the business, trading position, operations or prospects of our Company and/or our subsidiaries or of our Group as a whole, or (v) is such that no reasonable underwriter would have entered into the Management and Underwriting Agreement, or (vi) results or be likely to result in the issue of a stop order by the Authority pursuant to the SFA, or (vii) makes it uncommercial or otherwise contrary to or outside the

usual commercial practices of underwriters in Singapore for the Joint Global Co-ordinators or the Joint Bookrunners to observe or perform or be obliged to observe or perform the terms of the Management and Underwriting Agreement.

The obligations of the Joint Global Co-ordinators and the Joint Bookrunners under the Placement Agreement are conditional upon the Management and Underwriting Agreement not having been determined or rescinded pursuant to the provisions of Clause 10, Clause 11 or Clause 13 of the Management and Underwriting Agreement.

In the event the Management and Underwriting Agreement is terminated, the Joint Global Co-ordinators reserve the right, at their absolute discretion, to cancel the Invitation.

The Joint Global Co-ordinators and/or the Joint Bookrunners have in the past and may in the future provide investment banking and other financial services to us and our affiliates for which they have received or may receive customary compensation. DBS is one of our principal bankers and an associated company of Temasek, which is the holding company of our Substantial Shareholder, Seletar Investments.

Save as disclosed above, in the reasonable opinion of our Directors, other than for the appointment of DBS and CLSA as the Joint Global Co-ordinators and Joint Lead Managers, the appointment of DBS and CLSA Singapore as the Joint Bookrunners and the appointment of DBS as the Receiving Bank in connection with the Invitation, we do not have a material relationship with DBS, CLSA and/or CLSA Singapore.

10. GENERAL

- (a) The nature of the business of our Company has been stated earlier in this Prospectus. The corporations which, by virtue of Section 6 of the Companies Act, are deemed to be related to our Company are set out in the section "Our Subsidiaries" on page 144 of this Prospectus.
- (b) No Shares will be allotted or allocated on the basis of this Prospectus later than six (6) months after the date of registration of this Prospectus by the Authority.
- (c) The time of opening of the Application List is stated on page 34 of this Prospectus.
- (d) The amount payable on application is \$0.62 for each Invitation Share.
- (e) There has been no previous issue of Shares or Shares by our Company or offer for sale of our Shares or Shares to the public within the two years preceding the date of this Prospectus.
- (f) No property has been purchased or acquired or proposed to be purchased or acquired by our Company or our Subsidiaries, which is to be paid for wholly or partly out of the proceeds of the issue of New Shares, or the purchase or acquisition of which has not been completed at the date of this Prospectus, other than property the contract for the purchase or acquisition whereof was entered into in the ordinary course of business of our Company or our Subsidiaries, the contract not being made in contemplation of the Invitation nor the Invitation in consequence of the contract.
- (g) Save as disclosed below and in paragraph 10(h) below and the section "General and Statutory Information – Management, Underwriting and Placement Arrangements" beginning on page 180 of this Prospectus, no commission, discount or brokerage has been paid or other special terms granted within the two years preceding the date of this Prospectus or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any shares in or debentures of our Company or our Subsidiaries in relation to the Invitation.
- (h) The expenses of the Invitation, including underwriting and placement commissions, brokerage, professional fees (including management fee) and all other incidental expenses in

relation to this Invitation, are estimated to amount to approximately \$9.44 million, the breakdown of which is set out below:-

Description	\$ '000
Listing fees	75
Professional fees	1,105
Underwriting and placement commission and brokerage	6,975
Miscellaneous expenses	1,283
Total estimated expenses of the Invitation	9,438

Except for the underwriting and placement commission and brokerage of approximately 2.50 with respect to the Shares which will be borne by the Company and the Vendors (with the exception of the employees of our Company disposing of their Shares pursuant to the ESBS and/or the ESSS) in the proportion in which the number of Offer Shares offered by each of them pursuant to the Invitation bears to the total number of Offer Shares (the "Agreed Proportion"), all other expenses will be borne by our Company.

- (i) No amount of cash or securities or benefit has been or is intended to be paid or given to any promoter within the two years preceding the date of this Prospectus or is proposed or intended to be paid or given to any promoter at any time in respect of this Invitation.
- (j) Application monies received by our Company in respect of successful applications (including successfully balloted applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Bank. In the ordinary course of its business, the Receiving Bank will deploy these monies in the interbank money market. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
- (k) Details of the names, addresses and professional qualifications (including membership in a professional body) of the auditors of our Company for the last 3 financial years are as follows:

Ernst & Young
Certified Public Accountants
10 Collyer Quay
#21-01 Ocean Building
Singapore 049315
Partner-in-charge: Liew Choon Wei
(a member of the Institute of Certified Public Accountants of Singapore)

11. CONSENTS

Ernst & Young Certified Public Accountants has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of the Auditors' Report dated 31 January 2005 for the Audited Financial Statements of the Company and subsidiary companies for the financial years ended 30 June 2004, 30 June 2003 and 31 March 2002 (which was prepared for the purposes of incorporation in this Prospectus) and the Review Report dated 31 January 2005 for the Unaudited Profit & Loss Accounts of the Company and subsidiary companies for the 12-month periods ended 30 June 2003 and 30 June 2002 (which was prepared for the purposes of incorporation in this Prospectus), in the form and context in which they appear in this Prospectus and references to their name in the form and context in which they appear in this Prospectus and to act in such capacity in relation to this Prospectus.

Each of the Joint Global Co-ordinators, Joint Bookrunners, the Financial Adviser, KhattarWong, Wong Partnership, the Share Registrar and Share Transfer Agent, the Receiving Banker and Principal Bankers does not make, or purport to make, any statement in this Prospectus or any statement upon which a statement in this Prospectus is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this Prospectus.

12. STATEMENT BY OUR DIRECTORS AND THE VENDORS

This Prospectus has been seen and approved by our Directors and the Vendors and they individually and collectively accept full responsibility for the accuracy of the information given in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Prospectus are fair and accurate in all material respects as at the date of this Prospectus and that there are no other material facts the omission of which would make any statement herein misleading, and that this Prospectus constitutes full and true disclosure of all material facts about the Invitation and our Group.

13. DOCUMENTS FOR INSPECTION

The following documents may be inspected at the registered office of our Company at 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624 during normal business hours for a period of six months from the date of this Prospectus:-

- (a) the Memorandum and Articles of Association of our Company;
- (b) the Audited Financial Statements of the Company and its subsidiary companies for the financial years ended 30 June 2004, 30 June 2003 and 31 March 2002;
- (c) the Auditor's Report;
- (d) the Review Report for the Unaudited Profit & Loss Accounts of the Company and its subsidiary companies for the 12 month periods ended 30 June 2003 and 30 June 2002;
- (e) the letters of consent referred to in paragraph 11 of the section "General and Statutory Information" beginning on page 185 of this Prospectus;
- (f) the Service Agreement referred to in the section "Service Agreement" beginning on page 121 of this Prospectus; and
- (g) the material contracts referred to in paragraph 4 of the section "General and Statutory Information" beginning on page 178 of this Prospectus.

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Audited Financial Statements

**OLAM INTERNATIONAL LIMITED
AND SUBSIDIARY COMPANIES**

30 June 2004, 30 June 2003 and 31 March 2002

Olam International Limited and Subsidiary Companies

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Olam International Limited and Subsidiary Companies

Auditors' Report to the Members of Olam International Limited

We have audited the consolidated financial statements (“the financial statements”) of Olam International Limited (the “Company”) and its subsidiary companies (collectively, the “Group”) for the three financial years ended 30 June 2004, 30 June 2003 and 31 March 2002 set out on pages F-5 to F-47 of the Prospectus dated 31 January 2005 (the “Prospectus”). These financial statements are the responsibility of the Company’s directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

In compliance with the Companies Act, the directors had previously authorised the issuance of consolidated financial statements for the financial years ended 30 June 2004, 30 June 2003 and 31 March 2002. The Auditor’s Reports dated 18 October 2004, 7 October 2003 and 28 June 2002 have been issued in respect of the statutory audits of these consolidated financial statements for the 3 financial year ends.

In preparing the consolidated financial statements for the purpose of inclusion in the Prospectus dated 31 January 2005, the directors of the Company have made certain adjustments to the statutory financial statements principally to reflect retrospectively the change in accounting policy in the financial year ended 30 June 2004. This change in accounting policy and adjustments are set out in Notes 2(b) and 34 respectively, to the financial statements.

We conducted our work in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the abovementioned consolidated financial statements of the Group are properly drawn up in accordance with Singapore Financial Reporting Standards, so as to present fairly, in all material respects, the financial position of the Group as at 30 June 2004, 30 June 2003 and 31 March 2002, and the results, changes in equity and cash flow of the Group for each of the financial years ended 30 June 2004, 30 June 2003 and 31 March 2002.

This report has been prepared for the purpose of incorporation in the Prospectus dated 31 January 2005 in connection with the invitation in respect of ordinary shares in the capital of the Company and the final Prospectus to be issued in accordance with the Singapore Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2002, in connection with such invitation.

ERNST & YOUNG
Certified Public Accountants

Singapore
31 January 2005

Partner: Liew Choon Wei

Olam International Limited and Subsidiary Companies

Consolidated Profit and Loss Accounts for the year ended 30 June 2004, 30 June 2003 and 31 March 2002

	Note	<u>12 months to 30 June 2004 \$' 000</u>	<u>Group 15 months To 30 June 2003 \$' 000 (Restated)</u>	<u>12 months to 31 March 2002 \$' 000 (Restated)</u>
Revenue				
Sales of goods	3	2,610,349	2,504,606	1,582,170
Other revenue	4	12,082	12,190	6,198
		<u>2,622,431</u>	<u>2,516,796</u>	<u>1,588,368</u>
Costs and expenses				
Cost of goods sold	5	2,059,807	2,021,047	1,225,589
Shipping and logistics		328,458	305,860	218,505
Commission and claims		26,385	20,441	21,152
Staff costs		39,225	32,581	22,597
Depreciation	9	4,724	4,739	3,001
Loss/(gain) of foreign exchange		1,514	(5,948)	2,500
Other operating expenses		65,035	60,025	39,792
		<u>2,525,148</u>	<u>2,438,745</u>	<u>1,533,136</u>
Profit from operating activities	6	97,283	78,051	55,232
Finance costs	7	(43,562)	(43,890)	(28,273)
		53,721	34,161	26,959
Share of loss of jointly controlled entity		(42)	(91)	–
Profit before taxation		53,679	34,070	26,959
Taxation	8	(5,584)	(4,057)	(4,431)
Profit for the financial year/period		<u>48,095</u>	<u>30,013</u>	<u>22,528</u>
Basic earnings per share	36	10.19 cents	7.66 cents	6.25 cents
Diluted earnings per share	36	9.62 cents	7.66 cents	6.25 cents

The accompanying notes form an integral part of the financial statements.

Olam International Limited and Subsidiary Companies

Consolidated Balance Sheets as at 30 June 2004, 30 June 2003 and 31 March 2002

	Note	2004 \$' 000	Group 2003 \$' 000 (Restated)	2002 \$' 000 (Restated)
Fixed assets	9	21,195	17,595	11,700
Deferred tax assets/(liabilities)	8	829	696	(25)
Investment	10	74	119	466
Current assets				
Amount due from a related party	11	3,000	5,362	6,802
Amount due from a corporate shareholder	12	–	122	–
Trade debtors	13	464,944	362,410	292,013
Margin accounts with brokers	14	5,317	–	78,701
Stocks	15	473,063	310,995	267,669
Advance payments to suppliers	16	90,090	56,217	56,764
Other debtors	17	82,835	71,473	27,734
Fixed deposits		11,922	6,087	6,883
Cash and bank balances		88,450	37,955	32,589
		1,219,621	850,621	769,155
Current liabilities				
Amount due to a corporate shareholder	12	1,403	–	211
Trade creditors and accruals	18	154,976	85,740	80,114
Margin accounts with brokers	14	–	866	–
Other creditors	19	5,388	3,161	41,998
Amounts due to bankers	20	672,706	642,279	571,649
Medium term notes	21	177,000	–	–
Term loan from a bank	22	–	68	245
Provision for taxation		5,915	4,876	4,021
Provision for dividends		–	4,730	–
		1,017,388	741,720	698,238
Net current assets		202,233	108,901	70,917
Convertible redeemable shares	23	(25,602)	–	–
Long term loan from a corporate shareholder	24	(8,600)	(8,806)	(9,205)
Term loan from a bank	22	(266)	(275)	–
		189,863	118,230	73,853
Share capital	25	100,791	81,496	55,000
Reserves		89,072	36,734	18,853
		189,863	118,230	73,853

The accompanying notes form an integral part of the financial statements.

Olam International Limited and Subsidiary Companies

**Consolidated Statements of Changes in Equity for the year ended 30 June 2004, 30 June 2003
and 31 March 2002**

	Note	<u>12 months To 30 June 2004 \$' 000</u>	<u>Group 15 months to 30 June 2003 \$' 000 (Restated)</u>	<u>12 months to 31 March 2002 \$' 000 (Restated)</u>
Issued capital ⁽¹⁾				
Balance at beginning		81,496	55,000	22,000
Issuance of ordinary shares	25	<u>19,295</u>	<u>26,496</u>	<u>33,000</u>
Balance at end		<u>100,791</u>	<u>81,496</u>	<u>55,000</u>
Reserves				
<i>Share premium</i>				
Balance at beginning		11,531	–	–
Issuance of ordinary shares		<u>24,504</u>	<u>11,531</u>	–
Balance at end		<u>36,035</u>	<u>11,531</u>	–
<i>Foreign currency translation reserves</i>				
Balance at beginning, as previously reported		(7,215)	(7,377)	(6,815)
Adjustment for change in accounting policy, Note 2(b)		<u>5,471</u>	<u>7,516</u>	<u>6,407</u>
Balance at beginning, as restated		(1,744)	139	(408)
Foreign currency translation adjustment		<u>(2,261)</u>	<u>(1,883)</u>	<u>547</u>
Balance at end		<u>(4,005)</u>	<u>(1,744)</u>	<u>139</u>
<i>Revenue reserves</i>				
Balance at beginning, as previously reported		32,367	26,170	35,546
Adjustment for change in accounting policy, Note 2(b)		<u>(5,420)</u>	<u>(7,456)</u>	<u>(6,360)</u>
Balance at beginning, as restated		26,947	18,714	29,186
Profit for the financial year		48,095	30,013	22,528
Capitalised via bonus issue during the year		–	(17,050)	(33,000)
Dividends paid	26	<u>(18,000)</u>	<u>(4,730)</u>	–
Balance at end		<u>57,042</u>	<u>26,947</u>	<u>18,714</u>
Total reserves		<u>89,072</u>	<u>36,734</u>	<u>18,853</u>
Total equity		<u>189,863</u>	<u>118,230</u>	<u>73,853</u>

⁽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.

The accompanying notes form an integral part of the financial statements.

Olam International Limited and Subsidiary Companies

Consolidated Statements of Cash Flow for the year ended 30 June 2004, 30 June 2003 and 31 March 2002

	1.7.2003 to 30.6.2004 \$' 000	1.4.2002 to 30.6.2003 \$' 000 (Restated)	1.4.2001 to 31.3.2002 \$' 000 (Restated)
Cash flow from operating activities			
Operating profit before taxation	53,679	34,070	26,959
Adjustments for :-			
Share of loss of jointly controlled entity	42	91	-
Depreciation of fixed assets	4,724	4,739	3,001
Loss/(gain) on disposal of fixed assets	104	(81)	70
Interest income	(6,828)	(8,509)	(3,394)
Interest expense	43,562	43,890	28,273
Amortisation of deferred expenses	-	-	31
Operating profit before reinvestment in working capital	<u>95,283</u>	<u>74,200</u>	<u>54,940</u>
Decrease in amount due from a related party	2,362	1,440	1,040
Increase in stocks	(162,068)	(43,326)	(143,166)
Increase in debtors	(119,213)	(35,435)	(116,750)
(Increase)/decrease in advance payments to suppliers	(33,873)	547	3,289
Increase/(decrease) in creditors	<u>69,708</u>	<u>(32,472)</u>	<u>68,387</u>
Cash used in operations	<u>(147,801)</u>	<u>(35,046)</u>	<u>(132,260)</u>
Interest income received	6,828	8,509	3,394
Interest expense paid	(42,673)	(43,763)	(29,581)
Tax paid	<u>(4,678)</u>	<u>(3,893)</u>	<u>(2,699)</u>
Net cash used in operating activities	<u>(188,324)</u>	<u>(74,193)</u>	<u>(161,146)</u>
Cash flow from investing activities			
Proceeds from disposal of fixed assets	1,174	399	250
Purchase of fixed assets	(9,871)	(10,428)	(4,622)
Proceeds from disposal of mutual funds	-	457	-
Investment in a jointly controlled entity	-	(201)	-
Investment in government securities and mutual funds	-	-	(466)
Net cash used in investing activities	<u>(8,697)</u>	<u>(9,773)</u>	<u>(4,838)</u>

Olam International Limited and Subsidiary Companies

Consolidated Statements of Cash Flow for the year ended 30 June 2004, 30 June 2003 and 31 March 2002 (cont'd)

	1.7.2003 to 30.6.2004 \$' 000	1.4.2002 to 30.6.2003 \$' 000 (Restated)	1.4.2001 to 31.3.2002 \$' 000 (Restated)
Cash flows from financing activities			
Increase in loans from banks	40,269	10,194	148,014
(Repayment of)/proceeds from term loan from banks	(77)	98	245
Increase/(decrease) in amount due to corporate shareholder	1,525	(333)	(1,198)
Repayment of long term loan from corporate shareholder	(206)	(399)	–
Proceeds from issue of ordinary shares at premium	43,799	20,977	–
Proceeds from issue of convertible redeemable shares at premium	25,602	–	–
Dividends paid on ordinary shares by Company	(22,730)	–	–
Proceeds from issuance of medium term notes	<u>177,000</u>	–	–
Net cash provided by financing activities	<u>265,182</u>	<u>30,537</u>	<u>147,061</u>
Net effect of exchange rate changes in consolidating subsidiary companies	<u>(1,989)</u>	<u>(2,437)</u>	<u>554</u>
Net increase/(decrease) in cash and cash equivalents	66,172	(55,866)	(18,369)
Cash and cash equivalents at beginning of year (Note 30)	<u>(33,516)</u>	<u>22,350</u>	<u>40,719</u>
Cash and cash equivalents at end of year (Note 30)	<u><u>32,656</u></u>	<u><u>(33,516)</u></u>	<u><u>22,350</u></u>

The accompanying notes form an integral part of the financial statements.

1. Corporate information

The principal activities of Olam International Limited (“the Company”), which is incorporated in Singapore and that of its subsidiary companies are those of sourcing, processing and trading of agri commodities. There have been no significant changes in the nature of these activities during the year.

In financial year ended 30 June 2003, the Company’s immediate holding company was Kewalram (Singapore) Limited, incorporated in Singapore. The ultimate holding company and penultimate holding company was Kewalram Chanrai Holdings Ltd, incorporated in Jersey and Chanrai Investment Corporation Limited, incorporated in Bahamas, respectively. During the financial year, Kewalram (Singapore) Limited ceased to be the immediate holding company of the Company. As at 30 June 2004, Kewalram (Singapore) Limited’s interest in the Company was reduced to less than 50% although it remains as a substantial corporate shareholder of the Company. Related parties in the financial statements refer to all entities within the Kewalram Chanrai groups of companies.

The registered office of the Company is located at 80 Raffles Place #25-01 UOB Plaza 1, Singapore 048624. The place of business of the Company is at 9 Temasek Boulevard, #11-02 Suntec Tower Two, Singapore 038989, while the various places of business of the subsidiaries are shown in Note 10 to the financial statements.

The Group operates in 38 (2003: 34 ; 2002 : 30) countries and has 3,003 (2003 : 2,375 ; 2002 : 2,358) employees as of 30 June 2004.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) as required by the Companies Act. In the previous year, the financial statements were prepared in accordance with Singapore Statements of Accounting Standard (SAS). While the transition from SAS to FRS did not result in any significant change in accounting policies, the Group has early adopted FRS 21, The Effects of Changes in Foreign Exchange Rates (July 2004), which has brought about a change in accounting policy as mentioned in Note 2(b) below.

Except for the change in accounting policy as mentioned in the preceding paragraph, the accounting policies have been consistently applied by the Group and are consistent with those used in the previous two financial years.

The financial statements are presented in Singapore Dollars (SGD or \$).

(b) Change in accounting policy

Prior to 1 July 2003, all transactions in currencies other than Singapore Dollars (SGD) were treated as transactions in foreign currencies and were recorded, on initial recognition, in SGD using the exchange rate at the transaction date. On 1 July 2003, the Group early adopted FRS 21, The Effects of Changes in Foreign Exchange Rates (July 2004) which requires all transactions in currencies other than the measurement currency be treated as transactions in foreign currencies and to be recorded, on initial recognition, in the measurement currency using the exchange rate at transaction date.

2. Summary of significant accounting policies (cont'd)

(b) Change in accounting policy (cont'd)

The Company's measurement currency is the United States dollar. The comparative figures for the financial year ended 30 June 2003 and 31 March 2002 have been restated to conform with this change in accounting treatment. The financial effect of this change on the opening retained earnings is disclosed in the statement of changes in equity and also in Note 34 to the financial statements.

(c) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company, its subsidiary companies and a jointly controlled entity after elimination of all material intragroup transactions and resulting unrealised profits. Unrealised losses resulting from intragroup transactions are also eliminated unless costs cannot be recovered. A list of the Group's subsidiary companies is shown in Note 33.

(i) Subsidiary companies

The financial statements of subsidiary companies acquired or disposed of during the year are included in or excluded from consolidated financial statements from the effective dates of acquisition or disposal. Any excess or deficit on the cost of investments over net assets acquired is accounted for as goodwill or negative goodwill arising on consolidation.

(ii) Jointly controlled entity

A jointly controlled entity is a company in which the Group has a long-term substantial equity interest and in whose commercial and financial decisions the Group jointly controls.

The consolidated financial statements included the Group's share of the total recognised gains and losses of the jointly controlled entity 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.

Goodwill arising on acquisition occurring on or after 1 April 2001 is capitalised and amortised on a straight-line basis over its estimated useful life of not more than 20 years to the consolidated profit and loss account. Goodwill arising on acquisitions occurring prior to 1 April 2001 was debited against revenue reserves in the financial year which it arose.

However, the excess of the cost of investments over the net liabilities arising from the acquisition of subsidiary companies on 1 April 1997, which comprised net pre-acquisition losses of those subsidiary companies acquired, is fully recoverable from a related party, Chanrai Investment Corporation Limited which was the penultimate holding company then (Note 11).

2. Significant accounting policies (cont'd)

(c) Basis of consolidation (cont'd)

The financial statements of subsidiary companies and the jointly controlled entity are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to conform any dissimilar material accounting policies that may exist.

Assets, liabilities and results of overseas subsidiary companies and the jointly controlled entity are translated into United States dollars, which is the Company's measurement currency on the basis outlined in paragraph (w) below.

(d) Subsidiary companies

A subsidiary is a company in which the Group, directly or indirectly holds more than 50% of the issuance 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, investment in subsidiary companies are stated at cost and provision is made for any permanent impairment in value.

A list of the Group's subsidiary companies is shown in Note 33.

(e) Jointly controlled entity

A jointly controlled entity is a contractual arrangement whereby the Group and other entities undertake an economic activity, which is subject to joint control.

In the Company's separate financial statements, investment in the jointly controlled entity is stated at cost. The carrying amount of the jointly controlled entity is 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 the profit and loss account.

(f) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the profit and loss account.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, short-term bank deposits, which are held to maturity, and are carried at cost.

For the purposes of the cash flow statement, cash and cash equivalents are shown net of outstanding bank overdrafts which are repayable on demand.

2. Significant accounting policies (cont'd)

(h) Receivables

Trade debtors, which are on trade terms, are recognised and carried at original invoiced amounts less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from a related company, subsidiary companies and immediate holding company are recognised and carried at cost less an allowance for any uncollectible amounts.

(i) Stocks

Stocks are stated at the lower of cost and net realisable value. Stocks consist of trading stocks which 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.

(j) Payables

Liabilities for trade and other amounts payable, which are on trade terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Payables to the corporate shareholder and subsidiary companies are carried at cost.

(k) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

(l) Loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received and including acquisition charges associated with the loans and borrowings.

(m) Convertible redeemable shares

The component of the convertible redeemable shares that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of issue costs. The corresponding dividends on those shares are charged as interest expense in the profit and loss account. On the issue of the convertible redeemable shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption.

2. Significant accounting policies (cont'd)

(m) Convertible redeemable shares (cont'd)

The remainder of the proceeds, if significant, is allocated to the conversion option that is recognised and included in shareholders' equity, net of issue costs. The value of the conversion option is not changed in subsequent periods.

Issue costs are apportioned between the liability and equity components of the convertible redeemable shares based on the respective carrying amounts of the liability and equity components when the instruments were first issued.

(n) Investments

Investments held for the long term are stated at cost less amounts provided for or written off in recognition of any impairment in value of the investments determined on an individual investment basis.

(o) Income taxes

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiary companies and the jointly controlled entity, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognised a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit or part or all of the deferred tax asset to be utilised.

(p) 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.

(i) 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.

2. Significant accounting policies (cont'd)

(p) *Revenue recognition (cont'd)*

(ii) *Interest*

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectibility is in doubt.

(q) *Depreciation*

Fixed assets are depreciated on the straight line method at a fixed annual rate over their estimated useful lives which are as follows :-

Land and buildings	-	20 years
Plant and machinery	-	5 to 10 years
Furniture and fittings	-	5 years
Office equipment	-	5 years
Computers	-	3 years
Motor vehicles	-	3 to 5 years

(r) *Borrowings costs*

Borrowing costs are recognised as expenses in the period in which they are incurred.

(s) *Impairment*

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in the profit and loss account whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

An impairment loss is only revised to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss had been recognised for that asset in prior years. All reversals of impairment are recognised in the profit and loss account.

(t) *Employee benefits*

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 Provision 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.

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.

2. Significant accounting policies (cont'd)

(u) *Futures and options contract*

The Group enters into commodity futures and option contracts as a hedge against stocks and trading commitments and its various trading exposures. Principal commodities hedged by these contracts are coffee, cocoa, cotton and sugar.

Gains or losses arising from hedging transactions are recognised to the profit and loss account when the products associated with the hedged items are sold and are recorded as other assets or other liabilities for products associated with the hedged items which remain unsold.

(v) *Foreign exchange forward and swap contracts*

The Group uses foreign exchange forward contracts to hedge its risks associated with foreign currency fluctuations. It is the Group's policy not to trade in derivative financial instruments. The foreign exchange forward contracts entered into by the Group are off-balance sheet items and disclosed in various notes to the accounts. Details of the Group's financial risk management objectives and policies are set out in Note 31.

Transaction in foreign exchange forward contracts and currency swaps for hedging against any identifiable commitments are accounted for in a manner consistent with the accounting treatment of the commitments being hedged.

(w) *Foreign currencies*

The Company's measurement currency is the United States dollar (USD), which reflects the economic substance of the underlying events and circumstances of the Company and the Group. 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. The measurement currency of the subsidiary companies is their respective local currency.

Transactions in currencies other than measurement currency are treated as transactions in foreign currencies and are recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at balance sheet date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates or, in the case of items carried at fair value, the exchange rates that existed when the values were determined. All resultant exchange differences are recognised in the profit and loss account.

For inclusion in the consolidated financial statements, all assets and liabilities of foreign subsidiary companies are translated into USD at the exchange rates ruling at the balance sheet date and the results of foreign subsidiary companies are translated into Singapore dollars at the weighted average exchange rates. Exchange differences due to such currency translations are included in the foreign currency translation reserve.

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 30 June 2004, 30 June 2003 and 31 March 2002

2. Significant accounting policies (cont'd)

(w) Foreign currencies (cont'd)

The financial statements are presented in Singapore dollars (SGD) as the Company's principal place of business is in Singapore and the directors feel that presenting the financial statements in SGD would be most useful to the shareholders of the Company.

The financial statements are translated from USD to SGD as follows:

- (a) assets and liabilities are translated at the closing rate existing at balance sheet date;
- (b) income and expense items are translated at the average exchange rate for the period, which approximates the actual exchange rates existing at the dates of the transactions;
- (c) all resulting exchange differences are recognised separately in the foreign currency translation reserve.

3. Sale of goods

Turnover represents sale of physical commodities, net of discount and returns. It excludes interest income, realised profits on futures and options.

4. Other revenue

Other revenue included the following for the financial year ended 30 June 2004, 30 June 2003 and 31 March 2002 :-

	<u>12 months</u> to 30 June 2004 \$' 000	<u>Group</u> 15 months to 30 June 2003 \$' 000	<u>12 months</u> to 31 March 2002 \$' 000
Interest income from fixed deposits	196	771	744
Interest income from broker	649	–	–
Interest income from customers	5,983	7,738	2,650
Miscellaneous income	<u>5,254</u>	<u>3,681</u>	<u>2,804</u>
	<u>12,082</u>	<u>12,190</u>	<u>6,198</u>

Miscellaneous income for the Group comprised mainly sale of export licences, scrap and by-products from processing operations.

5. Cost of goods sold

Cost of goods sold included realised profit on futures and options of \$22,774,596 (2003 : Loss of \$88,227,534 ; 2002 : Loss of \$6,913,042) arising from price hedges in relation to sales and purchases of physical commodities.

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 30 June 2004, 30 June 2003 and 31 March 2002

6. Profit from operating activities

Profit from operating activities included the following for the financial year/period ended 30 June 2004, 30 June 2003 and 31 March 2002 :-

	<u>12 months</u> to 30 June 2004 \$' 000	<u>Group</u> 15 months to 30 June 2003 \$' 000	<u>12 months</u> to 31 March 2002 \$' 000
This is stated after charging/(crediting) :-			
Auditor's remuneration	889	728	525
Loss/(gain) on disposal of fixed asset	104	(81)	70
Amortisation of deferred expenses	–	–	31
Directors' emoluments -			
Directors of the Company	1,629	1,461	1,054
Others directors of subsidiary companies	61	12	74
Staff costs			
- Salaries and employee benefits	37,200	30,659	21,459
- CPF contributions and equivalent	1,845	1,717	1,138
- retrenchment benefits	180	205	–
Bank charges	22,108	19,657	10,998
Bad debts written off			
- trade debtors (Note 13)	33	359	417
- advance to suppliers (Note 16)	185	208	–
Provision for doubtful debts			
- trade debtors	991	1,485	1,651
- advance to suppliers	747	1,333	–
- other debtors	196	–	–
Provision for stocks written down	2,752	12	889
Stocks written off	82	–	669
Pre-operating expenses written off	–	–	289
	<u> </u>	<u> </u>	<u> </u>

7. Finance costs

Finance costs included the following for the financial year/period ended 30 June 2004, 30 June 2003 and 31 March 2002 :-

	<u>12 months</u> to 30 June 2004 \$' 000	<u>Group</u> 15 months to 30 June 2003 \$' 000	<u>12 months</u> to 31 March 2002 \$' 000
Interest expense –			
On bank overdrafts	13,110	8,947	3,200
On bank loans	26,328	26,742	20,834
On margin accounts with brokers	–	5,225	2,206
Interest on medium term notes	1,563	–	–
Others	2,561	2,976	2,033
	<u>43,562</u>	<u>43,890</u>	<u>28,273</u>

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 30 June 2004, 30 June 2003 and 31 March 2002

8. Taxation

Major components of income tax expense for the financial year/period ended 30 June 2004, 30 June 2003 and 31 March 2002 were :-

	<u>12 months</u> <u>to</u> <u>30 June</u> <u>2004</u> \$'000	<u>Group</u> <u>15 months</u> <u>to</u> <u>30 June</u> <u>2003</u> \$'000	<u>12 months</u> <u>to</u> <u>31 March</u> <u>2002</u> \$'000
Current :-			
Singapore	2,229	2,507	2,604
Foreign	2,151	2,469	1,749
Under/(over)provision in respect of prior years	<u>1,337</u>	<u>(228)</u>	<u>53</u>
	<u>5,717</u>	<u>4,748</u>	<u>4,406</u>
Deferred :-			
Singapore	(711)	(482)	–
Foreign	<u>578</u>	<u>(209)</u>	<u>25</u>
	<u>(133)</u>	<u>(691)</u>	<u>25</u>
Tax expense	<u>5,584</u>	<u>4,057</u>	<u>4,431</u>

The Company is an approved company under the Global Trader Programme of International Enterprise Singapore. 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 2003 to 30 June 2008 on qualifying activities, products and income. The Company has obtained a renewal of approval under the Global Trader Programme from International Enterprise Singapore during the financial year. Previously, the Company was entitled to a concessionary income tax rate of 10% from 1 April 1996 to 30 June 2003.

A reconciliation of the statutory tax rate to the Group's effective tax rate for the financial year/period ended 30 June 2004, 30 June 2003 and 31 March 2002 is as follows :-

	%	%	%
Statutory tax rate	20.0	22.0	24.5
Tax effect of (non-taxable income)/non-deductible expenses	(1.3)	0.5	3.0
Higher statutory tax rates of other countries	2.3	2.7	1.6
Tax effect of income taxed at lower rate	(12.7)	(10.0)	(12.7)
Tax effect on exempt income	(1.6)	(2.2)	(0.2)
Tax effect on difference in tax base	1.0	1.4	(2.0)
Group relief	(0.4)	–	–
Utilisation of timing differences not recognised in prior year	(0.2)	(2.2)	–
Under/(over)provision in respect of prior year	2.2	(0.7)	0.2
Tax effect of deductible temporary differences not recognised	0.8	0.5	1.5
Tax effect of others, net	<u>0.3</u>	<u>(0.1)</u>	<u>0.5</u>
Effective tax rate	<u>10.4</u>	<u>11.9</u>	<u>16.4</u>

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 30 June 2004, 30 June 2003 and 31 March 2002

8. Taxation (cont'd)

The Singapore corporate income tax rate was reduced from 24.5% to 22% for Year of Assessment 2004 and will be reduced from 22% to 20% for Year of Assessment 2005 onwards.

Deferred tax assets and liabilities

	<u>2004</u>	Group <u>2003</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Deferred tax liabilities :-			
Differences in depreciation	399	250	93
Others	<u>309</u>	<u>48</u>	<u>–</u>
Gross deferred tax liabilities	<u>708</u>	<u>298</u>	<u>93</u>
Deferred tax assets:			
Provision for doubtful debts	589	379	276
Provision for inventories write-down	741	195	196
Unabsorbed losses	206	614	848
Re-investment tax credits	28	222	–
Deferred tax assets not recognised	<u>(27)</u>	<u>(416)</u>	<u>(1,252)</u>
Gross deferred tax assets	<u>1,537</u>	<u>994</u>	<u>68</u>
Net deferred tax assets/(liabilities)	<u>829</u>	<u>696</u>	<u>(25)</u>

A loss-transfer system of group relief (group relief system) for companies was introduced in Singapore with effect from Year of Assessment 2003. Under the group relief system, a company belonging to a group may transfer its current year unutilised trade losses to another company belonging to the same group, to be deducted against the assessable income of the latter company.

The Company intends to transfer all its unutilised trade losses of \$859,000 (2003 : nil ; 2002 : nil) from a subsidiary company under the group relief system, subject to compliance with the relevant rules and procedures and agreement of the Inland Revenue Authority of Singapore.

The Group has tax losses of approximately \$1,939,000 (2003 : \$1,918,000 ; 2002 : \$2,545,000) that are available for offset against future taxable profits of the companies in which the losses arose. 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.

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements 30 June 2004, 30 June 2003 and 31 March 2002

9. Fixed assets	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
Group								
Cost								
At 31 March 2001, previously stated	1,775	3,420	5,976	2,600	3,163	1,024	-	17,958
Adjustment for change in accounting policy, Note 2(b)	11	1	4	178	70	103	-	367
At 31 March 2001, as restated	1,786	3,421	5,980	2,778	3,233	1,127	-	18,325
Additions	421	1,920	1,460	244	435	141	1	4,622
Disposals	-	(23)	(1,346)	(90)	(127)	(21)	-	(1,607)
Reclassification	-	(32)	2	52	(24)	2	-	-
Foreign currency translation adjustment	(34)	46	40	13	(8)	15	-	72
At 31 March 2002	2,173	5,332	6,136	2,997	3,509	1,264	1	21,412
Accumulated depreciation								
At 31 March 2001, previously stated	282	797	3,123	1,449	1,243	672	-	7,566
Adjustment for change in accounting policy, Note 2(b)	1	(1)	2	177	58	106	-	343
At 31 March 2001, as restated	283	796	3,125	1,626	1,301	778	-	7,909
Charge for the year	120	563	1,225	388	528	177	-	3,001
Disposals	-	(21)	(1,093)	(74)	(88)	(11)	-	(1,287)
Reclassification	-	3	(15)	5	23	(16)	-	-
Foreign currency translation adjustment	(6)	18	5	20	40	12	-	89
At 31 March 2002	397	1,359	3,247	1,965	1,804	940	-	9,712
Charge for 2001	77	340	1,125	405	424	207	-	2,578
Net book value								
At 31 March 2002 (restated)	1,776	3,973	2,889	1,032	1,705	324	1	11,700
At 31 March 2001 (restated)	1,503	2,625	2,855	1,152	1,932	349	-	10,416

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements 30 June 2004, 30 June 2003 and 31 March 2002

9. Fixed assets (cont'd)	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								
At 31 March 2002, previously stated	2,158	5,331	6,131	2,795	3,424	1,144	1	20,984
Adjustment for change in accounting policy, Note 2(b)	15	1	5	202	85	120	-	428
At 31 March 2002, as restated	2,173	5,332	6,136	2,997	3,509	1,264	1	21,412
Additions	810	4,658	2,276	411	967	604	702	10,428
Disposals	(4)	-	(1,070)	(32)	(89)	(401)	-	(1,596)
Reclassification	-	-	-	-	(210)	210	-	-
Foreign currency translation adjustment	(43)	487	347	22	8	48	-	869
At 30 June 2003	2,936	10,477	7,689	3,398	4,185	1,725	703	31,113
Accumulated depreciation								
At 31 March 2002, previously stated	394	1,359	3,248	1,768	1,737	822	-	9,328
Adjustment for change in accounting policy, Note 2(b)	3	-	(1)	197	67	118	-	384
At 31 March 2002, as restated	397	1,359	3,247	1,965	1,804	940	-	9,712
Charge for the year	169	1,328	1,795	438	622	387	-	4,739
Disposals	-	-	(805)	(14)	(58)	(401)	-	(1,278)
Reclassification	-	-	-	-	(63)	63	-	-
Foreign currency translation adjustment	(2)	96	234	16	(24)	25	-	345
At 30 June 2003	564	2,783	4,471	2,405	2,281	1,014	-	13,518
Charge for 2002	120	563	1,225	388	528	177	-	3,001
Net book value								
At 30 June 2003 (restated)	2,372	7,694	3,218	993	1,904	711	703	17,595
At 31 March 2002 (restated)	1,776	3,973	2,889	1,032	1,705	324	1	11,700

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements 30 June 2004, 30 June 2003 and 31 March 2002

9. Fixed assets (cont'd)

Group	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								
At 30 June 2003, previously stated	2,930	10,477	7,690	3,244	4,119	1,722	703	30,885
Adjustment for change in accounting policy, Note 2(b)	6	—	(1)	154	66	3	—	228
At 30 June 2003, as restated	2,936	10,477	7,689	3,398	4,185	1,725	703	31,113
Additions	663	3,913	3,351	447	858	342	297	9,871
Disposals	(1)	(43)	(1,175)	(277)	(646)	(25)	(629)	(2,796)
Reclassification	—	2	—	—	40	(40)	(2)	—
Foreign currency translation adjustment	(92)	(3)	(146)	(106)	(74)	(7)	(37)	(465)
At 30 June 2004	3,506	14,346	9,719	3,462	4,363	1,995	332	37,723
Accumulated depreciation								
At 30 June 2003, previously stated	563	2,783	4,470	2,252	2,215	1,010	—	13,293
Adjustment for change in accounting policy, Note 2(b)	1	—	1	153	66	4	—	225
At 30 June 2003, as restated	564	2,783	4,471	2,405	2,281	1,014	—	13,518
Charge for the year	76	1,607	1,605	370	677	389	—	4,724
Disposals	(1)	(26)	(899)	(198)	(378)	(16)	—	(1,518)
Reclassification	—	—	—	(2)	14	(12)	—	—
Foreign currency translation adjustment	(12)	(7)	(74)	(43)	(52)	(8)	—	(196)
At 30 June 2004	627	4,357	5,103	2,532	2,542	1,367	—	16,528
Charge for 2003	169	1,328	1,795	438	622	387	—	4,739
Net book value								
At 30 June 2004	2,879	9,989	4,616	930	1,821	628	332	21,195
At 30 June 2003 (restated)	2,372	7,694	3,218	993	1,904	711	703	17,595

The factory building of a subsidiary company with net book value amounted to \$485,108 (2003 : \$478,496 ; 2002 : Nil) is pledged to secure the term loan from bank (Note 22).

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements 30 June 2004, 30 June 2003 and 31 March 2002

10. Investments

	<u>2004</u>	<u>Group</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Government securities	9	9	9
Unquoted mutual funds	—	—	457
Market value of government securities	<u>9</u>	<u>9</u>	<u>466</u>
(a) Investment in jointly controlled entity			
Unquoted shares at cost	201	201	—
Share of post-acquisition reserves	(133)	(91)	—
Currency realignment	<u>(3)</u>	<u>—</u>	<u>—</u>
	<u>65</u>	<u>110</u>	<u>—</u>
Total Investment	<u>74</u>	<u>119</u>	<u>466</u>

Details of the jointly controlled entity at end of financial year/period are as follows :-

Name of company (Country of incorporation)	Principal activities (Place of business)	Cost of investment						Percentage of equity held by the Company		
		2004		2003		2002		2004	2003	2002
		US\$' 000	S\$' 000	US\$' 000	S\$' 000	US\$' 000	S\$' 000	%	%	%
<u>Held by the Company</u>										
LAMCO S.p.A (Italy)	Trading of agri commodities (Genova, Italy)	114	196	114	201	—	—	40	40	—

Audited by associated firm of Ernst & Young, Singapore.

(b) The Group's share of the jointly controlled entity's assets and liabilities, and results is as follows :-

	<u>2004</u>	<u>Group</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Current assets	4,148	2,570	—
Long-term assets	20	114	—
Current liabilities	<u>(4,005)</u>	<u>(2,410)</u>	<u>—</u>
Net assets	<u>163</u>	<u>274</u>	<u>—</u>
Income	19,194	4,552	—
Expenses	<u>(19,300)</u>	<u>(4,780)</u>	<u>—</u>
Loss after tax for the financial year	<u>(106)</u>	<u>(228)</u>	<u>—</u>

11. Amount due from a related party

The amount due from a related party which was the penultimate holding company of the Company then, comprised an amount recoverable which arose from the acquisition of subsidiary companies on 1 April 1997. The amount recoverable represents the pre-acquisition losses of the subsidiary companies as of 1 April 1997 which the related party had undertaken to make good. This amount is progressively receivable by the Group over a period of 8 years.

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements 30 June 2004, 30 June 2003 and 31 March 2002

12. Amount due from/(to) a corporate shareholder

The amount is non-trade related, interest-free, unsecured and has no fixed terms of repayment.

13. Trade debtors

	<u>2004</u>	<u>Group</u> <u>2003</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Trade debtors	457,808	358,588	288,400
GST receivable and equivalent	<u>7,136</u>	<u>3,822</u>	<u>3,613</u>
	<u>464,944</u>	<u>362,410</u>	<u>292,013</u>
	<u>2004</u>	<u>Group</u> <u>2003</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Trade debtors are stated after deducting provision for doubtful debts of	<u>3,715</u>	<u>3,092</u>	<u>2,026</u>
Bad debts written off directly to profit and loss account (Note 6)	<u>33</u>	<u>359</u>	<u>417</u>

As at 30 June 2004, trade debtors amounting to \$30,443,353 (2003 : \$56,973,593; 2002 : \$12,015,819) are secured by the same stocks sold by the Group to the customers but held in lien by its subsidiary in Nigeria on behalf of the Group.

14. 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.

A debit balance reflects amounts paid to futures dealers as initial and variation margins. A credit balance reflects margin monies payable to futures dealers. This depends on volume of traders done, price movements and lines of credit available with the brokers.

15. Stocks

	<u>2004</u>	<u>Group</u> <u>2003</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
		(Restated)	(Restated)
Stocks consist of the following :-			
At cost	343,865	305,010	248,756
At net realisable value	<u>129,198</u>	<u>5,985</u>	<u>18,913</u>
	<u>473,063</u>	<u>310,995</u>	<u>267,669</u>
Stocks at net realisable value are stated after deducting for provision of stocks write-down of	<u>3,735</u>	<u>901</u>	<u>889</u>

Stocks amounting to approximately \$302 million (2003 : \$310 million 2002 : \$267 million) of the Group are pledged to secure the bank loans (Note 20).

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements 30 June 2004, 30 June 2003 and 31 March 2002

16. Advance payments to suppliers

These represent advance payments to suppliers for procurement of physical commodities.

	<u>2004</u>	<u>Group</u> <u>2003</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Advance for suppliers are stated after deducting doubtful debts of	<u>1,796</u>	<u>1,462</u>	<u>–</u>
Bad debts written off directly to consolidated profit and loss account (Note 6)	<u>185</u>	<u>208</u>	<u>–</u>

17. Other debtors

Staff advances (1)	2,533	2,030	1,803
Deposits	2,126	1,814	1,300
Prepayments	16,846	14,190	14,309
Currency cover reserve (2)	4,554	2,873	411
Insurance receivables (3)	3,286	316	1,231
Unexpired options and deferred realised future losses (4)	32,278	39,462	–
Export incentives receivable (5)	14,112	5,360	4,310
Sundry debtors	<u>7,100</u>	<u>5,428</u>	<u>4,370</u>
	<u>82,835</u>	<u>71,473</u>	<u>27,734</u>
Other debtors are stated after deducting provision for doubtful debt of doubtful debts of	<u>196</u>	<u>–</u>	<u>–</u>

- (1) Included in staff advances are amounts due from directors of nil (2003 : \$1,122 ; 2002: \$7,503) for the Group. Staff advances are interest-free, unsecured and repayable monthly on tenure ranging from 12 to 36 months.
- (2) Currency cover reserve represents unrealised foreign currency exchange differences arising from buying and selling currencies to hedge against currency fluctuations of physical commodity commitments. The exchange differences will be recognised in the profit and loss account as and when the commitments are realised.
- (3) Insurance receivables pertain to pending marine and stock insurance claims. The outstanding claims are currently being processed by the insurance companies for final settlement.
- (4) These relate to options and futures for the hedging of stocks and trading commitments. The profit and loss on these transactions are recognised when the corresponding physical transactions are completed. Any differences arising between profit and loss realised by brokers and profit and loss realised by the Group are deferred in the balance sheet.
- (5) These relate to incentives receivable from the Government of a country where a subsidiary resides, for the subsidiary's export activities of certain commodities.

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Notes to the Financial Statements 30 June 2004, 30 June 2003 and 31 March 2002

18. Trade creditors and accruals

	<u>2004</u>	<u>Group</u> <u>2003</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Trade creditors	109,320	65,940	51,763
Accruals	26,994	17,427	18,390
Advances received from customers	17,675	2,373	9,961
GST payable and equivalent	987	—	—
	<u>154,976</u>	<u>85,740</u>	<u>80,114</u>

19. Other creditors

	<u>2004</u>	<u>Group</u> <u>2003</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
		(Restated)	(Restated)
Interest payable on short-term bank loans	2,995	2,106	1,979
Sundry creditors	2,187	1,031	189
Unexpired option and deferred realised future profits (Note 17(4))	—	—	39,830
Provision for withholding tax	206	24	—
	<u>5,388</u>	<u>3,161</u>	<u>41,998</u>

20. Amounts due to bankers

	<u>2004</u>	<u>Group</u> <u>2003</u>	<u>2002</u>
	\$'000	\$'000	\$'000
Bank overdrafts	67,716	77,558	17,122
Bank loan :-			
Structured	301,901	312,938	324,391
Unstructured	298,989	250,213	216,145
Trust receipts, utilised against immediate holding company's banking facilities	—	—	12,404
Discounted bills	4,100	1,570	1,587
	<u>672,706</u>	<u>642,279</u>	<u>571,649</u>

Structured bank loans are secured by the underlying stocks of specific transaction - linked arrangements with the lending banks.

Unstructured bank loans are primarily in the nature of pre-shipment finance.

Unstructured bank loans and bank overdrafts are substantially secured by corporate guarantees from the Company's related parties, Chanrai Investment Corporation Limited and Kewalram (Singapore) Limited.

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements 30 June 2004, 30 June 2003 and 31 March 2002

20. Amounts due to bankers (cont'd)

The amounts due to bankers for the Company are repayable within 12 months and bear interest of between 2.5% to 4.0% (2003 : 2.5% to 4.5% ; 2002 : 3.5% to 5%) per annum.

The amounts due to bankers for the subsidiary companies are repayable within 12 months and bear interest of between 4% to 30% (2003 : 5% to 36%; 2002 : 10% to 36%) per annum.

21. Medium term notes

During the financial year ended 30 June 2004, the Company established a multicurrency medium term note programme with a maximum aggregate principal amount of S\$200,000,000. These medium term notes are unsecured, bear interest ranging from 2.2% to 2.3% per annum and repayable within the next twelve months.

22. Term loan from a bank

	<u>2004</u>	<u>Group</u> <u>2003</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Term loan	266	343	245
Repayable within 12 months	<u>—</u>	<u>(68)</u>	<u>(245)</u>
Repayable after 12 months	<u>266</u>	<u>275</u>	<u>—</u>

The term loan of a subsidiary company as at the financial years ended 30 June 2004 and 30 June 2003 was secured over its building under the loan. This loan is subject to an interest charge of 3.8% per annum (2003 : SIBOR 6 months plus 2.5%) and is repayable over 36 months with effect from June 2004.

The term loan of another subsidiary company as at the financial year ended 31 March 2002 was secured by an unlimited guarantee by the resident directors of the subsidiary company and debentures over the assets purchase under the loan. This loan was subject to an interest charge of 7.31% per annum and was repayable over 18 months with effect from 30 October 2001 in equal monthly instalments.

23. Convertible redeemable shares

	<u>2004</u>	<u>Group</u> <u>2003</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Convertible redeemable shares	<u>25,602</u>	<u>—</u>	<u>—</u>

During the financial year ended 30 June 2004, the Company authorised the creation of 100,000,000 convertible redeemable shares of \$0.20 each. During the year, 52,161,689 of these redeemable shares were issued and fully paid for by cash, at a premium of \$0.29082.

The terms of these convertible redeemable shares are :-

- (a) redeemable in full or part by request of the holder anytime after 30 June 2006,
- (b) do not bear any interest,

Olam International Limited and Subsidiary Companies

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23. Convertible redeemable shares (cont'd)

- (c) carry the same voting and dividend rights as holders of ordinary shares,
- (d) entitled to a one-time deemed dividend amounting to \$185,365 on full redemption, and
- (e) entitled to convert all or any of these shares into fully paid ordinary shares at any point of time but carrying the option to convert back to redeemable shares if certain specific conditions are not met.

Subsequent to the financial year ended 30 June 2004, the holders of the convertible redeemable shares have requested to exercise their right to convert their shares into fully paid ordinary shares (Note 35).

24. Long term loan from a corporate shareholder

Long term loan from the corporate shareholder is unsecured, interest-free and has no fixed terms of repayment. The loan is for the purpose of financing the working capital requirements of the Company.

25. Share capital

	<u>2004</u>	<u>Group</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Authorised:-			
Balance at beginning and end			
1,000,000,000 ordinary shares of \$0.20 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Issued and fully paid :-			
Balance at beginning -			
407,480,803 ordinary shares of \$0.20 each			
(2003 :275,000,000 ordinary shares of \$0.20 each ;			
2002 : 110,000,000 ordinary shares of \$0.20 each)	81,496	55,000	22,000
Issued during the financial year -			
19,268,870 (2003: 47,230,803 ; 2002 : nil) ordinary			
shares of \$0.20 each for cash at a premium of			
\$0.2441326 each	3,854	9,446	-
Nil (2003:85,250,000 ; 2002 : 165,000,000) ordinary			
shares of \$0.20 each via bonus issue	-	17,050	33,000
77,205,013 (2003 : nil ; 2002: nil) ordinary shares of			
\$0.20 each for cash at a premium of \$0.25646 each	<u>15,441</u>	<u>-</u>	<u>-</u>
Balance at end -			
503,954,686 ordinary shares of \$0.20 each			
(2003 : 407,480,803 ordinary shares of \$0.20 each ;			
2002 : 275,000,000 ordinary shares of \$0.20 each)	<u>100,791</u>	<u>81,496</u>	<u>55,000</u>

Of the 77,205,013 ordinary shares of \$0.20 each which were issued during the year at a premium of \$0.25646 each, 39,433,905 of these shares were paid for through the interim dividend payment of \$18,000,000 in respect of the financial year ended 30 June 2004 (Note 26).

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26. Dividends

A final dividend of 8.6% amounting to \$4,730,000 in respect of financial year ended 31 March 2002 was paid during the financial year.

An interim dividend of 22.1% amounting to \$18,000,000 in respect of financial year ended 30 June 2004 recommended by the Directors and subsequently approved at the Extraordinary General Meeting (“EGM”), was paid out as exempt dividend in accordance with Section 13B of the Income Tax Act. The dividend payment was utilised to pay for the 39,433,905 ordinary shares of \$0.20 each at a premium of \$0.25646 per share which were issued on 23 September 2003.

27. Operating lease commitments

Rental expenses of the Group (principally for offices, warehouses and employees’ residence) were \$9,684,226 (2003 : \$10,186,123 ; 2002 : \$7,935,481) for the year/period ended 30 June 2004, 30 June 2003 and 31 March 2002, respectively.

Future minimum rentals under non-cancellable leases are as follows as of 30 June 2004, 30 June 2003 and 31 March 2002 :-

	<u>2004</u> \$' 000	<u>Group</u> <u>2003</u> \$' 000	<u>2002</u> \$' 000
Within one year	1,748	1,717	1,149
After one year but not more than five years	<u>812</u>	<u>3,167</u>	<u>771</u>
	<u>2,560</u>	<u>4,884</u>	<u>1,920</u>

28. Contingent liabilities

	<u>2004</u> \$' 000	<u>Group</u> <u>2003</u> \$'000	<u>2002</u> \$' 000
Contingent liabilities not provided for in the account :-			
Bills discounted	16,940	12,307	16,595
Bankers’ guarantees	<u>4,540</u>	<u>2,477</u>	<u>—</u>
	<u>21,480</u>	<u>14,784</u>	<u>16,595</u>

29. Related party transactions

The following are the significant related party transactions entered into by the Group in the ordinary course of business on terms agreed between the parties :-

	<u>12 months</u> <u>to</u> <u>30 June</u> <u>2004</u> \$'000	<u>Group</u> <u>15 months</u> <u>to</u> <u>30 June</u> <u>2003</u> \$'000	<u>12 months</u> <u>to</u> <u>31 March</u> <u>2002</u> \$'000
Rental of premises paid to a director	<u>35</u>	<u>35</u>	<u>35</u>

Other related party transactions are detailed in various notes to the financial statements.

29. Related party transactions (cont'd)

Directors' and executives' remuneration

Directors' emoluments amounted to approximately \$1,690,000 (2003 : \$1,473,000 ; 2002 : \$1,128,000), executive officers' remuneration amounted to approximately \$2,268,000 (2003 : \$2,336,000 ; 2002 : \$1,732,000)

30. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flow comprises the following balance sheet amounts :-

	<u>2004</u>	<u>Group</u> <u>2003</u>	<u>2002</u>
	\$' 000	\$' 000	\$' 000
Cash and bank balances	88,450	37,955	32,589
Fixed deposits	11,922	6,087	6,883
Bank overdrafts	<u>(67,716)</u>	<u>(77,558)</u>	<u>(17,122)</u>
	<u>32,656</u>	<u>(33,516)</u>	<u>22,350</u>

31. Financial risk management policies and objectives

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 the policies for managing each of these risks and they are summarised below :-

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 enters into 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 position permissible in each commodity.

Credit risk

Credit risk is limited to the risk arising from the inability of a customer to make payments 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 debtors, advances to suppliers, margin accounts with brokers, fixed deposits and cash and bank balances 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.

31. Financial risk management policies and objectives (cont'd)

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.

Liquidity risk

To ensure continuity of funding, the Group primarily uses short-term bank facilities which are transaction-linked and self-liquidating in nature.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its investment portfolio in fixed deposits with banks.

The Group's borrowings are short-term, self liquidating and transaction related. The tenure for such borrowings range from 60 days to 365 days.

Any movement in interest rates is compensated by adjustment to the Group's gross margin accordingly.

32. Fair values of financial instruments

The following methods and assumptions are used to determine the fair value of each class of financial instruments for which it is practicable to determine that value :-

(a) *Cash and bank balances, fixed deposits, debtors, margin accounts with brokers, creditors and accruals as well as amounts due to bankers*

The carrying amounts approximate fair value due to the relatively short-term maturity of these financial instruments.

(b) *Long term loan from corporate shareholder and amounts due from/to corporate shareholder and to related party*

No disclosure of fair value is made for long term loan due from corporate shareholder, amounts due from/to corporate shareholder, from subsidiary companies and related party as it is not practicable to determine their fair values with sufficient reliability since these balances are non-interest bearing and have no fixed terms of repayment.

(c) *Term loan from a bank*

The carrying amount approximate its fair value as the instrument bears interest of variable rates.

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements 30 June 2004, 30 June 2003 and 31 March 2002

32. Fair values of financial instruments (cont'd)

(d) Derivative financial instruments

The contract notional amounts of these derivative instruments and the corresponding fair value adjustments as at 30 June 2004, 30 June 2003 and 31 March 2002 are analysed below :-

	Contract notional amount \$' 000	Group Fair value adjustments gain/(loss) \$' 000
2004		
<u>Foreign exchange derivatives</u>		
Foreign exchange forward	(240,375)	807
<u>Commodity derivatives</u>		
Futures forward	693,147	6,624
Options	17,306	(914)
2003		
<u>Foreign exchange derivatives</u>		
Foreign exchange forward	42,897	(1,634)
<u>Commodity derivatives</u>		
Futures forward	518,053	(1,856)
Options	12,828	233
2002		
<u>Foreign exchange derivatives</u>		
Foreign exchange forward	109,197	468
<u>Commodity derivatives</u>		
Futures forward	705,367	(103,052)
Options	56,721	(1,175)

The fair value adjustments represent the difference between the contract rates and market rates of the financial instruments at balance sheet date, applied to the contract amounts. The fair value adjustments of foreign exchange forward, futures forward and options have been calculated using market rates assuming these contracts were to be liquidated at balance sheet date.

At 30 June 2004, the settlement dates on open foreign exchange forward, futures forward and options ranged between 3 to 4 months.

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

33. Subsidiary companies

The Company has equity interests in the following subsidiary companies as at the end of the respective financial year ends :-

Name of company (Country of incorporation)	Principal activities (Place of business)	2004		2003		2002		Percentage of equity held by the Company		
		US\$' 000	\$' 000	US\$' 000	\$' 000	US\$' 000	\$' 000	2004	2003	2002
								%	%	%
Caraway Pte Ltd ¹ (Singapore)	Sourcing, processing, packaging and trading of agri commodities (Singapore)	*	*	–	–	–	–	100	–	–
Olam Benin Sarl. ³ (Benin)	Sourcing, processing and trading of agri commodities (Cotonou)	336	578	336	592	336	619	100	100	100
Olam Burkina Sarl. ³ (Burkina Faso)	Sourcing, processing and trading of agri commodities (Bobo Dioulasso)	191	330	191	336	191	352	100	100	100
Olam Cam Sarl. ³ (Cameroon)	Sourcing, processing and trading of agri commodities (Douala)	328	564	328	578	328	604	100	100	100
Olam Europe B.V. ² (Netherlands)	Trading of agri commodities (Rotterdam)	20	34	20	35	20	37	100	100	100
Olam Ghana Limited ² (Ghana)	Sourcing, processing and trading of agri commodities (Accra)	1,605	2,761	1,605	2,827	1,605	2,955	100	100	100
Olam Investments Limited ² (Mauritius)	Investment holding (Mauritius)	10	17	10	18	10	18	100	100	100

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

33. Subsidiary companies (cont'd)	Name of company (Country of incorporation)	Principal activities (Place of business)	2004		2003		2002		Percentage of equity held by the Company				
			US\$, '000	\$' 000	US\$, '000	\$' 000	US\$, '000	\$' 000	2004	2003	2002		
			US\$, '000	\$' 000	US\$, '000	\$' 000	US\$, '000	\$' 000	(Restated)	(Restated)	%	%	%
	Olam Ivoire Sarl. ³ (Ivory Coast)	Sourcing, processing and trading of agri commodities (Abidjan)	312	537	312	549	312	312	574		100	100	100
	Olam Nigeria Ltd ² (Nigeria)	Sourcing, processing and trading of agri commodities (Lagos)	3,021	5,196	307	542	307	307	567		100	100	100
	Outspan Nigeria Ltd ² (Nigeria)	Sourcing, processing and trading of agri commodities (Lagos)	1	2	–	–	–	–	–		100	–	–
	Olam Tanzania Ltd ² (Tanzania)	Sourcing, processing and trading of agri commodities (Dar-es-Salaam)	2,412	4,149	2,412	4,248	2,412	2,412	4,440		100	100	100
	Olam Togo Sarl. ³ (Togo)	Sourcing, processing and trading of agri commodities (Lome)	208	358	208	366	208	208	383		100	100	100
	Outspan Ivoire Sarl. ³ (Ivory Coast)	Sourcing, processing and trading of agri commodities (Abidjan)	3,473	5,974	2,929	5,158	1,725	1,725	3,174		100	100	100
	Olam Bissau Limitida ² (Guinea Bissau)	Sourcing, processing and trading of agri commodities (Bissau)	3	5	3	5	3	3	6		100	100	100

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

33. Subsidiary companies (cont'd)	Name of company (Country of incorporation)	Principal activities (Place of business)	2004			2003			2002			Percentage of equity held by the Company		
			US\$, '000	\$' 000	US\$, '000	US\$, '000	\$' 000	US\$, '000	US\$, '000	2004	2003	2002	2004	2003
	Olam Gab Sarl. ³ (Gabon)	Sourcing, processing and trading of agri commodities (Libreville)	187	322	8	14	8	15	100	100	100	100	100	100
	Olam Mozambique Limitida ³ (Mozambique)	Sourcing, processing and trading of agri commodities (Nacala)	1,053	1,811	1,053	1,854	1,053	1,939	100	100	100	100	100	100
	Olam Madagascar Sarl. ² (Madagascar)	Sourcing, processing and trading of agri commodities (Tamatave)	10	17	10	18	10	18	100	100	100	100	100	100
	Olam Polska Sp Zoo ² (Poland)	Sourcing, processing and trading of agri commodities (Warsaw)	211	363	211	372	211	388	100	100	100	100	100	100
	Outspan Ghana Limited ² (Ghana)	Sourcing, processing and trading of agri commodities (Accra)	101	174	101	178	101	186	100	100	100	100	100	100
	Olam Vietnam Limited ² (Vietnam)	Sourcing, processing and trading of agri commodities (Ho Chi Minh)	1,000	1,720	660	1,162	510	939	100	100	100	100	100	100
	Olam Insurance Limited ² (Isle of Man)	Providing insurance related services (Isle of Man)	500	860	500	881	500	921	100	100	100	100	100	100

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

33. Subsidiary companies (cont'd)

Name of company (Country of incorporation)	Principal activities (Place of business)	2004		2003		2002		Percentage of equity held by the Company						
		US\$, '000	\$ '000	US\$, '000	\$ '000	US\$, '000	\$ '000	2004	2003	2002				
		US\$, '000	\$ '000	US\$, '000	\$ '000	US\$, '000	\$ '000	(Restated)	(Restated)	(Restated)	(Restated)	%	%	%
Olam South Africa (Proprietary) Limited ² (South Africa)	Sourcing, processing and trading of agri commodities (Durban)	100	172	100	176	100	184	100	100	100	100	100	100	100
Olam Congo (RDC) SPRL ² (Democratic Republic of Congo)	Sourcing, processing and trading of agri commodities (Kinshasha)	25	43	—	—	—	—	—	—	—	—	—	—	—
Olam Online Ltd ¹ (Singapore)	Dormant (Singapore)	*	*	*	*	*	*	*	*	*	*	100	100	100
Ouspan PNG Limited ³ (Papua New Guinea)	Sourcing, processing and trading of agri commodities (Rabual)	100	172	*	*	*	*	*	*	*	*	100	100	100
Olam France Sarl. ² (France)	Trading of agri commodities (Marsellies)	7	12	7	12	—	—	—	—	—	—	100	100	—
Olam Guinee Sarl. ² (Guinee Conakry)	Sourcing, processing and trading of agri commodities (Conakry)	3	3	3	4	—	—	—	—	—	—	100	100	—
Olam Brazil Ltd ² (Brazil)	Sourcing, processing and trading of agri commodities (Fortaleza)	208	358	208	366	—	—	—	—	—	—	100	100	—
Olam Kazakhstan ⁴ (Kazakhstan)	Sourcing, processing and trading of agri commodities (Djetisay)	10	17	10	18	—	—	—	—	—	—	100	100	—

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

33. Subsidiary companies (cont'd)

Name of company (Country of incorporation)	Principal activities (Place of business)	2004		2003		2002		Percentage of equity held by the Company		
		US\$, '000	\$' 000	US\$, '000	\$' 000	US\$, '000	\$' 000	2004	2003	2002
								%	%	%
Olam Middle East L.L.C. ³ (United Arab Emirates)	Trading of agri commodities (Dubai)	82	141	82	144	–	–	100	100	–
Olam Americas Inc. ² (United States Of America)	Sourcing, processing and trading of agri commodities (North Carolina)	1	2	1	2	–	–	100	100	–
Olam Europe Ltd ¹ (United Kingdom)	Trading of agri commodities (London)	394	677	–	–	–	–	100	–	–
Olam Kenya Limited ² (Kenya)**	Dormant (Nairobi)	2	3	–	–	–	–	100	–	–
Olam Uganda Limited ² (Uganda)**	Sourcing, processing and trading of agri commodities (Kempala)	97	167	–	–	–	–	100	–	–
PT Olam Indonesia Ltd ² (Indonesia)	Sourcing, processing and trading of agri commodities (Jakarta)	1,100	1,892	700	1,233	700	1,289	100	100	100
Olam Russia Ltd ⁴ (Moscow)	Dormant (Russia)	*	*	*	*	–	–	100	100	–
Texturegate Investments Pte Ltd ⁴ (Zimbabwe)	Dormant (Harare)	*	*	–	–	–	–	100	–	–
		17,111	29,431	12,315	21,688	10,650	19,608			

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

33. Subsidiary companies (cont'd)

Name of Company (Country of incorporation)	Principal activities (Place of business)	Cost of investment			Percentage of equity held by the Company		
		2004	2003	2002	2004	2003	2002
Subsidiary companies of Olam Investment Limited as at the end of the respective financial years: -							
Olam Exports (India) Limited ² (India)	Sourcing, processing and trading of agri commodities (Quilon)	USD 2,738,198	USD 2,738,198	USD 2,738,198	100	100	100
Outspan India Private Limited ² (India)	Sourcing, processing and trading of agri commodities (Quilon)	USD 1	USD 1	USD 1	100	100	100
Subsidiary company of Olam (Uganda) Limited as at the end of the respective financial years :-							
Victoria Commodities Ltd ² (Uganda)	Sourcing, processing and trading of agri commodities (Kampala)	UGS 5,000,000	UGS 5,000,000	UGS 5,000,000	100	100	100
Subsidiary companies of Olam Nigeria Ltd as at the end of the respective financial years: -							
Novus Nigeria ² (Nigeria)	Dormant (Lagos)	*	-	-	100	-	-

* These costs of investment were less than a thousand dollars each.

** These subsidiary companies were transferred from Olam Tanzania Ltd during the financial year ended 30 June 2004. Olam Kenya Ltd and Olam Uganda Ltd were wholly held by Olam Tanzania Ltd as at 30 June 2003 and 31 March 2002 at cost of investment amounting to KES100,000 and UGS100,000,000 respectively.

1 Audited by Ernst & Young, Singapore.

2 Audited by associated firms of Ernst & Young, Singapore.

3 Audited by other CPA firms.

4 Not required to be audited by law in its country of incorporation.

34. Effects of change in accounting policy

Prior year adjustments have been raised to effect the change in accounting policy as detailed in Note 2(b) to the financial statements. As a result, the prior year comparatives of the Group have been restated to conform to the changed policy.

- a) The change in accounting policy has the financial impact for the following balance sheet items: -

	2003, as previously stated \$' 000	Effect of change in accounting policy \$' 000	2003, as restated \$' 000
Group:			
Fixed assets	17,592	3	17,595
Stocks	310,965	30	310,995
Other debtors	71,462	11	71,473
Other creditors	3,168	(7)	3,161
Profit for the financial year	27,977	2,036	30,013

	2002, as previously stated \$' 000	Effect of change in accounting policy \$' 000	2002, as restated \$' 000
Group:			
Fixed assets	11,656	44	11,700
Stocks	267,681	(12)	267,669
Other debtors	27,717	17	27,734
Other creditors	42,009	(11)	41,998
Profit for the financial year	23,624	(1,096)	22,528

- b) The change in accounting policy has the following impact on the following profit and loss items:-

	<u>12 months to 30 June 2004 \$' 000</u>	Group <u>15 months to 30 June 2003 \$' 000</u> (Restated)	<u>12 months to 31 March 2002 \$' 000</u> (Restated)
Revenue reserves			
Balance at beginning, as previously stated	32,367	26,170	35,546
Adjustment for change in accounting policy, Note 2(b)	<u>(5,420)</u>	<u>(7,456)</u>	<u>(6,360)</u>
Balance at beginning, as restated	<u>26,947</u>	<u>18,714</u>	<u>29,186</u>

34. Effects of change in accounting policy (cont'd)

- b) The change in accounting policy has the following impact on the following profit and loss items:- (cont'd)

	<u>12 months</u> to 30 June 2004 \$' 000	Group <u>15 months</u> to 30 June 2003 \$' 000 (Restated)	<u>12 months</u> to 31 March 2002 \$' 000 (Restated)
<i>Foreign currency translation reserves</i>			
Balance at beginning, as previously reported	(7,215)	(7,377)	(6,815)
Adjustment for change in accounting policy, Note 2(b)	<u>5,471</u>	<u>7,516</u>	<u>6,377</u>
Balance at beginning, as restated	<u>(1,744)</u>	<u>139</u>	<u>(438)</u>

35. Subsequent events

On 21 October 2004, the holders of the convertible redeemable shares exercised their right to convert a total of 52,161,689 convertible redeemable shares on the basis of one ordinary share for every convertible redeemable shares held into an equivalent number of ordinary shares in the Company.

On 2 December 2004, the Company issued and allotted 29,835,700 ordinary shares of \$0.20 each pursuant to the Employee Share Subscription Scheme, for \$0.46 each.

On 14 December 2004, the Company issued and allotted 7,120,822 ordinary shares of \$0.20 each pursuant to the Employee Share Subscription Scheme, for \$0.46 each.

On 4 January 2005, the Board of Directors granted 15,000,000 share options to Sunny George Verghese, a director of the Company. These share options will be exercisable in 3 equal tranches of 5,000,000 over the next 3 years subject to fulfillment of certain conditions. These share options are exercisable at a fixed price equivalent to the Invitation Price on listing of the Company's shares on the SGX.

36. 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 convertible redeemable shares).

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

36. Earnings per share (cont'd)

The following reflects the income and share data used in the basic and diluted earnings per share computations for the years ended 30 June:

	<u>2004</u> \$' 000	<u>Group</u> <u>2003</u> \$' 000	<u>2002</u> \$' 000
Net profit attributable to ordinary shareholders for basic and diluted earnings per share	48,095	30,013	22,528
Weighted average number of ordinary shares on issue applicable to basic earnings per share	471,807,518	391,737,201	360,250,000
Effect of dilutive securities:			
Convertible redeemable shares	28,254,248	—	—
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	<u>500,061,766</u>	<u>391,737,201</u>	<u>360,250,000</u>

37. Segment information

The Group's businesses are organised and managed on 4 broad segments grouped in relation to different types and nature of commodities traded. The Group's supply chain activities of sourcing, processing and trading of agricultural commodities span across the entire portfolio of commodities.

The segmentation of products are in the following manner :-

- Edible nuts, spices and pulses – cashews, peanuts and other edible nuts, cloves, pepper, sesame and other spices, and beans and lentils
- Cocoa, coffee and sheanuts – cocoa and cocoa products, coffee and coffee products, sheanuts and shea-products
- Fibre and wood products – cotton and wood products
- Food staples and packaged foods – rice, sugar, milk powder and packaged foods business

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 non-operating revenue, corporate cash and cash equivalent, and corporate liabilities such as taxation and financial instruments.

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 based on 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.

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

37. Segment information (cont'd)

(a) Business segments

For year 2004

	Edible Nuts, spices and pulses	Cocoa, coffee and sheanuts	Fibre and wood products	Food staples and packaged foods	Consolidated
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Segment revenue					
Sales to external customers	391,837	1,031,216	634,385	552,911	2,610,349
Unallocated revenue					<u>12,082</u>
Total revenue					<u>2,622,431</u>
Segment result	<u>15,022</u>	<u>41,552</u>	<u>21,899</u>	<u>18,810</u>	<u>97,283</u>
Operating profit					97,283
Finance cost					(43,562)
Share of result of jointly controlled entity					<u>(42)</u>
Profit before tax					53,679
Tax expense					<u>(5,584)</u>
Net profit					<u>48,095</u>
Segment assets	185,954	372,372	195,231	276,167	1,029,724
Unallocated assets					<u>211,995</u>
Total assets					<u>1,241,719</u>
Segment liabilities	144,255	291,625	158,925	224,003	818,808
Unallocated liabilities					<u>233,048</u>
Total liabilities					<u>1,051,856</u>

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

37. Segment information (cont'd)

For year 2003

	Edible Nuts, spices and pulses	Cocoa, coffee and sheanuts	Fibre and wood products	Food staples and packaged foods	Consolidated
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Segment revenue					
Sales to external customers	288,667	1,258,516	360,626	596,797	2,504,606
Unallocated revenue					12,190
Total revenue					<u>2,516,796</u>
Segment result	12,235	32,190	12,440	21,186	<u>78,051</u>
Operating profit					78,051
Finance cost					(43,890)
Share of result of jointly controlled entity					(91)
Profit before tax					34,070
Tax expense					(4,057)
Net profit					<u>30,013</u>
Segment assets	123,686	252,949	100,421	250,714	727,770
Unallocated assets					141,261
Total assets					<u>869,031</u>
Segment liabilities	123,565	252,692	100,334	250,497	727,088
Unallocated liabilities					23,713
Total liabilities					<u>750,801</u>

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

37. Segment information (cont'd)

(a) Business segments (cont'd)

For year 2002

	Edible Nuts, spices and pulses	Cocoa, coffee and sheanuts	Fibre and wood products	Food staples and packaged foods	Consolidated
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Segment revenue					
Sales to external customers	224,730	616,169	239,615	501,656	1,582,170
Unallocated revenue					6,198
Total revenue					<u>1,588,368</u>
Segment result	9,829	20,906	9,339	15,158	55,232
Operating profit					<u>55,232</u>
Finance cost					(28,273)
Share of result of jointly controlled entity					—
Profit before tax					<u>26,959</u>
Tax expense					<u>(4,431)</u>
Net profit					<u><u>22,528</u></u>
Segment assets	67,293	321,893	104,499	197,875	691,560
Unallocated assets					89,736
Total assets					<u>781,296</u>
Segment liabilities	91,002	341,779	104,456	95,471	632,708
Unallocated liabilities					74,735
Total liabilities					<u>707,443</u>

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

37. Segment information (cont'd)

(b) Geographical segments

For year 2004

	Asia & Middle East	Africa	Europe	Americas	Elimina- tions	Consolidated
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Segment revenue						
Sales to external customers	1,053,929	778,139	612,222	166,059	–	2,610,349
Intersegment sales	918,665	129,890	6,506	445	(1,055,506)	–
Unallocated revenue						<u>12,082</u>
Total revenue						<u><u>2,622,431</u></u>
Other geographical information :						
Segment assets	721,745	398,692	88,463	32,819	–	1,241,719
Capital expenditure	1,933	7,397	173	368	–	9,871

For year 2003

	Asia & Middle East	Africa	Europe	Americas	Elimina- tions	Consolidated
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Segment revenue						
Sales to external customers	723,232	708,756	838,325	234,293	–	2,504,606
Intersegment sales	829,936	73,887	17,104	–	(920,927)	–
Unallocated revenue						<u>12,190</u>
Total revenue						<u><u>2,516,796</u></u>
Other geographical information :						
Segment assets	551,902	258,472	46,879	11,778	–	869,031
Capital expenditure	2,116	7,975	185	152	–	10,428

Olam International Limited and Subsidiary Companies

Notes to the Financial Statements – 31 March 2002, 30 June 2003 and 30 June 2004

37. Segment information (cont'd)

(b) Geographical segments (cont'd)

For year 2002

	Asia & Middle East	Africa	Europe	Americas	Elimina- tions	Consolidated
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Segment revenue						
Sales to external customers	471,203	458,151	404,377	248,439	–	1,582,170
Intersegment sales	556,382	24,525	15,055	–	(595,962)	–
Unallocated revenue	–	–	–	–	–	<u>6,198</u>
Total revenue						<u><u>1,588,368</u></u>
Other geographical information :						
Segment assets	488,197	224,872	53,016	15,211	–	781,296
Capital expenditure	1,449	3,159	14	–	–	4,622

**OLAM INTERNATIONAL LIMITED
AND SUBSIDIARY COMPANIES**

Unaudited Profit and Loss Accounts for the 12-month periods ended 30 June 2003
and 30 June 2002

Olam International Limited and Subsidiary Companies

Review Report for the Unaudited Profit & Loss Accounts of the Company and Subsidiary Companies for the 12-month periods ended 30 June 2003 and 30 June 2002

We have reviewed the unaudited profit and loss accounts of Olam International Limited and its subsidiary companies (collectively, the “Group”) for the 12-month periods ended 30 June 2003 and 30 June 2002. These unaudited profit and loss accounts are the responsibility of the Company’s management. Our responsibility is to issue a report on these profit and loss accounts based on our review.

We conducted our review in accordance with the Singapore Standard on Auditing applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the profit & loss accounts are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited profit and loss accounts are not presented fairly, in all material respects, in accordance with the basis of preparation detailed in Note 1 to the report.

This report has been prepared for the purpose of incorporation in the Prospectus dated 31 January 2005 in connection with the invitation in respect of ordinary shares in the capital of the Company and the final Prospectus to be issued in accordance with the Singapore Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2002, in connection with such invitation.

ERNST & YOUNG
Certified Public Accountants

Singapore
31 January 2005

Partner: Liew Choon Wei

Olam International Limited and Subsidiary Companies

Unaudited Profit and Loss Accounts of the Company and Subsidiary Companies for the 12-month periods ended 30 June 2003 and 30 June 2002

		Group	
		12 months to 30 June 2003 \$' 000	12 months to 30 June 2002 \$' 000
	Note		
Revenue			
Sales of goods	2	2,274,332	1,581,561
Other revenue	3	<u>10,330</u>	<u>6,981</u>
		<u>2,284,662</u>	<u>1,588,542</u>
Costs and expenses			
Cost of goods sold	4	1,850,431	1,224,005
Shipping and logistics		269,631	219,844
Commission and claims		18,031	16,562
Staff costs		27,757	23,073
Depreciation		3,926	3,277
(Gain)/loss on foreign exchange		(5,591)	2,799
Other operating expenses		<u>50,498</u>	<u>42,564</u>
		<u>2,214,683</u>	<u>1,532,124</u>
Profit from operating activities	5	69,979	56,418
Finance costs	6	<u>(37,344)</u>	<u>(27,368)</u>
Profit before share of results of jointly controlled entity		32,635	29,050
Share of loss of jointly controlled entity		<u>(91)</u>	<u>—</u>
Profit before taxation		32,544	29,050
Taxation	7	<u>(3,889)</u>	<u>(4,082)</u>
Profit for the 12-month periods		<u>28,655</u>	<u>24,968</u>

The accompanying notes form an integral part of the financial statements.

Olam International Limited and Subsidiary Companies

Notes to the Unaudited Profit and Loss Accounts of the Company and Subsidiary Companies for the 12-month periods ended 30 June 2003 and 30 June 2002

1. Basis of preparation

The financial year end of the Group is 30 June. Prior to the financial year ended 30 June 2003, the financial year end of the Group was 31 March. In 2003, the Group changed its financial year end from 31 March to 30 June, resulting in an extended period of 15 months for the financial year ended 30 June 2003. The financial statements for the financial years ended 30 June 2003 and 31 March 2002 have been duly audited and the related auditors' reports were issued on 7 October 2003 and 28 June 2002. These auditors' reports were unqualified.

For the purpose of presenting comparable financial periods for the Management Discussion and Analysis section in the Prospectus, management of the Group have prepared profit & loss accounts for the 12-month financial periods ended 30 June 2003 and 30 June 2002.

The unaudited profit and loss accounts of the Group for the two 12-month periods ended 30 June 2003 and 30 June 2002 have been prepared by management in accordance with the Group's accounting policies, as set out in the Audited Financial Statements of the Group for the financial year ended 30 June 2004, which complies with Singapore Financial Reporting Standards.

2. Sale of goods

Turnover represents sale of physical commodities, net of discounts and returns. It excludes interest income, realised profits on futures and options.

3. Other revenue

Other revenue included the following for the 12-month periods ended 30 June 2003 and 30 June 2002 :-

	Group	
	12 months to 30 June 2003 \$' 000	12 months to 30 June 2002 \$' 000
Interest income from fixed deposits	478	890
Interest income from customers	7,022	3,287
Miscellaneous income	<u>2,830</u>	<u>2,804</u>
	<u>10,330</u>	<u>6,981</u>

Miscellaneous income for the Group comprised mainly sale of export licences, scrap and by-products from processing operations.

4. Cost of goods sold

Cost of goods sold included realised loss on futures and options of \$85,693,770 and \$16,824,836 for the 12-month periods ended 30 June 2003 and 30 June 2002 respectively, arising from price hedges in relation to sales and purchases of physical commodities.

Olam International Limited and Subsidiary Companies

Notes to the Unaudited Profit and Loss Accounts of the Company and Subsidiary Companies for the 12-month periods ended 30 June 2003 and 30 June 2002

5. Profit from operating activities

Profit from operating activities included the following for the 12-month periods ended 30 June 2003 and 30 June 2002 :-

	Group	
	12 months	12 months
	to	to
	30 June	30 June
	2003	2002
	\$' 000	\$' 000
This is stated after charging/(crediting) :-		
Auditor's remuneration	728	525
Loss/(gain) on disposal of fixed assets	(112)	66
Amortisation of deferred expenses	-	31
Directors' emoluments -		
Directors of the Company	1,269	1,058
Others directors of subsidiaries companies	12	74
Staff costs		
- Salaries and employee benefits	26,071	21,884
- CPF contributions and equivalent	1,481	1,168
- Retrenchment benefits	205	-
Bank charges	16,778	12,321
Bad debts written off		
- trade debtors	359	417
- advance to suppliers	208	-
Provision for doubtful debts		
- trade debtors	1,485	1,651
- advance to suppliers	1,333	-
Provision for stocks written down	12	889
Stocks written off	-	669
Pre-operating expenses written off	-	289
	<u> </u>	<u> </u>

Olam International Limited and Subsidiary Companies

Notes to the Unaudited Profit and Loss Accounts of the Company and Subsidiary Companies for the 12-month periods ended 30 June 2003 and 30 June 2002

6. Finance costs

Finance costs included the following for the 12-month periods ended 30 June 2003 and 30 June 2002 :-

	Group	
	12 months to 30 June 2003 \$' 000	12 months to 30 June 2002 \$' 000
Interest expense –		
On bank overdrafts	8,346	2,059
On bank loans	21,989	19,929
On margin accounts with brokers	4,557	3,254
Others	<u>2,452</u>	<u>2,126</u>
	<u>37,344</u>	<u>27,368</u>

7. Taxation

Major components of income tax expense for the 12-month periods ended 30 June 2003 and 30 June 2002 were :-

	Group	
	12 months to 30 June 2003 \$' 000	12 months to 30 June 2002 \$' 000
Current :-		
Singapore	2,507	2,604
Foreign	2,248	1,404
(Over)/underprovision in respect of prior years	<u>(233)</u>	<u>49</u>
	<u>4,522</u>	<u>4,057</u>
Deferred :-		
Singapore	(482)	–
Foreign	<u>(151)</u>	<u>25</u>
	<u>(633)</u>	<u>25</u>
Tax expense	<u>3,889</u>	<u>4,082</u>

Olam International Limited and Subsidiary Companies

Notes to the Unaudited Profit and Loss Accounts of the Company and Subsidiary Companies for the 12-month periods ended 30 June 2003 and 30 June 2002

7. Taxation (cont'd)

The Company is an approved company under the Global Trader Programme of International Enterprise Singapore. By virtue of this, the Company is entitled to a concessionary income tax rate of 10% from 1 April 1996 to 30 June 2003.

A reconciliation of the statutory tax rate to the Group's effective tax rate for the 12-month periods ended 30 June 2003 and 30 June 2002 are as follows :-

	Group	
	12 months	12 months
	to	to
	30 June	30 June
	2003	2002
	%	%
Statutory tax rate	22.0	24.5
Tax effect of non-deductible expenses/(non-taxable income)	1.1	2.4
Higher statutory tax rates of other countries	1.5	1.5
Tax effect of income taxed a lower rate	(10.6)	(14.5)
Tax effect on exempt income	(2.1)	(0.2)
Tax effect on difference in tax base	1.3	(1.7)
Utilisation of timing differences not recognised in prior year	(2.2)	-
(Over)/underprovision in respect of prior year	(0.7)	0.2
Tax effect of deductible temporary differences not recognised	1.1	1.3
Tax benefits not recognised	0.6	-
Tax effect of others, net	(0.1)	0.6
Effective tax rate	<u>11.9</u>	<u>14.1</u>

The Singapore corporate income tax rate was reduced from 24.5% to 22% for the Year of Assessment 2004.

As disclosed in the audited statutory financial statements, the Group has tax losses of approximately \$1,918,000 and \$2,545,000 for the financial years ended 30 June 2003 and 31 March 2002 respectively, that are available for offset against future taxable profit of the companies in which the losses arose. 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.

APPENDIX A - EXCHANGE CONTROLS

The following is a description of the foreign exchange controls that exist in the major jurisdictions which our Group operates in.

While there are certain foreign exchange controls in the jurisdictions as discussed below, these foreign exchange controls have not had any effect on the repatriation of capital, profits, dividends, interest or any other payments from our Subsidiaries in these jurisdictions to our Company, nor have they had any effect on our Company's cash flow.

EXCHANGE CONTROLS IN INDIA

Investment in Indian securities is regulated by the India Foreign Exchange Management Act, 1999 (the "FEMA"). FEMA came into effect on June 1, 2000 and replaced the Foreign Exchange Regulation Act, 1973 (the "FERA"). While FERA prohibited transactions involving the inflow or outflow of foreign exchange and empowered the Reserve Bank of India ("RBI") to permit such transactions, FEMA permits foreign exchange transactions and empowers the RBI to prohibit or regulate such transactions. FEMA generally permits most transactions involving foreign exchange except those prohibited or restricted by the RBI. FEMA has eased restrictions on current accounts transactions. However, the RBI continues to exercise control over capital account transactions, which alter the assets or liabilities, including contingent liabilities, of persons. The RBI has issued regulations under FEMA to regulate various kinds of capital account transactions, including aspects of the purchase and issuance of shares of Indian companies.

A summary of the existing foreign investment regime in India pursuant to FEMA is set out below.

Foreign Direct Investment

The government of India announced the New Industrial Policy, 1991 as a measure to liberalise foreign direct investment in Indian industries. The Foreign Exchange Investment Promotion Board ("FIPB") was established by the government of India to regulate the making of long-term investments in India and to expedite the processing and approval of applications not covered by the automatic route. Currently, due to changes in Indian policy effected in February 2000, foreign direct investment and investment in Indian companies by individuals of Indian nationality or origin residing outside India, or non-resident Indians, typically qualify for the automatic route and do not require the approval of the FIPB. In addition under these policy changes, foreign direct investment in Indian companies by nonresident Indians, typically qualify for the automatic route and do not require the approval of the FIPB. The automatic route is, however, not available in those industries which have been specified by the government of India. Furthermore, pursuant to FEMA no prior approval of the RBI is required under the automatic route although a post-investment declaration giving details of the foreign investment in an Indian company pursuant to foreign direct investment must be filed with the RBI within thirty days of the investment.

However, the liberalised regime for the automatic route would not apply in the following cases:

- Foreign investment in industries that require an industrial licence;
- Foreign investment being more than 24.0 per cent. in the equity capital of manufacturing items reserved for small scale industries;
- All proposals in which the foreign collaboration has a previous venture/tie-up in India in the relevant sector;
- All proposals relating to acquisition of shares in an existing company by a foreign investor;
- All proposals for investment in the industries specified by the government of India; and
- All proposals for investment in specified industries where the proposed investment is in excess of the sectoral caps specified therein.

Where the automatic route is not available, it would be necessary to obtain the approval of the FIPB on a case-by-case basis. In cases where FIPB approval is obtained, no prior approval of the RBI is required, although a declaration in the prescribed form must be filed with the RBI once the foreign investment is made in the Indian company. For the issuance of new shares by a company, the aforesaid provisions are required to be complied with.

The foregoing description applies only to an issuance of new shares by Indian companies, not to a transfer or acquisition of existing shares.

Olam India and Outspan India were established in compliance with the foreign direct investment requirements in India.

Portfolio Investment by Non-Resident Indians

A variety of methods for investing in shares of Indian companies are available to non-resident Indians. These methods allow non-resident Indians to make portfolio investments in existing shares and other securities of Indian companies on a basis not generally available to other foreign investors. In addition to portfolio investments in Indian companies, non-resident Indians may also make foreign direct investments in Indian companies pursuant to the foreign direct investment route discussed above.

The above are presently not applicable to the business of our Group.

Portfolio Investment by Foreign Institutional Investors

In September 1992, the government of India issued guidelines which enable foreign institutional investors, including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated/institutional portfolio managers, to make portfolio investments in all securities of listed and unlisted companies in India. Under the guidelines, foreign institutional investors must be registered with the Securities and Exchange Board of India and a general permission must be obtained from the RBI to engage in transactions regulated under the FEMA. However, since the Securities and Exchange Board of India provides a single window clearance, a single application must be made to the Securities and Exchange Board of India.

Foreign institutional investors ("FII") are required to comply with the provisions of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, or Foreign Institutional Investor Regulations. A registered FII may buy, subject to the ownership restrictions discussed below, and sell freely securities issued by any Indian company, realise capital gains on investments made through the initial amount invested in India, subscribe to or renounce rights offerings for shares, appoint a domestic custodian for custody of investments made and repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights offerings of shares.

The Foreign Institutional Investors Regulations also set out the general obligations and responsibilities and investment conditions and restrictions applicable to FIIs. One such restriction is that, unless the FII is registered as a debt fund with the Securities and Exchange Board of India, the total investment in equity and equity related instruments should not be less than 70.0 per cent. of the aggregate of all investments of a FII in India. In addition to making portfolio investments in Indian companies, FIIs may make foreign direct investments in Indian companies pursuant to the foreign direct investment route discussed above.

The above are presently not applicable to the business of our Group.

Ownership Restrictions

The Securities and Exchange Board of India and the RBI regulations restrict portfolio investments in Indian companies by FIIs and non-resident Indians, all of which we refer to as foreign portfolio investors. A FII or a sub account of an FII may not hold more than 10% of the total issued capital of a company in its own name, a corporate/individual sub-account of the FII may not hold more than 5% of the total issued capital of a company, and a broad-based sub-account may not hold more than 10% of the total issued capital of a company. The total holding of all FIIs, including sub accounts of an FII, in a company is subject to a cap of 24.0 per cent. of the total issued capital of a company, which can be increased to the relevant statutory cap/ceiling in respect of the said company with the passing of a special resolution of the shareholders of the company in a general meeting.

In terms of the recent amendments made to the Foreign Institutional Investor Regulations, FIIs are permitted to purchase shares/debentures, subject to the FII limits, of an Indian company either through:

(i) a public offer, where the price of the shares to be issued is not less than the price at which the shares are issued to the residents, or

(ii) by way of a private placement, where the price is not less than the price according to the terms of the relevant guidelines or the guidelines issued by the former Controller of Capital Issues.

The above are presently not applicable to the business of our Group.

EXCHANGE CONTROLS IN INDONESIA

The Indonesian currency (Rupiah) is freely convertible to other currencies. However, the central bank (Bank Indonesia) has the power to obtain information of foreign currency matters. Banks are required to make report to Bank Indonesia of each foreign exchange transaction above US\$10,000 or its equivalent in any other currency. Banking transactions in foreign currency with value below US\$10,000 must be reported to Bank Indonesia in a lump sum. Non-bank financial institutions must report their foreign exchange transactions to Bank Indonesia. Private businesses with a total asset or annual turnover of Rp100 billion or more must also make report to Bank Indonesia of certain transactions in foreign currencies. Any person carrying Rupiah in the amount of Rp100 million or more out of Indonesia has to obtain prior authorisation from Bank Indonesia, while Rupiah of 100 million or more brought into the country must be verified for authenticity with the Customs and Excise office. Failure to comply with the relevant reporting requirements is punishable with a fine, ranging from Rp250 million to Rp1 billion and administrative sanctions.

Olam Indonesia has been complying and will continue to comply with the reporting requirements for all banking and foreign exchange transactions.

EXCHANGE CONTROLS IN COTE D'IVOIRE

Cote d'Ivoire's currency is the CFA Franc (Franc of the Financial African Community) issued by the Central Bank of the West African States ("BCEAO"), which is the central bank of the West African Economic and Monetary Union ("UEMOA"). Côte d'Ivoire belongs to the Franc Zone which includes:

- France and its overseas territories and sub-divisions,
- the states members of the West African Economic and Monetary Union (UEMOA): Benin, Burkina-Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo,
- the states members of the Central African Monetary and Economic Community (CEMAC) : Cameroon, Central African Republic, Congo, Gabon, Chad, and Equatorial Guinea, and
- the Principality of Monaco which is assimilated to France.

The banks and the postal administration are authorized to transfer normal and current payment necessary for the execution of limited commercial operations such as:

- payments relating to the delivery of merchandise,
- commissions, broking advertising fees,
- insurances and reinsurances (premiums and indemnities),
- wages and salaries, fees, social insurance contributions or indemnities,
- payments relating patents, trade marks, licenses, copyrights,
- interests, dividends, rent, etc.

Exchange controls in Côte d'Ivoire are made by the Directorate of External Finance and Credit ("FINEX") and apply to all financial transactions made (i) from Côte d'Ivoire to a foreign country outside the UEMOA zone or (ii) from a foreign country outside the UEMOA zone to Côte d'Ivoire.

According to article 6 of the Regulation n°9 CM/UEMOA dated November 20th, 1998, the financial relations between the States Members of the UEMOA are free and unrestricted under the UEMOA Treaty.

According to the article 1 of the Ordinance n°98-84 dated February 25th, 1998 relating to the financial relations with foreign countries, the financial relations between Côte d'Ivoire and the foreign countries are in principle free. However they may be submitted to some restrictions.

Transfers from the UEMOA zone to a state member of the European Union are subject to a transfer tax of 0.25 per cent..

According to the Regulation n°9 CM/UEMOA dated November 20th, 1998, all exchange transactions relating to foreign countries must be handled by authorized banks or by the Postal Administration.

According to the article 1 of the Appendix II of the UEMOA Regulation cited above, financial transactions relating to imported goods with a value not exceeding 1.000.000 CFA francs (CFA/F 700 equals approximately 1 USD) can be handled by the authorized banks or by the Postal Administration. However, financial transactions relating to imported goods with a value of 1.000.000 CFA francs and over must only be handled by the authorized banks.

According to its article 2, any financial transaction relating to the importation of goods from a country outside the Franc Zone has to be handled by an authorized bank (a domiciliary bank), except for :

1. importations of goods with a value inferior or equal to 5.000.000 francs CFA,
2. importations without payment which are nevertheless submitted to the prior visa of the Directorate of External Finance and Credit (FINEX), and
3. importations of particular kind listed at the annexure V of this regulation.

According to the article 7 of the above cited Appendix, the proof of the importing transaction is certified by an attestation or any other importation document delivered by the Customs Directorate and established in six (6) copies. The Customs Directorate, within an eight (8) days' time period following the realization of the importation transaction, addresses one (1) copy of the attestation to the Directorate of External Finance and Credit (FINEX) and to the BCEAO.

According to the article 10 of the Appendix above cited, for any financial transaction relating to imported goods, an "Exchange Authorization" form must be established and submitted to the visa of the agent in charge of the payment.

Olam Ivoire and Outspan Ivoire are not affected by the exchange control requirements as the transactions conducted by them are commercial operations for which remittances may be made through authorised banks.

EXCHANGE CONTROLS IN NIGERIA

The Ministry of Finance is responsible for basic exchange control policy. The Central Bank is the principal administrator of exchange controls.

The foreign exchange system consists of an official rate used for government transactions and an autonomous rate used by private individuals, organisations and enterprises. Import of foreign currency is unlimited, but it must be declared on arrival; exports are limited to the amount declared.

Bureaux de Change was formed in 1989 to accord access to small users of foreign exchange and enlarge the officially recognised foreign exchange market. Exchange rates in the Bureaux de Change are market determined. In order to attract foreign investors to the Nigerian economy, section 37 (1) of the Foreign Exchange (Monitoring and Miscellaneous Provisions) (FEMMP) Act No. 17 of 1995 provides that certain existing legislations "shall be read with such modifications as to bring them into conformity with the provisions of this Decree". Such existing legislations are:-

- (i) The Bill of Exchange Act;
- (ii) The Central Bank of Nigeria Decree, 1991;

- (iii) The Banks and Other Financial Institutions Decree, 1991; and
- (iv) The National Economic Intelligence Committee (Establishment, etc) Decree 1994.

The purpose of the above legislation was to establish an Autonomous Foreign Exchange Market and provide for the monitoring and supervision of the transactions conducted therein. The legislation removed all previously existing regulatory impediments as regards foreign exchange transactions and repatriation of profits as well as capital. Importers may obtain foreign exchange through designated banks. Bureaux de Change may engage in foreign exchange transactions but are limited to amounts equivalent to US\$ 2,500 per transaction. In Nigeria, every importation or exportation of foreign exchange above US\$5,000 is declared for statistical purposes only. Exportation or importation of Nigerian currency is not allowed unless permitted by the Central Bank of Nigeria. A Domiciliary account has to be opened in foreign currency in Banks and cash withdrawals from such accounts are permissible and no money imported in accordance with the Act shall be liable to forfeiture by the Federal Government of Nigeria. For purposes of exchange control and monitoring flow of foreign currencies, authorised dealers are required to inform the Central Bank of Nigeria whenever transfers larger than US\$10,000 are made into a domiciliary account.

Currency Transferability

A foreign investor who has obtained a business permit is guaranteed unconditional transfers in freely convertible currency of:

- o dividends or profits (net of taxes) attributable to the investment,
- o payment in respect of loan servicing where a foreign loan has been obtained,
- o the remittance of proceeds (net of all taxes) and other obligations in the event of a sale or liquidation of the enterprise or any interest attributable to the investment.

Remittances must be made through authorised banks.

Olam Nigeria and Outspan Nigeria are not affected by the exchange control requirements as the transactions conducted by them are commercial operations for which remittances may be made through authorised banks.

Companies are free to determine the amount of dividends to distribute, but distributions must be made from current profits only.

Borrowing funds to remit dividends is not allowed and an application for remittance of dividends to non-resident shareholders must be supported with documentary evidence including the relevant tax clearance certificate. All authorised dealers have to render prompt, accurate and coordinated returns on foreign exchange transactions on the prescribed schedules as indicated for the different schedules. Sanctions are imposed on defaulting banks and/or banks that render inaccurate returns. Appropriate sanctions are imposed on all authorised dealers which release funds on the basis of forged documents, engage in fraudulent transactions, fail to furnish accurate returns on due dates or fail to report defaulting customers, etc. Sanctions are imposed on Bank customers who breach the foreign exchange regulations.

The principal statutes that regulate foreign investment are:

- The Nigeria Investment Promotion Commission (NIPC) Act No. 16 of 1995

The NIPC Act permits foreign investors to hold 100 per cent. equity in Nigeria companies or to set up new companies in Nigeria with 100 per cent. foreign equity participation. Restrictions, however, exist only in defence, production and dealing in drugs and petroleum related enterprises.

- The Foreign Exchange Monitoring and Miscellaneous Provisions (FEMMP) Act No. 17 of 1995

The FEMMP Act abolished the regime of exchanged controls, especially for capital importation and repatriation. Under the new Act, foreign investors may bring in investment capital by wire transfer

through bankers, which will issue the necessary certificate of capital importation, without seeking any approval from Government. Foreign investors may also repatriate dividends/profit arising from their investment in Nigeria. The Act also permits the repatriation of capital in the event of equity transfer or business liquidation. What is necessary in the event of profit or capital repatriation is proof of capital importation upon the evidence of a duly issued certificate of capital importation. The FEMMP Act does not, however, authorise unrestrained trading in foreign exchange by unauthorised persons. Therefore only authorised dealers (banks and registered bureaux de change) can trade in foreign exchange.

Foreign investors may also contribute equity in Nigerian companies through the provision of physical assets such as machines and equipment. Such investors are also entitled to a certificate of capital importation reflecting the value of the physical assets.

- The Companies and Allied Matters Act (CAMA)

The CAMA regulates the establishment and internal corporate governance of companies in Nigeria. The CAMA prohibits the establishment of foreign companies in Nigeria through the branch system. Thus any foreign company, which wishes to do business in Nigeria must register a local subsidiary in Nigeria, either as a limited liability company or an unincorporated enterprise.

- The Immigration Act

At the enterprise level, under the Immigration Act, the foreign company is required to obtain a Business Permit (BP) from the Federal Ministry of Internal Affairs. It is, however, possible to register a company with foreign participation at the Corporate Affairs Commission without first obtaining the BP.

Apart from the above laws, there are also other industry-specific laws and regulations, which impose special license and operational requirements on both foreign and local investors. These include laws that regulate entry and operations in the oil and gas sector, mining sector, telecommunications sector, banking sector, insurance sector, etc.

Olam Nigeria and Outspan Nigeria were established in compliance with the foreign investment regulations stated above.

EXCHANGE CONTROLS IN VIETNAM

Vietnamese Dong is the Vietnamese currency that is used in transactions in Vietnam. Organisations and individuals can use freely convertible foreign currencies as a payment tool in certain types of transactions, e.g. payment for imported goods, repayment of loans in foreign currencies. The inter-bank average exchange rate quoted by the State Bank of Vietnam shall be applicable in the state-regulated transactions, and shall be the basic rate for the commercial banks in Vietnam to quote their own exchange rate applicable to the transactions effectuated through those banks.

Loans to Foreign firms

Enterprises operating in Vietnam, including foreign invested enterprises and foreign contractors, have the right to borrow money from foreign entities for capitalisation. Any mid-term or long-term loan must be registered at the SBV before carrying out any relevant transactions and within 30 days from the date of the loan agreement. The progress of drawing and repayment must also be reported regularly to the SBV. For a short-term loan for supplement the working capital, the borrower only has to inform the SBV without obtaining prior approval by this authority

Foreign control legislation

There is foreign control legislation in force at the place where the Company is established that restricts the transfer of foreign currencies, cash dividends, loans or advances into or out of the country by or to the Company. The restrictions are as follows:

- *Transfer of Foreign currencies only for specified transaction or purpose. Article 5 of Decree No. 63-1998-ND-CP of the Government dated 17 August 1998 (as amended 17 January 2001) on foreign exchange control provides as follows:*

A resident being an organization which has foreign currency revenue from current transactions and capital transactions and other legal foreign currency revenue shall be permitted to open and

operate foreign currency account(s) at authorized banks and to use foreign currency in such account(s) for the following purposes:

- (a) Payment for imports of goods and services provided by suppliers in foreign countries;
- (b) Payment for goods and services provided by domestic organizations and individuals authorized to receive payment in foreign currency;
- (c) Repayment of domestic loans made in foreign currency and foreign loans;
- (d) Sale to credit institutions authorized to conduct foreign exchange activities;
- (e) Investment in valuable papers in foreign currency in accordance with the laws of Vietnam in relation to investment in securities and other valuable papers;
- (f) Conversion to payment instruments in foreign currency in accordance with law;
- (g) Capital contribution to investment projects in accordance with the Law on Foreign Investment in Vietnam or other projects in accordance with law;
- (h) Remittance of foreign currency abroad in accordance with the Law on Foreign Investment in Vietnam and other laws;
- (i) Transfer of capital for investments abroad in accordance with the laws of Vietnam in relation to investment abroad;
- (j) Withdrawal of foreign currency in cash or transfer for expenses for individuals working for the organizations upon secondment abroad, for payment of salaries, bonuses and other allowances for residents and non-residents being foreigners working for the organizations.

Olam Vietnam is not affected by the exchange control requirements as the transactions it conducts are commercial operations for which remittances may be made through authorised banks.

- *Transfer of foreign currencies for cash dividends is allowed on payment of dividend tax in Vietnam. Article 18.1d of the said Decree No. 63-1998-ND-CP of the Government, provides as follows:*

Foreign investors shall be permitted to transfer foreign currency abroad for the purpose of repayment of principal, payment of interest and fees in respect of foreign loans, transfer of invested capital or re-invested capital, or remittance of profits and other legal revenue in accordance with the Law on Foreign Investment in Vietnam.

- *Medium & long term foreign loans should be registered and approved by the State Bank of Vietnam. Only then will transfers of foreign currencies to repay the loan will be allowed. Short terms loan do not require approval but the State Bank of Vietnam has to be informed. Section II, Chapter I of Circular No. 03-1999-TT-NHNN7 issued by the State Bank of Vietnam dated 12 August 1999 setting out guidelines for borrowing and repayment of Foreign loans by enterprises provides as follows:*

Requirements and process of registration of foreign loans:

- (a) With respect to short term loans: Enterprises shall not be required to register with the State Bank but short term foreign loan agreements must be consistent with the conditions stated in Section I of Chapter II of this Circular.
- (b) With respect to medium and long term loans: Based on the conditions stated in Section II of Chapter II of this Circular, enterprises shall enter into foreign loan agreements and then register borrowing and repayment of foreign loans with the State Bank within thirty (30) days (as amended by article 1.1 of Decision 1432-2001-QD-NHNN of the State Bank of Vietnam) from the date of signing of the foreign loan agreement and prior to drawdown.

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APPENDIX B - TAXATION

The following discussion describes the material Singapore income tax, stamp duty and estate duty consequences of the purchase, ownership and disposal of our ordinary shares to a holder thereof and is not intended to be and does not constitute legal or tax advice. This discussion is based on tax laws in effect in Singapore and on administrative and judicial interpretations of these laws, as of the date of this Prospectus, all of which are subject to change, possibly on a retroactive basis. While this discussion is considered to be a correct interpretation of existing laws in force as at the date of this Prospectus, no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of the Shares by Singapore investor and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to purchase the Shares.

Prospective investors should consult their tax advisers regarding Singapore tax and other tax consequences of owning and disposing the Shares. It is emphasised that neither the Company, the Directors nor any other persons involved in the Invitation accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Shares. Dividends payable by our Company on the Shares will be declared and paid to shareholders in Singapore dollars.

INCOME TAX

General

Singapore tax resident individual taxpayers are subject to Singapore income tax on income accruing in or derived from Singapore. In respect of foreign income, it is currently taxable when received or deemed received in Singapore. However, following the 2004 Budget Announcement, all foreign-sourced income received in Singapore during calendar year 2004 and after by resident individuals will be exempted from tax. The exemption will not apply to such income received from a Partnership in Singapore.

An individual is regarded as tax resident in Singapore if he is physically present in Singapore or exercises an employment in Singapore (other than as a director of a company) for 183 days or more in a calendar year, or if the individual resides in Singapore.

Non-Singapore tax resident individuals, subject to certain exceptions, are subject to Singapore income tax only on income accruing in or derived from Singapore.

Corporate taxpayers, whether tax resident in Singapore or not, subject to certain exceptions, are subject to Singapore income tax on income accruing in or derived from Singapore. As for foreign income, this will be taxed when it is received or deemed received in Singapore, except in respect of foreign income in the form of dividends, branch profits and service income received or deemed received in Singapore on or after 1 June 2003. These will be exempted from tax, as long as the income is earned from jurisdictions with headline tax of at least 15 per cent. In addition, the income has to be subjected to tax in that jurisdiction either by direct assessment or by withholding tax as the case may be.

In the case of a foreign sourced dividend paid out of income exempt from tax in the foreign jurisdiction due to a direct consequence of a tax incentive for carrying out substantive business activities in that jurisdiction, the foreign dividend will be tax exempt when remitted on or after 30 July 2004.

A corporate taxpayer is regarded as tax resident in Singapore if the company's business is controlled and managed in Singapore. The meaning of "control and management" is not defined in the Income Tax Act. In practice, the residence of a company is generally taken to be where the directors of the company manage and control its business and hold their board meetings.

The standard corporate tax rate in Singapore, applicable to taxable income in excess of \$100,000, effective from the year of Assessment 2005, will be reduced to 20 per cent. as announced in the recent 2004 Budget Announcement. With the reduction, for lower levels of taxable income, the effective rates will be 5 per cent. on the first \$10,000 and 10 per cent. on the next \$90,000. The above tax exemption will not apply to Singapore dividends received by companies.

Subject to any applicable tax treaty, non-Singapore tax resident persons are presently subject to withholding tax of 20.0 per cent. on certain categories of income derived or deemed to be derived from Singapore or 15.0 per cent. in the case of interest. As for royalties, the applicable rate has been reduced from 15 per cent. to 10 per cent. from 1 Jan 2005 following the 2004 Budget Announcement.

DIVIDEND DISTRIBUTIONS

Singapore has replaced the tax imputation system with a one-tier tax system with effect from 1 January 2003, subject to a 5-year transition period. Basically, under the one tier system, resident companies no longer need to maintain a record of corporate tax paid for the purposes of declaring dividends. The tax imposed on the company's profits will be the final tax and no further tax will be imposed on the shareholders receiving the dividend income. Transitional rules apply during the 5 year period from 1 January 2003 to 31 December 2007, under which dividends can still be paid under the old tax imputation system using franking credits accumulated up to 31 December 2002 unless the company which pays the dividend:

- (a) has exercised an option to pay dividends under the one-tier system; or
- (b) has no dividend franking balance (under Section 44A of the Income Tax Act) on the day before the date of payment of the dividend.

After 31 December 2007, all companies will move to one-tier tax system and only one-tier exempt dividends can be declared.

Under this one-tier system, all Singapore sourced dividends payable are exempt from Singapore tax in the hands of the shareholders.

As the dividends are exempted from tax for the shareholders, there are no dividend franking credits attached to the dividends received by the shareholders. Thus there is no possibility of setting off any such dividend franking credits against their respective Singapore tax liabilities.

As in the current tax laws in force, no withholding tax will be imposed on dividends paid to non-resident shareholders.

Our Company has not yet moved to the one-tier system.

BONUS ISSUES

Under current Singapore tax law and practice, a capitalisation of profits followed by the issue of new Shares, credited as fully paid, pro rata to shareholders ("bonus issue") does not represent a distribution of dividends by a company to its shareholders. Therefore, a shareholder receiving Shares by way of a bonus issue should not have a liability to Singapore tax.

SCRIP DIVIDENDS

When a dividend declared by our company is to be satisfied wholly or in part in the form of an allotment of ordinary Shares credited as fully paid, the dividend so declared will not be subject to tax in the hands of the shareholders so long as it is paid out of tax exempt profit which have been taxed at the concessionary tax rate of the Global Trader Programme.

CAPITAL GAINS

There is no tax on capital gains in Singapore. Any gain arising to a shareholder from the disposal of Shares in a company will not be subject to tax in Singapore if it is a capital gain, unless the shareholder is regarded as having derived gains of an income nature, in which case, the gains would be taxable. The assessment of whether the gain is a non-taxable capital gain or a taxable revenue gain is entirely dependent upon various factors such as intention, frequency of similar transactions, length of ownership and circumstances responsible for the sale. For example, the gains arising to a financial institution or investment dealing enterprise, regularly transacting in its portfolio of security investments (including equity investments in various companies, listed or unlisted), may be construed as trading gains, subject to Singapore tax.

STAMP DUTY

There is no stamp duty on the allotment or holding of Shares. Stamp duty is payable on any conveyance, assignment or transfer on sale of any stock or Shares or interest thereof. The purchaser is liable for stamp duty, unless otherwise agreed. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is received in Singapore. Stamp duty is, however, not applicable to electronic transfers of ordinary Shares through The Central Depository system.

GOODS AND SERVICES TAX ("GST")

The sale of the Shares by investor belonging in Singapore through the SGX-ST or to another person belonging in Singapore is an exempt supply not subject to GST. Any GST directly or indirectly incurred by the investor in respect of this exempt supply will become an additional cost to the investor.

Where the Shares are sold by a GST-registered investor to a person belonging outside Singapore or through an overseas stock exchange, the sale is a taxable sale subject to GST at 0 per cent. Any GST incurred by a GST-registered investor in the making of this supply in the course of furtherance of a business is claimable as a refund from the Comptroller of GST.

Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of the shares will be subject to GST at the current rate of 5 per cent. Similar services rendered to an investor belonging outside Singapore are subject to GST at 0 per cent.

ESTATE DUTIES

Singapore estate duty is imposed on the value of most immovable property situated in Singapore and on most movable property, wherever it may be, owned by individuals who are domiciled in Singapore, subject to specific exemption limits. However, for individuals, who are non-domiciled in Singapore, all moveable assets wherever they are located, are exempt from Singapore estate duty. Our Company's ordinary shares are considered to be movable property situated in Singapore as our Company is a company incorporated in Singapore and the share register is maintained in Singapore.

Singapore estate duty is payable to the extent that the value of the ordinary shares aggregated with any other assets subject to Singapore estate exceeds \$600,000. Unless other exemptions apply to other assets, for example, the separate exemption limit for residential properties, any excess beyond \$600,000 will be taxed at 5 per cent. on the first \$12,000,000 of the individual's Singapore chargeable assets and thereafter at 10 per cent. Individuals should consult their own tax advisors regarding the Singapore estate duty consequences of their ownership of our Company's ordinary shares.

Prospective purchasers of such Shares who are individuals, whether or not domiciled in Singapore, should consult their own tax advisors regarding Singapore estate duty consequences of their investment.

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APPENDIX C - DESCRIPTION OF OUR ORDINARY SHARES

The discussion below provides information about our share capital, the main provisions of our Articles of Association and the laws of Singapore relating to our shares. This description is only a summary and is qualified by reference to Singapore law and our Articles of Association.

Ordinary Shares

There are no founder, management, deferred or unissued shares reserved for issue for any purpose.

Our authorised capital is \$220,000,000 consisting of 2,200,000,000 ordinary shares of par value \$0.10 each. We have only one class of shares, namely, our ordinary shares, which have identical rights in all respects and rank equally with one another. Our Articles of Association provide that we may issue shares of a different class with preferential, deferred, qualified or other special rights, privileges or conditions as our Board of Directors may determine and may issue preference shares which are, or at our option are, liable to be redeemed, subject to certain limitations. Our Directors may issue shares at a premium. If shares are issued at a premium, a sum equal to the aggregate amount or value of the premium will, subject to certain exceptions, be transferred to a share premium account.

As of the date of this Prospectus, 1,186,145,794 ordinary shares of par value \$0.10 each have been issued and paid-up. All of our Shares are in registered form. We may, subject to the provisions of the Act and the rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Act, grant any financial assistance for the acquisition or proposed acquisition of our own Shares.

New Ordinary Shares

New Ordinary Shares may only be issued with the prior approval of our shareholders in a general meeting of our shareholders. The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted. Our shareholders have given us general authority to issue any remaining approved but unissued Shares prior to our next annual general meeting. Subject to the foregoing, the provisions of the Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of our Board of Directors who may allot and issue the same with such rights and restrictions as it may think fit. Our shareholders are not entitled to pre-emptive rights under our Articles of Association or Singapore law.

Shareholders

Only persons who are registered in our register of shareholders and, in cases in which the person so registered is the CDP, the persons named as the depositors in the depository register maintained by the CDP for our Shares, are recognised as our shareholders.

We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of the Share or of the person whose name is entered in the depository register for that Share. We may close the register of shareholders from time to time if we provide the Registrar of Companies and Businesses of Singapore with at least 14 days' notice and the SGX-ST at least 10 clear market days' notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year.

Transfer of Shares

Save as disclosed in this Prospectus, there is no restriction on the transfer of our fully paid Shares except where required by law. Our Board of Directors may only decline to register any transfer of Shares which are not fully paid Shares or Shares on which we have a lien. Our Shares may be transferred by a duly signed instrument of transfer in any form acceptable to our Board of Directors. Our Board of Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate

and such other evidence of title as they may require. We will replace lost or destroyed certificates for our Shares if we are properly notified and if the applicant pays a fee which will not exceed \$2.00 and furnishes any evidence and indemnity that our Board of Directors may require.

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Our Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if shareholders representing not less than 10.0 per cent. of the total voting rights of all shareholders request in writing that such a meeting be held. In addition, two or more shareholders holding not less than 10.0 per cent. of our issued share capital may call a meeting. Unless otherwise required by Singapore law or by our Articles of Association, 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 75.0 per cent. of the votes cast at the meeting, is necessary for certain matters under Singapore law, including the voluntary winding up of our Company, amendments to our Memorandum and Articles of Association, a change of our corporate name and a reduction in our share capital, share premium account or capital redemption reserve fund. We 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 us 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 CDP book-entry clearance system will only be entitled to 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 our Articles of Association, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Articles of Association, on a show of hands, every shareholder present in person and each proxy shall have one vote and, on a poll, every shareholder present in person or by proxy shall have one vote for each Share held. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any shareholder present in person or by proxy and representing not less than 10.0 per cent. of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote.

Dividends

We may, by ordinary resolution, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board of Directors. Any dividend we pay must be paid out of our profits or pursuant to Section 69 of the Act. Our Directors may also declare an interim dividend. All dividends are paid pro rata among the shareholders in proportion to the amount paid upon each shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, our payment to the CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to the CDP, discharge us from any liability to that shareholder in respect of that payment.

Bonus and Rights Issue

Our Directors may, with the approval of our shareholders at a general meeting, capitalise any reserves or profits (including profit or monies carried and standing to any reserve or to the share premium account) and distribute the same as bonus shares credited as paid-up to our shareholders in proportion to their shareholdings. Our 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.

Takeovers

The Securities and Futures Act and the Singapore Code on Takeovers and Mergers regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent a future takeover or change in control of our Company. Any person acquiring an interest, either acting singly or together with other parties acting in concert with him, in 30.0 per cent. or more of our voting shares must extend a takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Code on Takeovers and Mergers. A mandatory takeover offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0 per cent. and 50.0 per cent. of our voting shares acquires additional voting shares representing more than 1.0 per cent. of our voting shares in any six month period.

“Parties acting in concert” include, unless the contrary is established, a company and its related and associated companies, a company and its directors (including their close relatives and related trusts), a company and any of its pension funds, a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, and a financial adviser and its client in respect of shares held by the financial adviser, including a stockbroker and shares held by all the funds which the financial adviser manages on a discretionary basis, where the shareholdings of the financial adviser and any of those funds in the client total 10.0 per cent. or more of the client’s equity share capital, a director of a company (together with their close relatives, related trusts and companies controlled by any such directors, their close relatives and related trust) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent, partners and an individual, his close relatives, his related trust, any person who is accustomed to act in accordance with his instruction and companies controlled by him (or his close relatives, his related trust or any person who is accustomed to act in accordance with his instruction).

Liquidation or Other Return of Capital

If our Company is liquidated or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares then existing.

Indemnity

Our Articles of Association provide that, subject to the Act, we will indemnify our Directors and officers against any costs, charges, losses, expenses and liabilities incurred in the execution and discharge of their duties or in relation thereto. We may not indemnify Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, wilful default, breach of duty or breach of trust of which they may be guilty in relation to our Company.

Limitations on Rights to Hold or Vote Shares

Except as described in “Voting Rights” and “Takeovers” above, there are no limitations imposed by Singapore law or by our Articles of Association on the rights of non-resident shareholders to hold our Shares or to vote.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Act, which gives the Singapore courts a general power to make any order, upon application by any of our shareholders, as they think fit to remedy any of the following situations:

- if our affairs are being conducted or the powers of our Board of Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our shareholders; or
- if we take an action, or threaten to take an action, or our shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our shareholders, including the applicant.

Singapore courts have wide discretion as to the relief they may grant and that relief is in no way limited to those listed in the Act itself.

Without prejudice to the foregoing, Singapore courts may:

- direct or prohibit any act or cancel or vary any transaction or resolution;
- regulate our affairs in the future;
- authorise civil proceedings to be brought in the name of, or on behalf of, our Company by a person or persons and on such terms as the court may direct;
- provide for the purchase of a minority shareholder's shares by our other shareholders or by our Company and, in the case of a purchase of shares by us, a corresponding reduction of our share capital; or
- provide that our Company be wound up.

APPENDIX D - RISK MANAGEMENT SYSTEM

A. RISK GOVERNANCE STRUCTURE

➤ *Risk Committee*

We have established a Risk Committee presently comprising of our Non-Executive Directors, Tse Po Shing (who is also the Chairman of the committee) and Wong Heng Tew, and our Executive Directors, Sunny George Verghese and Shekhar Anantharaman. The Risk Committee recommends to the Board the overall risk limits for the Group. This risk capital is expressed as a function of the equity capital of the Group. In order to determine the amount of equity capital to be set aside as risk capital, the Risk Committee considers two key factors:

1. the track record of management in managing its risk exposures in the prior period, and
2. the financial budgets including projected volumes and turnover.

➤ *Executive Risk Committee*

The Executive Risk Committee comprises six Executive Officers and supports the Risk Committee. The Executive Risk Committee is mandated to recommend risk policies, including volatility measurement process, selection of price series, and vetting of risk budgets. The Executive Risk Committee meets 6 to 8 times a year. The Executive Risk Committee has the authority to make temporary enhancements or changes to the risk limits for individual products but such enhancements or changes must at all times remain within the overall approved risk limit for the Group as set by the Board.

➤ *Middle Office*

We have set up an independent middle office which is responsible for the capture and measurement of Group-wide risk. It also does 'stress testing' of the portfolio for outlier events.

B. RISK CATEGORIES

Our broad Risk Categories are shown in the table below:

Broad Risk Categories
Trading Risk Operational Risk Regulatory Risk

The categories of trading risks are shown in the table below:

Trading Risk
Outright Price Basis or Spread Counterparty Credit Currency

The Outright Price Risk and the Basis or Spread Risk, is referred to as Market Risk. Market Risk is the risk of loss due to adverse movements in market prices of the underlying commodity traded. The Company's product portfolio can be divided into two broad categories:

Futures Traded Products	Non-Futures Traded Products
Cocoa, Coffee, Cotton and Sugar	Cashews, Rice, Sesame, Wood Products, Sheanuts, Spices, Peanuts and Beans

Outright Price Risk

The Outright Price Risk in futures traded products is hedged out in the futures markets. This is done by hedging all physical trades with a corresponding futures contract. Futures contracts are bought upon the purchase of the underlying physical product. At any given point in time, futures positions will remain open as long as there are physical products which have not yet been sold to customers. The derivative positions are closed only when the corresponding physical product positions are also closed out. The basis or spread risk for futures traded products, which is a small sub-set of the outright price risk, is controlled through exposure limits on size and tenor. In the case of cash traded products, Outright Price Risk is hedged by fixing outright exposure limits for size and tenor. In most cases, we would be sourcing these products against long term forward contracts with our key customers. In other cases, we are buying against anticipated demand from our key customers, with whom we has been trading for a long time. We also creates our own hedges in some cash traded products. For example, we sell cashew kernels forward as soon as we buy the raw cashews at the origin, and thereby lock in our procurement, or supply chain margin.

Credit or Counterparty Risk

Credit and Counterparty Risk are again controlled through exposure limits. Counterparty defaults will normally give rise to a loss that may be determined by the replacement value of the contract. We have a system of rating every customer/supplier we deal with. The rating indicates the absolute exposure that can be taken with the counter-party in terms of outstanding orders (size/value), credit and tenor limits for doing forward contracts. We take very limited credit exposure.

As a policy, we do not pre-finance crops. Advances are given to the Local Buying Agents (LBAs) only at the beginning of the crop arrival season. These are advances given for a tenor of one to two weeks which is the expected buying period of the LBA. By then we have a fair idea of the size of the crop and its arrival pattern in the producing countries due to our direct presence in the growing area in these origins. We also do not buy from these agents on a forward basis. Hence we are not exposed to the risk of non-delivery of the product due to crop failure. On the market side, we do not advance any significant credit. Most sales are made on a Letter of Credit / Cash against Documents basis. Credit is given to select customers in Europe and US. In some markets like Poland, Italy and South Africa, we have taken credit insurance to protect against the limited credit risk we take.

Currency Risk

With regard to currency risk, as a policy, the Company hedges all it's transactional currency exposures for currencies that have forward markets. The Group's functional currency is USD and most sales and revenues are denominated in USD. For all transactions that are non-USD denominated, currency covers are taken on a transactional basis. Every non-USD purchase/sales is converted to USD on the basis of these actual currency covers in the internal accounting system. Therefore, the effect of the movement in the value of these currencies is factored into the transaction cost.

C. RISK LIMITS SETTING PROCESS

The overall risk capital of the Company, duly approved by the Board, is allocated to individual product groups through the following process:

1. The Board of Directors decides the risk capital for a financial year in the last quarter preceding it. Based on the equity capital of the Company, the Board agrees on the overall risk capital for the new financial year.
2. Each product group prepares the financial budgets including projected volumes and turnover. Along with the budgets, the businesses also submit their requirements of peak exposure limits for the new financial year. The peak exposure limits are submitted for the following risk categories:
 - a. Outright Price Exposure
 - b. Basis Risk Exposure
 - c. Credit Risk Exposure
 - d. Counterparty Risk Exposure and
 - e. Currency Risk Exposure
3. The risk department studies the requirements of each product group and conducts meeting with every product group head. The risk department and the product group head are expected to reach an agreement on peak exposure limits at the end of these meetings.

4. Based on the modified peak exposure limits, the risk department calculates Peak VaR (Value at Risk) for each product group. The Peak VaR is then compared with the overall risk capital allocated by the Board. If the peak VaR exceeds the risk capital, then the risk department would reduce the peak VaR limits for products depending on the return parameters. This is to ensure that returns are optimised for the allocated risk capital. The reduced VaR limits would again be agreed with the respective product group heads.

The product group-wise peak exposure limits and peak VaR is then tabled to the Risk Committee. The Risk Committee approves these peak exposure and peak VaR limits for each product group if they are within the overall risk capital of the company.

D. RISK MEASUREMENT

To capture and measure the level of risk being taken, we use a Value at Risk ("VaR") model, which calculates the maximum loss that our business is likely to suffer. The VaR model is based on historical volatility and correlation with a 95 per cent. confidence level over a specified period of time. By assigning a risk factor to each of these types of risks in the business, a VaR for these positions is calculated.

We then estimate the total or portfolio risk (in this case the Portfolio-Market Value-at-Risk or PmVaR) across all product groups. Component VaRs are also generated for each of the Company's product groups, to be used as decision support tools by our operating managers.

As the VaR model uses a normal distribution for market returns, it may underestimate the probability of large market swings or 'outlier' scenarios. Therefore, stress tests are conducted to assess the portfolio's exposure to unusual situations / events.

E. RISK REPORTING AND REVIEW PROCESS

Reporting

The risk function generates a daily volatility report for each product and for the Company as a whole, calculating volatility for different time periods of 10 days, 30 days, 100 days and long term. In addition, the Risk Office circulates a weekly basis risk report based on data derived from the VaR calculator. It also circulates a VaR flash on a weekly basis. This report provides the total price risk VaR of the Company and the report compares this with the respective peak exposure limits of the products.

Reviewing

The Risk Office sends out regular risk alerts to the concerned product group heads whenever a limit breach on an exposure is observed or when the exposure is seen to be reaching trigger levels for the product(s) in question. The Risk Office also sends out risk observations when volatility is significant. For every risk alert, the product group head / trading team is required to provide an explanation promptly. The Chief Executive Officer has a monthly review with the Risk Office on the various risk exposures being run by the Company and each business and geography. The Chief Executive Officer then, in the Monthly Budget Review meetings with the respective businesses and countries, takes up the risk issues that need focus and attention.

F. LINKING RISK AND PERFORMANCE

To influence behaviour and promote risk awareness/responsiveness, business performance measures are first selected and then risk adjusted. Compensation is linked to these risk adjusted business performance measures, thereby influencing decision making on the basis of risk and return.

The management believes that unless the key business performance measures reflect the risks taken to generate that result, the risk management system will lose its credibility. It is recognised that a dollar of earnings realised from one particular product group or country may be different in quality from an equivalent dollar earned in another product group or country, given the difference profile of risk assumed in these different cases. Therefore, the management is concerned with the income generated net of the risk exposure and the resultant risk charge levied on it and not the nominal profits.

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APPENDIX E - RULES OF THE OLAM EMPLOYEE SHARE OPTION SCHEME

1. The Scheme

The Scheme shall be called the “Olam Employee Share Option Scheme”.

2. Definitions

2.1 Except where the context otherwise requires, the following words and expressions shall have the following meanings:-

“Acceptance Period”	The period within which an Option may be accepted, as described in Rule 7.2
“Act”	The Companies Act, Chapter 50 of Singapore as amended or modified from time to time
“Adoption Date”	The date on which the Scheme is adopted by the Company in general meeting
“Aggregate Subscription Cost”	The total amount payable for the Shares to be subscribed for on the exercise of an Option
“Associated Company”	A company in which at least 20 per cent. but not more than 50 per cent. of its shares are held by the Company or the Group and over whose management the Company has control
“Auditors”	The auditors for the time being of the Company
“Board”	The board of Directors for the time being of the Company
“CDP”	The Central Depository (Pte) Limited
“CPF”	Central Provident Fund
“Committee”	A committee comprising directors of the Company, duly authorised and appointed by the Board to administer the Scheme
“Company”	Olam International Limited, a company incorporated in Singapore
“Controlling Shareholder”	A Shareholder who:- (a) holds directly or indirectly fifteen (15) per cent or more of the Shares; or (b) in fact exercises control over the Company
“Depository Agent”	An entity registered as a depository agent with CDP for the purpose of maintaining securities sub-accounts for its own account and for the account of others
“Directors”	The directors for the time being of the Company
“Group”	The Company and its subsidiaries and Associated Company
“ESBS”	The Olam International Limited Employee Share Benefit Scheme
“ESSS”	The Olam International Limited Employee Share Subscription Scheme 2004

“Group Employee”	A director of any member of the Group or a full-time employee of any member of the Group who is selected by the Committee to participate in the Scheme in accordance with Rule 4.1
“Incentive Option”	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Subscription Price is determined in accordance with Rule 8.2
“Independent Directors”	The independent Directors of the Company for the time being
“Market Day”	A day on which the SGX-ST is open for trading in securities
“Market Price Option”	The right to subscribe for Shares granted or to be granted pursuant to the Scheme and for the time being subsisting, and in respect of which the Subscription Price is determined in accordance with Rule 8.1
“Non-Executive Directors”	The non-executive Directors of the Company for the time being
“Offering Date”	The date on which an Option is granted pursuant to Rule 6.1
“Option”	A Market Price Option or an Incentive Option, as the case may be
“Option Period”	The period for the exercise of an Option as set out in Rule 9.1
“Participant”	The holder of an Option
“Rules”	The rules of the Scheme, as the same may be amended from time to time
“Scheme”	The Olam Employee Share Option Scheme, as varied from time to time
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholders”	The registered holders of the Shares or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares”	Fully-paid ordinary shares of \$0.10 each in the capital of the Company
“Subscription Price”	The price at which a Participant shall subscribe for each Share upon the exercise of an Option as determined in accordance with Rule 8.1 in relation to a Market Price Option, and Rule 8.2 in relation to an Incentive Option
“\$”	Singapore dollars
“per cent.” or “%”	Per centum

2.2 For the purposes of the Scheme:-

- (a) in relation to a company (including, where the context requires, the Company), “control” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company;
- (b) unless rebutted, a person who holds directly or indirectly, a shareholding of 15 per cent. or more of the Company’s issued share capital shall be presumed to be a Controlling Shareholder; and
- (c) in relation to a Controlling Shareholder, his “associate” means his parent, sibling, spouse, or child (including adopted or step child).

- 2.3 Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act and used in these Rules shall have the meaning assigned to it under the Act.
- 2.4 Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits.
- 2.5 Any reference to a time of day shall be a reference to Singapore time.

3. Objectives

The Scheme is a share incentive scheme. The purpose of the Scheme is to provide an opportunity for employees of the Group including directors of the Company and of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to executive directors of the Group and Group Employees who have contributed to the success and development of the Company and/or Group. Controlling Shareholders and the associates of Controlling Shareholders are not entitled to participate. The Scheme is proposed on the basis that it is important to acknowledge the contribution, which is essential to the well-being and prosperity of the Group, made by these categories of persons. The Company, by adopting the Scheme, will give these categories of persons a real and meaningful stake in the Company at no direct cost to its profitability and will help to achieve the following objectives:-

- (a) the motivation of Participants to optimise performance standards and efficiency and to maintain a high level of contribution;
- (b) the retention of key employees whose contributions are important to the long term growth and prosperity of the Group;
- (c) the attainment of harmonious employer/staff relations, as well as the strengthening of working relationships with the Group's close business associates; and
- (d) the development of a participatory style of management which promotes greater commitment and dedication amongst the employees and instilling loyalty and a stronger sense of identification with the long term prosperity of the Group.

4. Eligibility

- 4.1 The following Group Employees shall be eligible to participate in the Scheme at the absolute discretion of the Committee:-
- (i) full-time employees of the Company and/or its subsidiaries and Associated Company who have attained the age of 21 years on or before the Offering Date;
 - (ii) directors (excluding our Non-Executive Directors and Independent Directors) of the Company and/or its subsidiaries and Associated Company who perform an executive function; and
 - (iii) employees who qualify under sub-paragraph (i) above and are seconded to a company in the Group, or any other company outside the Group in which the Company and/or Group has an equity interest.

For the purposes of paragraph (i) above, the secondment of an employee to another company shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of the Group.

- 4.2 Controlling Shareholders and associates of Controlling Shareholders may not participate in the Scheme.
- 4.3 There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group or by any Associated Company or otherwise.

4.4 Subject to the Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

4.5 Shareholders who are eligible to participate in the Scheme shall abstain from voting on any resolution relating to the Scheme. Such Shareholders should not accept nominations as proxies or otherwise for voting on any resolution relating to the Scheme unless specific instructions have been given in the Proxy Form on how the shareholders wish their votes to be cast for each of such resolutions.

5. Limitations and Maximum Entitlement

5.1 The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of all Options granted under the Scheme, the ESBS and the ESSS, shall not in aggregate exceed 15 per cent. of the issued Shares of the Company on the date preceding the grant of an Option.

5.2 The number of Shares comprised in Market Price Options or, as the case may be, Incentive Options, to be offered to any Group Employee in accordance with the Scheme shall be determined at the absolute discretion of the Committee, who shall take into account, in respect of a Group Employee, criteria such as rank, past performance, years of service and potential for future development of that employee.

6. Date of Grant

6.1 The Committee may, subject as provided in Rule 12, grant Options at any time, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Options may only be granted on or after the second Market Day from the date on which the aforesaid announcement is released.

6.2 The Letter of Offer to grant the Option shall be in, or substantially in, the form set out in Schedule A, subject to such modification including, but not limited to, imposing restrictions on the number of Options that may be exercised within particular sections of the relevant Option Period, as the Committee may from time to time determine.

7. Acceptance

7.1 An Option shall be personal to the Participant to whom it is granted and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

7.2 The closing date for the acceptance for the grant of any Option under this Rule 7 shall not be less than fifteen (15) days and not more than thirty (30) days from the Offering Date of that Option. The grant of an Option must be accepted by completing, signing and returning the Acceptance Form in, or substantially in, the form set out in Schedule B, subject to such modification as the Committee may from time to time determine, accompanied by payment of \$1.00 as consideration.

7.3 If a grant of an Option is not accepted in the manner as provided in Rule 7.2, such offer shall, upon the expiry of the Acceptance Period, automatically lapse and become null, void and of no effect.

8. Subscription Price

8.1 Subject to any adjustment pursuant to Rule 12, the Subscription Price for each Share in respect of which a Market Price Option is exercisable shall be at a price (the "Market Price") equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or any other publication published by the SGX-ST, for the 5 consecutive Market Days immediately preceding the Offering Date of that Option, rounded up to the nearest whole cent.

8.2 Subject to any adjustment pursuant to Rule 12, the Subscription Price for each Share in respect of which an Incentive Option is exercisable shall be determined by the Committee at its absolute discretion, and fixed by the Committee at a price which is set at a discount to the Market Price (as determined in accordance with Rule 8.1), provided that:-

- (a) the maximum discount shall not exceed 20 per cent. of the Market Price (or such other percentage or amount as may be prescribed or permitted for the time being by the SGX-ST). In determining the quantum of such discount, the Committee shall take into consideration such criteria as the Committee may, in its absolute discretion, deem appropriate including but not limited to:-
 - (i) the performance of the Company and the Group;
 - (ii) the individual performance of the Participant; and
 - (iii) the contribution of the Participant to the success and development of the Company and/or the Group; and
- (b) the prior approval of the shareholders of the Company in general meeting shall have been obtained for the making of offers and grants of Options under the Scheme at a discount not exceeding the maximum discount as aforesaid (for the avoidance of doubt, such prior approval shall be required to be obtained only once and, once obtained, shall, unless revoked, authorise the making of offers and grants of Options under the Scheme at such discount for the duration of the Scheme), rounded up to the nearest whole cent.

8.3 In no event shall the Subscription Price be less than the nominal value of a Share. Where the Subscription Price (as determined under Rule 8.1 or, as the case may be, Rule 8.2) is less than the nominal value of a Share, the Subscription Price shall be the nominal value.

9. Rights to exercise Options

9.1 Subject as provided in this Rule 9 and Rule 10 and any other conditions as may be introduced by the Committee from time to time, each Option shall be exercisable, in whole or in part, during the option period as follows:-

- (a) in the case of a Market Price Option, a period commencing after the first anniversary of the Offering Date and expiring on the fifth anniversary of such Offering Date;
- (b) in the case of an Incentive Option, a period commencing after the second anniversary of the Offering Date and expiring on the fifth anniversary of such Offering Date.

9.2 In the event of an Option being exercised in part only, the balance of the Option not thereby exercised shall continue to be exercisable in accordance with the Scheme until such time as it shall lapse in accordance with the Scheme.

9.3 An Option shall, to the extent unexercised, immediately lapse without any claim against the Company:-

- (a) subject to Rules 9.4, 9.5 and 9.6, upon the Participant ceasing to be in the full-time employment of the Group for any reason whatsoever; or
- (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
- (c) in the event of any misconduct on the part of the Participant as determined by the Committee in its discretion; or
- (d) in the event that the Committee shall, at its discretion, deem it appropriate that such Option granted to a Participant shall so lapse on the grounds that any of the objectives of the Scheme (as set out in Rule 3) have not been met.

For the purpose of Rule 9.3(a), the Participant shall be deemed to have ceased to be so employed as of the earlier of the date the notice of resignation of employment or the cessation of his employment/appointment with the Group.

9.4 If a Participant ceases to be employed by the Group by reason of his:-

- (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
- (b) retirement at or after the legal retirement age; or
- (c) retirement before the legal retirement age with the consent of the Committee,

or any other reason approved in writing by the Committee, he may exercise any unexercised Options within the relevant Option Period.

9.5 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the discretion of the Committee, be exercised by the duly appointed personal representatives of the Participant within the relevant Option Period.

9.6 If, for any reason whatsoever, a Participant, being a Group Employee by virtue of his being an executive Director of the Group on the Offering Date, ceases to be an executive Director, all Options granted to such Participant will, notwithstanding such cessation, continue to be exercisable within the relevant Option Period after such Participant ceases to be Director of the Group.

10. Take-over or winding up

10.1 Notwithstanding Rule 9 but subject to Rule 10.5, in the event of a take-over being made for the Shares, a Participant (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1) shall be entitled to exercise in full or in part any Option held by him and as yet unexercised, in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:-

- (a) the expiry of six months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date failing not later than the expiry of the Option Period relating thereto); or
- (b) the date of expiry of the Option Period relating thereto,

whereupon the Option then remaining unexercised shall lapse and become null and void.

Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participant until the expiry of such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the rights of acquisition or obligations to acquire shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, notwithstanding Rule 9, remain exercisable until the expiry of the Option Period relating thereto.

10.2 If under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1) shall be entitled, notwithstanding Rule 9 but subject to Rule 10.5, to exercise any Option then held by him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon the Option shall lapse and become null and void.

- 10.3 If an order is made for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 10.4 In the event of a members' voluntary winding-up (other than for amalgamation or reconstruction), the Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1) shall be entitled, within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto), to exercise any unexercised Option, after which such unexercised Option shall lapse and become null and void.
- 10.5 If in connection with the making of a general offer referred to in Rule 10.1 or the scheme referred to in Rule 10.2 or the winding-up referred to in Rule 10.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, as yet not exercised, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 10.
- 10.6 To the extent that an Option is not exercised within the periods referred to in this Rule 10, it shall lapse and become null and void.

11. Exercise of Options

- 11.1 An Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in, or substantially in, the form set out in Schedule C, subject in each case to such modification as the Committee may from time to time determine. Such notice must be accompanied by a remittance for the Aggregate Subscription Cost in respect of the Shares for which that Option is exercised and any other documentation the Committee may require. An Option shall be deemed to be exercised upon receipt by the Company of the said notice, duly completed, the relevant documentation required by the Committee and the Aggregate Subscription Cost.
- 11.2 All payments made shall be made by cheque, cashiers' order, banker's draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.
- 11.3 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to the compliance with the terms of the Scheme and the Memorandum and Articles of Association of the Company, the Company shall, within ten (10) Market Days after the exercise of an Option, allot the relevant Shares and within five (5) Market Days from the date of the allotment of the relevant Shares, despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.
- 11.4 The Company shall, as soon as practicable after such allotment, apply to the SGX-ST (and any other stock exchange on which the Shares are quoted or listed) for permission to deal in and for quotation of such Shares.
- 11.5 Shares which are allotted on the exercise of an Option by a Participant shall be issued in the name of CDP to the credit of the securities account of that Participant maintained with CDP, the securities sub-account maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.
- 11.6 Shares allotted and issued on exercise of an Option shall be subject to all the provisions of the Memorandum and Articles of Association of the Company, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which falls on or before the relevant exercise date of the Option, and shall in all other respects rank pari passu with other existing Shares then in issue. "Record Date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

11.7 The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

12. Variation of Capital

12.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution) shall take place:-

- (a) the Subscription Price for the Shares, the nominal amount, class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the nominal amount, class and/or number of Shares over which Options may be granted under the Scheme,

shall be adjusted by the Committee to give each Participant the same proportion of the equity capital of the Company as that to which he was previously entitled and, in doing so, the Committee shall determine at its own discretion the manner in which such adjustment shall be made.

12.2 Unless the Committee considers an adjustment to be appropriate:-

- (a) the issue of securities as consideration for an acquisition or a private placement of securities; or
- (b) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force,

shall not normally be regarded as a circumstance requiring adjustment.

12.3 Notwithstanding the provisions of Rule 12.1:-

- (a) no such adjustment shall be made if as a result, the Subscription Price shall fall below the nominal amount of a Share and if such adjustment would, but for this paragraph (a), result in the Subscription Price being less than the nominal amount of a Share, the Subscription Price payable shall be the nominal amount of a Share; or the Participant receives a benefit that a Shareholder does not receive; and
- (b) any determination by the Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must (except in relation to a capitalisation issue) be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the Subscription Price thereafter in effect and the nominal value, class and/or number of Shares thereafter to be issued on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

13. Administration

13.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him.

13.2 The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as they think fit including, but not limited to, imposing restrictions on the number of Options that may be exercised within particular sections of the relevant Option Period.

13.3 Any decision of the Committee made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors) shall be final and binding (including any decisions pertaining to the quantum of discount applicable to an Incentive Option pursuant to Rule 8.2 or to disputes as to the interpretation of the Scheme or any rule, regulation, procedure thereunder or as to any rights under the Scheme).

14. Notices and Annual Report

14.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses as may be notified by the Company to him in writing.

14.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address according to the records of the Company or the last known address of the Participant and if sent by post, shall be deemed to have been given on the day following the date of posting.

14.3 The Company shall disclose the following in its annual report:-

- (a) the names of the members of the Committee administering the scheme; and
- (b) the information required in the table below for the following participants:-
 - (i) Directors of the Company;
 - (ii) Participants, other than those in (i) above, who receive 5 per cent. or more of the total number of Options available under the Scheme.

Name of Participant	Option granted during financial year under review (including terms)	Aggregate Options granted since commencement of Scheme to end of financial year under review	Aggregate Options exercised since commencement of Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

- (c) the number of Incentive Options during the financial year under review in the following bands:-

Discount to the Market Price %	Aggregate number of Incentive Options granted during the financial year under review	Proportion of Incentive Options to Market Price Options granted during the financial year under review
0 – 10		
11 – 20		

- (d) an appropriate negative statement if any of the above is not applicable.

15. Modifications to the Scheme

15.1 Any or all the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:-

- (a) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in nominal amount of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;

- (b) the definitions of “Group”, “Group Employee”, “Associated Company”, “Controlling Shareholder”, “Participant”, “Committee”, “Option Period” and “Subscription Price” and the provisions of Rules 4, 5, 6, 7, 8, 10, 11.1, 11.6, 12, 13 and this Rule 15 shall not be altered to the advantage of Participants except with the prior approval of the Company’s shareholders in general meeting; and
- (c) no modification or alteration shall be made without the prior approval of the SGX-ST, or any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

15.2 Notwithstanding anything to the contrary contained in Rule 15.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

15.3 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants.

16. Terms of employment unaffected

The terms of employment of a Participant (who is a Group Employee) shall not be affected by his participation in the Scheme, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

17. Duration

17.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of five (5) years commencing on the Adoption Date, provided always that the Scheme may continue beyond the above stipulated period with the approval of the Company’s shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

17.2 The Scheme may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.

17.3 The termination of the Scheme shall not affect Options which have been granted and accepted as provided in Rule 7.2, whether such Options have been exercised (whether fully or partially) or not.

18. Taxes

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

19. Costs and expenses

19.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares pursuant to the exercise of any Option in CDP’s name, the deposit of share certificate(s) with CDP, the Participant’s securities account with CDP, or the Participant’s securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank (collectively, the “CDP Charges”).

19.2 Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by the Company.

20. Disclaimer of liability

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing the Shares or applying for or procuring the listing of the Shares on the SGX-ST in accordance with Rule 11.4 (and any other stock exchange on which the Shares are quoted or listed).

21. Disputes

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

22. Condition of Option

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

23. Governing law

The Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Scheme, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

OLAM EMPLOYEE SHARE OPTION SCHEME
LETTER OF OFFER
(MARKET PRICE OPTION/INCENTIVE OPTION)

Serial No : _____

[Date]

To [Name]
 [Designation]
 [Address]

Private and Confidential

Dear Sir/Madam,

We have the pleasure of informing you that you have been nominated by the Board of Directors of Olam International Limited (the "Company") to participate in the Olam Employee Share Option Scheme (the "Scheme"). Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, in consideration of the payment of a sum of \$1.00, an offer is hereby made to grant you an option (the "Option"), to subscribe for and be allotted Shares at the price of \$ for each Share.

***If you accept the offer, the Option Period and number of Shares comprised in the Option which are exercisable will be as follows:**

Option Period	Option exercisable in respect of the number of Shares comprised in the Option
From _____ to _____	(i) up to _____%
From _____ to _____	(ii) up to _____% (including (1) above)
After _____	(iii) 100%

The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee duly authorised and appointed to administer the Scheme.

The Option shall be subject to the rules of the Scheme, a copy of which is enclosed herewith.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of \$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully

Conditions (if any) to be attached to the exercise of the Option will be determined by the Committee at its absolute discretion.

Enc.

OLAM EMPLOYEE SHARE OPTION SCHEME

**ACCEPTANCE FORM
(MARKET PRICE OPTION/INCENTIVE OPTION)**

Serial No : _____

To The Committee
Olam Employee Share Option Scheme
Olam International Limited
[address]

Closing Date for Acceptance of offer :
Number of Shares Offered :
Subscription Price for each Share : \$
Total Amount Payable : \$(exclusive of the relevant CDP charges)

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and the Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the [Market Price/Incentive] Option to subscribe for _____ Shares at \$__ for each Share and enclose cash for \$1.00 in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP, or my securities sub-account with a CDP Depository Agent (as the case may be) (collectively, the "CDP charges").

I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

Please print in block letters

Name in full :
Designation :
Address :
Nationality :
*NRIC/Passport No. :

Signature :

Date :

*Delete accordingly

Notes:-

- 1 The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential"; and
- 2 The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

OLAM EMPLOYEE SHARE OPTION SCHEME

**FORM OF EXERCISE OF OPTION
(MARKET PRICE OPTION/INCENTIVE OPTION)**

To The Committee
Olam Employee Share Option Scheme
Olam International Limited
[address]

Total number of ordinary shares of \$0.20 each : (the "Shares") offered at \$ for each Share
under the Scheme on (Offering Date)

Number of Shares previously allotted thereunder :

Outstanding balance of Shares to be allotted
thereunder :

Number of Shares now to be subscribed :

1 Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the [Market Price/Incentive] Option to subscribe for _____ Shares in Olam International Limited (the "Company") at \$__ for each Share.

2. I request the Company to allot and issue the said Shares referred to in paragraph 1 above in the name of The Central Depository (Pte) Limited (the "Depository") to the credit of my securities account with the Depository or my securities sub-account with a Depository Agent specified below and to deliver the certificate(s) relating thereto to the Depository. I further agree to bear such fees or other charges as may be imposed by the Depository and any stamp duty payable in respect thereof:

*(i) Direct Securities Account No. :

*(ii) Securities Sub-Account No. :

Name of Depository Agent :

3. I enclose a *cheque/cashier's order/banker's draft/postal order no. _____ for \$_____ in payment for the subscription of \$_____ for the total number of the said Shares and the CDP charges of \$_____.

4. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Olam Employee Share Option Scheme and the Memorandum and Articles of Association of the Company.

5. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

Please print in block letters

Name in full :

Designation :

Address :

Nationality :

*NRIC/Passport No. :

Signature :

Date :

*Delete accordingly

Note:-

The form entitled "Form of Exercise of Option" must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".

APPENDIX G - TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Applications are invited for the subscription and/or purchase of the Invitation Shares at the Invitation Price, subject to the following terms and conditions:-

- 1. YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 INVITATION SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF INVITATION SHARES WILL BE REJECTED.**
2. Your application for the Offer Shares may be made by way of the printed WHITE Offer Shares Application Forms or by way of Automated Teller Machine ("ATMs") belonging to the Participating Banks ("ATM Electronic Applications") or the Internet Banking ("IB") web-sites of the relevant Participating Banks ("Internet Electronic Applications").

Application for Internet Placement Shares (also referred to as "Internet Electronic Application") may only be made by way of an Internet Electronic Application through the web-site of DBS Vickers Securities Online (Singapore) Pte Ltd ("DBS Vickers Online") at "www.dbsvonline.com" if you have an internet trading account with DBS Vickers Online. Internet Electronic Applications, both through the IB web-sites of the relevant Participating Banks and the web-site of DBS Vickers Online, shall together with ATM Electronic Applications, be referred to as "Electronic Applications".

Applications for Placement Shares (other than Internet Placement Shares and Reserved Shares) may only be made by way of the printed BLUE Placement Shares Application Forms.

Applications for Reserved Shares may only be made by way of printed PINK Reserved Shares Application Forms.

You may not use your CPF funds to apply for the Invitation Shares.

- 3. You (being other than an approved nominee company) are allowed to submit ONLY one application in your own name for:-**
 - (a) the Offer Shares by any one of the following:-**
 - Offer Shares Application Form;
 - ATM Electronic Application; or
 - Internet Electronic Application.
 - (b) the Placement Shares (other than the Reserved Shares) by any one of the following:-**
 - Placement Shares Application Form; or
 - Internet Electronic Application.

If more than one application is submitted for either the Offer Shares or Placement Shares (other than the Reserved Shares), such separate applications shall be deemed to be multiple applications and shall be rejected.

If you have made an application for the Placement Shares (other than the Reserved Shares), you should not make any application for the Offer Shares and vice versa. Such separate applications shall be deemed to be multiple applications and shall be rejected.

Joint or multiple applications will be rejected. Persons submitting or procuring submissions of multiple share applications (whether for Offer Shares, Placement Shares or both Offer Shares and Placement Shares) may be deemed to have committed an offence under the Penal Code Chapter 224 of Singapore and the Securities and Futures Act, Chapter 289 of Singapore and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, (other than as provided herein) will be liable to be rejected at the discretion of our Company.

An applicant who has made an application for Reserved Shares using a Reserved Shares Application Form may:-

- submit one separate application for Offer Shares in his own name either by way of an Offer Shares Application Form or through an Electronic Application; or
- submit one separate application for Placement Shares (other than Reserved Shares) by way of a Placement Shares Application Form or by way of an Internet Electronic Application through the web-site of DBS Vickers Online,

provided he adheres to the terms and conditions of this Prospectus. Such separate applications will not be treated as multiple applications.

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships, non-corporate bodies, joint Securities Account holders of CDP and applicants whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks or DBS Vickers Online, as the case may be) bear post office box numbers.

In addition, applicants who wish to subscribe for the Placement Shares through the web-site of DBS Vickers Online (a) must not be corporations, sole-proprietorships, partnerships or any other business entities; (b) must be over the age of 21 years; (c) must not be undischarged bankrupts; (d) must apply for the Placement Shares in Singapore; (e) must have a mailing address in Singapore; and (f) must be customers who maintain trading accounts with DBS Vickers Online.

5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 6 below.
6. **WE WILL ONLY ACCEPT NOMINEE APPLICATIONS FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account but fail to provide your Securities Account number or provide an incorrect Securities Account number in section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number, provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank or DBS Vickers Online at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.
8. **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank or DBS Vickers Online, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.**
9. Our Company and the Vendors reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Forms and this Prospectus or which does not

comply with the instructions for Electronic Applications or with the terms and conditions of this Prospectus or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance. Our Company and the Vendors further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Prospectus, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

10. Our Company and the Vendors reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and we will not entertain any enquiry and/or correspondence on the decision of our Company and the Vendors except in respect of applications which have been balloted but subsequently rejected where the reasons for such rejection will be provided to the Applicant. This right applies to applications made by way of Application Forms and by way of Electronic Applications. In deciding the basis of allotment and/or allocation, our Directors and the Vendors will give due consideration to the desirability of allotting and/or allocating the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
11. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Invitation Shares allotted and/or allocated to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company and the Vendors. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Invitation Shares allotted and/or allocated to you. This authorisation applies to applications made by way of printed Application Forms and by way of Electronic Applications.
12. In the event of an under-subscription for Offer Shares as at the close of the Application List, that number of Offer Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for Placement Shares to the extent there is an over-subscription for Placement Shares as at the close of the Application List.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for Offer Shares to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

In the event of an under-subscription for Internet Placement Shares to be applied for through the web-site of DBS Vickers Online as at the close of the Application List, that number of Internet Placement Shares not subscribed for and/or purchased shall be made available to satisfy applications for Placement Shares by way of Placement Shares Application Forms to the extent that there is an over-subscription for such Placement Shares as at the close of the Application List or to satisfy excess applications for Offer Shares, to the extent that there is an over-subscription for Offer Shares as at the close of the Application List.

In the event that any of the Reserved Shares are not taken up, they will first be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for the Placement Shares as at the close of the Application List or, in the event of an under-subscription for the Placement Shares as at the close of the Application List, to satisfy excess applications made by members of the public for the Offer Shares to the extent there is an over-subscription for the Offer Shares as at the close of the Application.

In the event of an over-subscription for Offer Shares as at the close of the Application List and/or Placement Shares (including Internet Placement Shares) are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for Offer Shares will be determined by ballot or otherwise as determined by our Directors and the Vendors in conjunction with the Joint Global Co-ordinators, and approved by the SGX-ST.

13. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Invitation Shares allotted and/or allocated to you pursuant to your application, to the Company, the Vendors, the Joint Global Co-ordinators, DBS Vickers Online and any other parties so authorised by CDP, the Company, the Vendors and/or, the Joint Global Co-ordinators.
14. Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for Offer Shares by way of an Application Form or by way of an Electronic Application and a person applying for Placement Shares (including Internet Placement Shares).
15. By completing and delivering an Application Form and, in the case of an ATM Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM or in the case of an Internet Electronic Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other button on the IB web-site of the relevant Participating Banks or the web-site of DBS Vickers Online in accordance with the provisions herein, you:-
 - (a) irrevocably offer, agree and undertake to subscribe for the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price for each Invitation Share and agree that you will accept such Invitation Shares as may be allotted and/or allocated to you, in each case on the terms of, and subject to the conditions set out in, this Prospectus and the Memorandum of Association of the Company;
 - (b) agree that in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and those set out in the web-site of DBS Vickers Online, or the IB web-sites or ATMs of the relevant Participating Banks, the terms and conditions set out in this Prospectus shall prevail;
 - (c) agree that the aggregate Invitation Price for the Invitation Shares applied for is due and payable to the Company and the Vendors upon application;
 - (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Vendors in determining whether to accept your application and/or whether to allot or allocate any Invitation Shares to you; and
 - (e) agree and warrant that if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Vendors and/or the Joint Global Co-ordinators will infringe any such laws as a result of the acceptance of your application.
16. Our acceptance of applications will be conditional upon, inter alia, our Company and the Vendors being satisfied that:- (a) permission has been granted by the SGX-ST to deal in, and for quotation of, all our existing Shares (including the Vendor Shares), the New Shares, the Additional Shares, the Option Shares and the Management Option Shares, on the Official List of the SGX-ST; and (b) the Management and Underwriting Agreement, and the Placement Agreement referred to in the section entitled “Management, Underwriting and Placement Arrangements” have become unconditional and have not been terminated.
17. We will not hold any application in reserve.
18. We will not allot or allocate any Shares on the basis of this Prospectus later than six months after the date of registration of this Prospectus.
19. Additional terms and conditions for applications by way of Application Forms are set out in the section titled “Additional Terms and Conditions for Application Using Printed Application Forms” on pages G-5 to G-8 of this Prospectus.
20. Additional terms and conditions for applications by way of Electronic Applications are set out in the section entitled “Additional Terms and Conditions for Electronics Applications” on pages G-8 to G-16 of this Prospectus.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING PRINTED APPLICATION FORMS

Applications by way of Application Forms shall be made on and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions appearing below as well as those set out under the section “TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE” on pages G-1 to G-4 of this Prospectus, as well as the Memorandum of Association of our Company.

1. Your application for the Offer Shares must be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes “A” and “B”, accompanying and forming part of this Prospectus.

Applications for Placement Shares (other than Internet Placement Shares) by way of Application Forms must be made using the **BLUE** Placement Shares Application Forms, and applications for Reserved Shares must be made using the **PINK** Reserved Shares Application Forms accompanying and forming part of this Prospectus.

We draw your attention to the detailed instructions contained in the respective Application Forms and this Prospectus for the completion of the Application Forms which must be carefully followed. **Our Company and the Vendors reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances.**

2. You must complete your Application Forms in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. You must complete all spaces in your Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” and you must write the words “**NOT APPLICABLE**” or “**N.A.**” in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. If you are a corporate Applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with our Company’s Share Registrar and Share Transfer Office. Our Company and the Vendors reserve the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether an individual or corporate Applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Invitation Shares is a citizen or permanent resident of Singapore or a

corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.

7. You may apply for the Invitation Shares using only cash. Each application must be accompanied by a cash remittance in Singapore currency for the full amount payable, in respect of the number of Invitation Shares applied for, in the form of a BANKER'S DRAFT, CASHIER'S ORDER or POSB CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of OLAM SHARE ISSUE ACCOUNT" crossed "A/C PAYEE ONLY" with your name and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. Remittances bearing "Not Transferable" or "Non Transferable" crossings will be rejected.

No acknowledgement of receipt will be issued by the Company, the Vendors or the Joint Global Co-ordinators for applications or application monies received.

8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you within 24 hours of the balloting at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account.
9. Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.
10. By completing and delivering the Application Form, you agree that:-
 - (a) in consideration of our Company having distributed the Application Form to you and agreeing to close the Application List at 8:30 a.m. on 7 February 2005 or such other time or date as our Directors and the Vendors may, in consultation with the Joint Global Co-ordinators decide and by completing and delivering this Application Form:-
 - (i) your application is irrevocable; and
 - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) all applications, acceptances or contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (c) in respect of the Invitation Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of our Company and the Vendors and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company and the Vendors;
 - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (e) reliance is placed solely on information contained in this Prospectus and that none of our Company, the Vendors, the Joint Global Co-ordinators, or any other person involved in the Invitation shall have any liability for any information not so contained;

- (f) you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, SGX-ST, CDP, SCCS, our Company, the Vendors, the Joint Global Co-ordinators; and
- (g) you irrevocably agree to undertake to subscribe for or purchase the number of Invitation Shares applied for as stated in the Application Form or any smaller number of such Invitation Shares that may be allocated and/or allocated to you in respect of your application. In the event that our Company and the Vendors decide to allot and/or allocate any smaller number of Invitation Shares or not to allot and/or allocate any Invitation Shares to you, you agree to accept such decision as final.

Applications for Offer Shares

1. Your application for Offer Shares **MUST** be made using the **WHITE** Offer Shares Application Forms and **WHITE** official envelopes "A" and "B".
2. You must:-
 - (a) enclose the **WHITE** Offer Shares Application Form, duly completed and signed, together with your correct remittance in accordance with the terms and conditions of this Prospectus, in the **WHITE** official envelope "A" provided;
 - (b) in appropriate spaces on the **WHITE** official envelope "A":-
 - (i) write your name and address;
 - (ii) state the number of Offer Shares applied for;
 - (iii) tick the relevant box to indicate the form of payment; and
 - (iv) affix adequate Singapore postage;
 - (c) **SEAL THE WHITE OFFICIAL ENVELOPE "A"**;
 - (d) write, in the special box provided on the larger **WHITE** official envelope "B" addressed to DBS Bank Ltd, 6 Shenton Way, #36-01 DBS Building Tower One, Singapore 068809, the number of Offer Shares you have applied for; and
 - (e) insert **WHITE** official envelope "A" into **WHITE** official envelope "B", seal **WHITE** official envelope "B", affix adequate Singapore postage on **WHITE** official envelope "B" (if despatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** the documents at your own risk to DBS Bank Ltd, 6 Shenton Way, #36-01 DBS Building Tower One, Singapore 068809, so as to arrive by 8:30 a.m. on 7 February 2005 or such other time or date as our Directors and the Vendors may, in consultation with the Joint Global Co-ordinators, decide. **Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected.
4. **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Applications for Placement Shares (other than Reserved Shares)

1. Your application for Placement Shares (other than Reserved Shares) must be made using the **BLUE** Placement Shares Application Forms.
2. The completed and signed **BLUE** Placement Shares Application Form and your remittance, in accordance with the terms and conditions of the Prospectus, for the full amount payable in respect of the number of Placement Shares applied for with your name, CDP Securities Account number and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST**

OR DELIVERED BY HAND at your own risk to DBS Bank Ltd, 6 Shenton Way, #36-01 DBS Building Tower One, Singapore 068809, for the attention of Equity Capital Markets, to arrive by 8:30 a.m. on 7 February 2005 or such other time or date as our Directors and the Vendors may, in consultation with the Joint Global Co-ordinators decide. **Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement receipt will be issued for any application or remittance received.

3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation may be rejected.
4. **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.
5. Alternatively, you may remit your application monies by electronic transfer to the account of **DBS Bank Ltd, Shenton Way Branch, Current Account No. 003-710119-2 in favour of "OLAM SHARE ISSUE ACCOUNT"** for the number of Placement Shares applied for by **8:30 a.m. on 7 February 2005.** Applicants who remit their application monies via electronic transfer should send a copy of the telegraphic transfer advice slip to **DBS Bank Ltd, 6 Shenton Way #36-01, DBS Building Tower One, Singapore 068809,** for the attention of Equity Capital Markets, to arrive by **8:30 a.m. on 7 February 2005,** or such other time or date as our Directors and the Vendors may, in consultation with the Joint Global Co-ordinators, decide.

Applications for Reserved Shares

1. Your application for Reserved Shares must be made using the **PINK** Reserved Shares Application Form.
2. The completed and signed **PINK** Reserved Shares Application Form and your remittance in accordance with the terms and conditions of this Prospectus for the full amount payable in respect of the number of Reserved Shares applied for must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter despatch the sealed envelope by **ORDINARY POST OR DELIVER BY HAND** at your own risk to our Company's office presently at 9 Temasek Boulevard, #11-02, Suntec Tower Two, Singapore 038989, so as to arrive by **8:30 a.m. on 7 February 2005** or such later time or date as our Directors and the Vendors may, in consultation with the Joint Global Co-ordinators, decide. Local Urgent Mail or Registered Post must **NOT** be used.
3. **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications) and in the case of Internet Electronic Applications on the IB web-site screens of the relevant Participating Banks and the web-site screen of DBS Vickers Online (the "Steps"). Currently, DBS and UOB Group are the only Participating Banks through which the Internet Electronic Applications through the IB web-sites may be made. For illustration purposes, the procedures for Electronic Applications through ATMs and the IB web-site of DBS and the web-site of DBS Vickers Online are set out in the "Steps for ATM Electronic Applications for Offer Shares through ATMs of DBS (including POSB ATMs)" and the "Steps for Internet Electronic Applications for Offer Shares through the IB web-site of DBS" and the "Steps for Internet Electronic Applications for Placement Shares through the web-site of DBS Vickers Online" appearing on page G-15 of this Prospectus. Please read carefully the terms of this Prospectus, the Steps and the terms and conditions for Electronic Applications set out below carefully before making an Electronic Application. Any reference to "you" or the "Applicant" in the Additional Terms and Conditions for Electronic Applications and the Steps shall refer to you making an application for Offer Shares through an ATM or the IB web-site of a relevant Participating Bank, or an application for Placement Shares through the web-site of DBS Vickers Online.

The Steps set out the actions that you must take at ATMs or the IB web-site of DBS or the web-site of DBS Vickers Online to complete an Electronic Application. The actions that you must take at the ATMs or the IB web-sites of the other Participating Banks are set out on the ATM screens or the IB web-site screens of the relevant Participating Banks.

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs of the relevant Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for the Invitation Shares at an ATM belonging to other Participating Banks. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip ("Transaction Record"), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.

You must ensure that you enter your own Securities Account Number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

For an Internet Electronic Application, you must have a bank account with and/or a User Identification ("User ID") and a Personal Identification Number ("PIN") given by the relevant participating Banks or DBS Vickers Online, in the case of you applying for Placement Shares through the web-site of DBS Vickers Online. Upon completion of your Internet Electronic Application through the IB web-site of DBS, there will be an on-screen confirmation ("Confirmation Screen") of the application which can be printed out by you for your record. This printed record of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.

If you are making an Internet Electronic Application, you must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In this connection, you will be asked to declare that you are in Singapore at the time when you make the application.

Your Electronic Application shall be made on the terms and subject to the conditions of this Prospectus, including but not limited to, the terms and conditions appearing below and those set out under the section on "TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE" on pages G-1 to G-4 of this Prospectus, as well as the Memorandum of Association of our Company.

1. In connection with your Electronic Application for the Offer Shares or Placement Shares in the case of you applying for Internet Placement Shares through the web-site of DBS Vickers Online, you are required to confirm statements to the following effect in the course of activating the Electronic Application:-
 - (a) that you have received a copy of this Prospectus (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for the Offer Shares or Placement Shares and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;
 - (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount (the "Relevant Particulars") from your account with the relevant Participating Bank or DBS Vickers Online, as the case may be, to our Share Registrar, SGX-ST, CDP, SCCS, our Company, the Vendors and the Joint Global Co-ordinators (the "Relevant Parties"); and
 - (c) that this is your only application for the Offer Shares or Placement Shares (other than Reserved Shares), as the case may be, and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the Internet screen. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, your confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key or by clicking "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant

button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act (Chapter 19) of Singapore, to the disclosure by that Participating Bank or DBS Vickers Online, as the case may be, of the Relevant Particulars of your account(s) with that Participating Bank or DBS Vickers Online to the Relevant Parties.

2. **By making an Electronic Application you confirm that you are not applying for Offer Shares or Placement Shares as a nominee of any other person and that any Electronic Application that you make is the only application made by you as the beneficial owner. You shall make only one Electronic Application and shall not make any other application for Offer Shares or Placement Shares (other than Reserved Shares) whether at the ATMs of any Participating Bank or the IB web-sites of the relevant Participating Banks or the web-site of DBS Vickers Online, as the case may be, or on the Application Forms. Where you have made an application for Invitation Shares on an Application Form, you shall not make an Electronic Application for Invitation Shares and vice versa.**
3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application at the ATM or IB web-site of the relevant Participating Bank, failing which such Electronic Application will not be completed. Any Electronic Application made at the ATM or IB web-site of the relevant Participating Bank which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATM or IB web-site of the relevant Participating Bank through which your Electronic Application is being made shall be rejected.

You may make an ATM Electronic Application at the ATM of any Participating Bank or an Internet Electronic Application at the IB web-sites of the relevant Participating Banks, using only cash by authorising such Participating Bank to deduct the full amount payable from your account with such Participating Bank. If you make an application to subscribe for Internet Placement Shares through the web-site of DBS Vickers Online, you must have sufficient funds in your nominated Automatic Payment account with an Automatic Payment Facility (direct debit/credit authorisation or "GIRO") with DBS Vickers Online. Your application will be rejected if there are insufficient funds in your account for DBS Vickers Online to deduct the full amount payable from your account for your application.

4. You irrevocably agree and undertake to subscribe for or purchase and to accept the number of Offer Shares or Placement Shares, as the case may be, applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Offer Shares or Placement Shares that may be allotted and/or allocated to you in respect of your Electronic Application. In the event that our Company and the Vendors decide to allot and/or allocated any lesser number of such Offer Shares or Placement Shares or not to allot and/or allocated any Offer Shares or Placement Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key on the ATM or clicking "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the Internet screen) of the number of Offer Shares or Placement Shares applied for shall signify and shall be treated as your acceptance of the number of Offer Shares or Placement Shares that may be allotted and/or allocated to you and your agreement to be bound by the Memorandum of Association of our Company.
5. We will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank or if you have applied for the Internet Placement Shares through DBS Vickers Online, by ordinary post or such other means as DBS Vickers Online may agree with you, at your risk within 24 hours of the balloting provided that the remittance in respect of such application which has not been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account. Trading on a "when-issued" basis, if applicable, is expected to commence after such refund has been made.

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank or if you have applied

for the Internet Placement Shares through DBS Vickers Online, by ordinary post or such other means as DBS Vickers Online may agree with you, at your own risk, within 14 Market Days after the close of the Application List provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies have been received in the designated share issue account.

Responsibility for timely refund of application monies from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks and with DBS Vickers Online (as the case may be). Therefore, you are strongly advised to consult your Participating Bank or DBS Vickers Online as to the status of your Electronic Application and/or the refund of any money to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Shares allotted to you before trading the Shares on the SGX-ST. None of the SGX-ST, the CDP, the SCCS, the Participating Banks, DBS Vickers Online, our Company, the Vendors, the Joint Global Co-ordinators assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank or DBS Vickers Online.

It is expected that successful applicants who applied for Internet Placement Shares through the web-site of DBS Vickers Online will be notified of the results of their application through the web-site of DBS Vickers Online no later than the evening of the day immediately prior to the commencement of trading of the Shares on the SGX-ST.

6. Applicants who make ATM Electronic Applications through the ATMs of the following banks may check the provisional results of their ATM Electronic Applications as follows:-

Bank	Telephone	Other Channels	Operating Hours	Service expected from
DBS	1800-339 6666 (for POSB account holders) 1800-111 1111 (for DBS account holders)	Internet Banking www.dbs.com ⁽¹⁾	24 hours a day	Evening of the balloting day
OCBC	1800-363 3333	ATM	Phone Banking / ATM: 24 hours a day	Evening of the balloting day
UOB Group	1800-222 2121	ATM (Other Transactions- "IPO Enquiry") www.uobgroup.com ⁽¹⁾ , ⁽²⁾	Phone Banking / ATM: 24 hours a day Internet Banking: 24 hours a day	Evening of the balloting day

Notes:

- (1) If you have made your Internet Electronic Applications through the IB web-sites of DBS or UOB Group, you may check the results of your application through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS or UOB Group.
- (2) If you have made your Electronic Application through the ATM or the IB web-site of the UOB Group, you may check the results of your application through UOB Personal Internet Banking, UOB ATMs or UOB PhoneBanking services.

7. **Electronic Applications shall close at 8:30 a.m. on 7 February 2005 or such other time and date as our Directors and the Vendors may, in consultation with the Joint Global Co-ordinators decide. All Internet Electronic Applications must be received by 8:30 a.m. on 7 February 2005.** Subject to paragraph 9 below, an Internet Electronic Application is deemed to be received when it enters the designated information system of the relevant Participating Bank or DBS Vickers Online, as the case may be.
8. You are deemed to have irrevocably requested and authorised our Company and the Vendors to:-
 - (a) register the Offer Shares or Placement Shares, as the case may be, allotted to you in the name of CDP for deposit into your Securities Account;
 - (b) send the relevant Share certificate(s) to CDP;
 - (c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with your Participating Bank or if you have applied for the Internet Placement Shares through DBS Vickers Online, by ordinary post or such other means as DBS Vickers Online may agree with you, at your risk, within 24 hours of the balloting; and
 - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank or if you have applied for the Internet Placement Shares through DBS Vickers Online, by ordinary post or such other means as DBS Vickers Online may agree with you, at your risk, within 14 Market Days after the close of the Application List.
9. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, DBS Vickers Online, our Company, the Vendors and the Joint Global Co-ordinators, and in any such event our Company, the Vendors, the Joint Global Co-ordinators, DBS Vickers Online and/or the relevant Participating Bank do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, the Vendors, the Joint Global Co-ordinators, DBS Vickers Online and/or the relevant Participating Bank for Offer Shares or Placement Shares, as the case may be, applied for or for any compensation, loss or damage.
10. We do not recognise the existence of a trust. Any Electronic Application by a trustee must be made in his own name and without qualification. Our Company and the Vendors will reject any application by any person acting as nominee.
11. All your particulars in the records of your Participating Bank or DBS Vickers Online at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank, DBS Vickers Online and any other Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you shall promptly notify your Participating Bank or DBS Vickers Online (as the case may be).
12. You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank or DBS Vickers Online (as the case may be) are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment and/or allocation will be sent to your address last registered with CDP.
13. By making and completing an Electronic Application, you are deemed to have agreed that:-
 - (a) in consideration of our Company and the Vendors making available the Electronic Application facility, through the Participating Banks and DBS Vickers Online acting as agents of our

Company and the Vendors, at the ATMs and the IB web-sites of the relevant Participating Banks and at the web-site of DBS Vickers Online:-

- (i) your Electronic Application is irrevocable; and
 - (ii) your Electronic Application, the acceptance by our Company and the Vendors and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (b) none of our Company, the Vendors, the Joint Global Co-ordinators, the Participating Banks or DBS Vickers Online shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;
 - (c) in respect of the Offer Shares or the Placement Shares, as the case may be, for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and the Vendors and not otherwise, notwithstanding any payment received by or on behalf of our Company and the Vendors;
 - (d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application; and
 - (e) reliance is placed solely on information contained in this Prospectus and that none of our Company, the Vendors, the Joint Global Co-ordinators nor any other person involved in the Invitation shall have any liability for any information not so contained.

Steps for ATM Electronic Applications for Offer Shares through ATMs of DBS (Including POSB ATMs)

Instructions for ATM Electronic Applications will appear on the ATM screens of the Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through a DBS or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form (“A/c”, “amt”, “appln”, “&”, “I/C”, “SGX” and “No.” refer to “Account”, “amount”, “application”, “and”, “NRIC”, “SGX-ST” and “Number” respectively. Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS (including POSB ATMs)), may differ slightly from those represented below.

Step

1. Insert your personal DBS or POSB ATM Card
2. Enter your Personal Identification Number
3. Select “CASHCARD & MORE SERVICES”
4. Select “ESA-IPO SHARE/INVESTMENTS”
5. Select “ELECTRONIC SECURITY APPLICATION (IPOS/BOND/ST-NOTES)” to “OLAM”
6. Read and understand the following statements which will appear on the screen:
 - THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.
 - ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.
 - Press the “ENTER” key to confirm that you have read and understood.
7. Press the “ENTER” key to acknowledge:-
 - YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND PROSPECTUS/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.
 - YOU CONSENT TO DISCLOSE YOUR NAME, NRIC/PASSPORT NO., ADDRESS, NATIONALITY, CDP SECURITIES A/C NO., CPF INVESTMENT A/C NO. AND SECURITY APPLICATION AMOUNT FROM YOUR BANK A/C(S) TO SHARE REGISTRARS, SGX, SCCS, CDP, CPF AND THE COMPANY/VENDORS.
 - FOR FIXED AND MAX PRICE SECURITY APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

- THE MAXIMUM PRICE FOR EACH SHARE IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.
 - FOR TENDER SECURITY APPLICATIONS, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
 - YOU ARE NOT A US PERSON AS REFERRED TO IN THE PROSPECTUS/DOCUMENT OR PROFILE STATEMENT AND IF APPLICABLE, THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT OR PROFILE STATEMENT.
8. Select your nationality
 9. Select the DBS account (AutoSave/Current/Savings/Savings Plus) or the POSB account (current/savings) from which to debit your application monies
 10. Enter the number of securities you wish to apply for using cash
 11. Enter your own 12-digit CDP Securities Account number. (Note: This step will be omitted automatically if your CDP Securities Account number has already been stored in the Bank's records)
 12. Check the details of your securities application, your NRIC or passport number and CDP Securities Account number and number of securities on the screen and press the "ENTER" key to confirm application
 13. Remove the Transaction Record for your reference and retention only

Steps for Internet Electronic Application for Offer Shares through the IB web-site of DBS

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS IB web-site is shown below. Certain words appearing on the screen are in abbreviated form (“A/c”, “amt”, “&”, “I/C”, “SGX” and “No.” refer to “Account”, “amount”, “and”, “NRIC”, “SGX-ST” and “Number” respectively)

Step

1. Click on to DBS web-site (www.dbs.com)
2. Login to Internet banking
3. Enter your User ID and PIN
4. Select “Electronic Security Application (ESA)”
5. Click “Yes” to proceed and to warrant that you have observed and complied with all applicable laws and regulations
6. Select your country of residence
7. Click on “OLAM” and click the “Submit” button
8. Click “Confirm” to confirm:
 - (a) **You have read, understood and agreed to all terms of this application and the Prospectus/Document or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement.**
 - (b) **You consent to disclose your name, I/C or Passport number, address, nationality, CDP Securities Account number, CPF Investment account number (if applicable) and securities application amount from your DBS/POSB Account(s) to registrars of securities, SGX, SCCS, CDP, CPF Board and the Company/Vendors**
 - (c) **You are not a US Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended)**
 - (d) **This application is made in your own name and at your own risk**
 - (e) **For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price**
9. Fill in details for share application and click “Submit”
10. Check the details of your securities application, your NRIC or passport number and click “OK” to confirm your application
11. Print Confirmation Screen (optional) for your reference & retention only

Steps for Internet Electronic Application for Placement Shares through the web-site of DBS Vickers Online

For illustrative purposes, the steps for making an application through the web-site of DBS Vickers Online is shown below.

Step

1. Access the web-site at www.dbsvonline.com
2. Login with user ID and password
3. Click on IPO Centre hyperlink to go to the IPO Section
4. Click on the IPO issue hyperlink
5. Click "Yes" to confirm, inter alia, that you are in Singapore
6. Confirm the IPO applying for and its details by clicking on the "Next" button
7. Click "Yes" and click "Submit" to confirm, inter alia:-
 - (a) **You have read a copy of this Prospectus and understood and agreed to all the terms and conditions of application for the shares pursuant to the invitation ("Shares") and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same.**
 - (b) **You consent to the disclosure of your name, NRIC or passport number, address, nationality and permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable) and share application amount from your account with DBS Vickers Online to the Share Registrar, SCCS, SGX-ST, CDP, CPF, the Company and the Joint Global Co-ordinators.**
 - (c) **This application is your only application for the Shares and it is made in your own name and at your own risk.**
 - (d) **This application is made in Singapore.**
 - (e) **You understand that these are not deposits or other obligations of or guaranteed or insured by DBS Vickers Online and are subject to investment risks, including the possible loss of the principal amount invested.**
 - (f) **You are not a US Person.**
8. Fill in amount of share applied for and preferred payment mode, then click "Submit"
9. Check and verify details of your share application and your personal particulars on the screen
10. Enter your password and click "Submit" to continue
11. Click on "Application Status" to check your IPO application details
12. Print page for your reference and retention only

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PLEASE PIN REMITTANCE HERE

THE TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE IN APPENDIX G OF THE PROSPECTUS DATED 31 JANUARY 2005 (THE "PROSPECTUS") SHOULD BE READ CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM. THIS APPLICATION FORM CONSTITUTES AN INTEGRAL PART OF THE PROSPECTUS.

APPLICATION AND PAYMENT FOR THE OFFER SHARES UNDER THE PUBLIC OFFER SHOULD BE RECEIVED BY 8:30 AM ON 7 FEBRUARY 2005 OR SUCH OTHER DATE AS THE COMPANY AND THE VENDORS, IN CONSULTATION WITH THE JOINT GLOBAL CO-ORDINATORS, MAY DECIDE, SUBJECT TO ANY LIMITS UNDER ALL APPLICABLE LAWS AND REGULATIONS AND THE RULES OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED.



OLAM International Limited

(Incorporated in the Republic of Singapore on 4 July 1995)

(Registration Number 199504676H)

Invitation in respect of 375,000,000 Invitation Shares of \$0.10 each comprising 312,188,606 New Shares and 62,811,394 Vendor Shares as follows:-

- (a) 30,000,000 Offer Shares at \$0.62 for each Offer Share by way of public offer; and
- (b) 345,000,000 Placement Shares by way of placement, comprising:-
 - (i) 332,750,000 Placement Shares at \$0.62 each for applications by way of application forms;
 - (ii) 1,000,000 Internet Placement Shares at \$0.62 each for applications made through the Internet website of DBS Vickers Securities Online (Singapore) Pte Ltd; and
 - (iii) 11,250,000 Reserved Shares at \$0.62 each reserved for the management, staff and business associates of our Group and others who have contributed to the success of our Group,

payable in full on application (subject to exercise of the Over-Allotment Option (as defined herein)).

OFFER SHARES APPLICATION FORM

TO: OLAM INTERNATIONAL LIMITED ("OLAM" OR THE "COMPANY")
AND VENDORS (AS DEFINED HEREIN)
C/O DBS BANK LTD ("DBS BANK")
6 SHENTON WAY #36-01
DBS BUILDING TOWER ONE
SINGAPORE 068809



Gentlemen,

1. *I/We hereby declare that *I/we have read, understood and agree to the terms and conditions set out in the Prospectus including the "Terms, Conditions and Procedures For Application and Acceptance" for the completion and return of this Application Form set out in Appendix G of the Prospectus and that this application has been made in accordance therewith. Capitalised terms used in this Application Form shall bear the meanings assigned to them in the Prospectus.
2. In accordance with and subject to the terms and conditions of the Prospectus, this Application Form and the Memorandum and Articles of Association of the Company, *I/we hereby irrevocably apply for the number of Offer Shares at \$0.62 for each Offer Share as set out on page 2 of this Application Form. *I/We enclose a Banker's Draft or Cashier's Order or POSB Cashier's Order drawn in Singapore currency on a bank in Singapore and made out in favour of "**OLAM SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", with *my/our name and address written clearly on the reverse side for the amount as set out on page 2 of this Application Form being payment in full for the number of Offer Shares applied for.
3. *I/We hereby irrevocably undertake and agree to subscribe for or purchase and to accept the number of Offer Shares applied for or any lesser number of Offer Shares that may be allotted or allocated to *me/us in respect of this application. In the event that you decide to allot or allocate a lesser number of Offer Shares or not to allot or allocate any Offer Shares to *me/us, *I/we agree to accept that decision as final. If *my/our application is successful, *my/our signature(s) hereto (or, if the applicant is a corporation, the affixation of its common seal hereto) shall signify *my/our acceptance(s) of the number of Offer Shares that may be allotted or allocated to *me/us and *my/our agreement to be bound by the Memorandum and Articles of Association of the Company.
4. *I/We hereby request and authorise you (a) to register the Offer Shares allotted or allocated to *me/us in the name of The Central Depository (Pte) Limited ("CDP") for deposit in *my/our Securities Account; (b) to send the relevant share certificate(s) by ordinary post at *my/our own risk to CDP; and (c) to return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application moneys or the balance thereof should this application be unsuccessful or accepted in part only, by ordinary post at *my/our own risk, to *my/our address which appears in Section B of this Application Form or as registered with CDP or as indicated on the self-addressed envelope marked "A". *I/We hereby agree and acknowledge that *I/we shall not be entitled to any interest or share of revenue or other benefit arising therefrom in connection with or by reason of the application moneys being deposited with a bank or otherwise.
5. I declare that I am not under 21 years of age or an undischarged bankrupt (for individuals only).
6. *I/We hereby acknowledge that (a) *my/our receipt of this Application Form was accompanied by the Prospectus; and (b) the Prospectus and this Application Form were not furnished to *me/us outside Singapore by the Company, the Vendors or the Joint Global Co-ordinators.
7. (a) *For Non-nominee Applicants:-
 - (i) *I/We declare that *I am/we are not applying for the Offer Shares as nominee(s) for any other person and that this is the only application for Offer Shares in the Company made by *me/us as beneficial owner(s).
 - (ii) *I/We declare that, save for this application, *I/we have not made any other application for Offer Shares and/or Placement Shares (other than Reserved Shares) except as permitted by the Prospectus.(b) *For Approved Nominee Applicants:-
 - (i) We declare that we are an approved nominee company as defined on page G-2 of the Prospectus and are applying for the Offer Shares as a nominee for the beneficial owner(s) whose particulars are set out in Section C of this Application Form and that save for this application, the beneficial owner(s) *has/have not made any other application for Offer Shares and/or Placement Shares (other than Reserved Shares) as beneficial owner(s) except as permitted by the Prospectus.
 - (ii) Following the allotment or allocation to us of any Offer Shares applied for in this Application Form, we undertake to immediately transfer or allocate the Offer Shares allotted or allocated to us to the Securities Account(s) of the beneficial owner(s).
8. *I/We hereby irrevocably authorise CDP to complete and sign on *my/our behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue and/or transfer of the Offer Shares allotted or allocated to *me/us.
9. *I/We hereby irrevocably authorise CDP to disclose the outcome of this application, including the number of Offer Shares allotted or allocated to *me/us pursuant to this application, to the authorised operators.
10. *I/We understand that if the address stated on this Application Form is different from *my/our address registered with CDP, *I/we must inform CDP of the updated address promptly before the close of the offering, failing which the notification letter on successful allotment will be sent to *my/our address last registered with CDP.
11. *I/We declare that *I/we do not possess more than one individual direct Securities Account with CDP.

Date

Signature of individual Applicant

Common Seal
(if applicant is a corporation)

Name(s) and Capacity of Official(s) signing
(if applicant is a corporation)

Signature(s) of Authorised Official(s)
(if applicant is a corporation)

*Delete accordingly.

PLEASE PIN REMITTANCE HERE

THE TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE IN APPENDIX G OF THE PROSPECTUS DATED 31 JANUARY 2005 (THE "PROSPECTUS") SHOULD BE READ CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM. THIS APPLICATION FORM CONSTITUTES AN INTEGRAL PART OF THE PROSPECTUS.

APPLICATION AND PAYMENT FOR THE OFFER SHARES UNDER THE PUBLIC OFFER SHOULD BE RECEIVED BY 8:30 AM ON 7 FEBRUARY 2005 OR SUCH OTHER DATE AS THE COMPANY AND THE VENDORS, IN CONSULTATION WITH THE JOINT GLOBAL CO-ORDINATORS, MAY DECIDE, SUBJECT TO ANY LIMITS UNDER ALL APPLICABLE LAWS AND REGULATIONS AND THE RULES OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED.



OLAM International Limited

(Incorporated in the Republic of Singapore on 4 July 1995)

(Registration Number 199504676H)

Invitation in respect of 375,000,000 Invitation Shares of \$0.10 each comprising 312,188,606 New Shares and 62,811,394 Vendor Shares as follows:-

- (a) 30,000,000 Offer Shares at \$0.62 for each Offer Share by way of public offer; and
- (b) 345,000,000 Placement Shares by way of placement, comprising:-
 - (i) 332,750,000 Placement Shares at \$0.62 each for applications by way of application forms;
 - (ii) 1,000,000 Internet Placement Shares at \$0.62 each for applications made through the Internet website of DBS Vickers Securities Online (Singapore) Pte Ltd; and
 - (iii) 11,250,000 Reserved Shares at \$0.62 each reserved for the management, staff, and business associates of our Group and others who have contributed to the success of our Group,

payable in full on application (subject to exercise of the Over-Allotment option (as defined herein)).

PLACEMENT SHARES APPLICATION FORM

TO: OLAM INTERNATIONAL LIMITED ("OLAM" OR THE "COMPANY")
AND VENDORS (AS DEFINED HEREIN)
C/O DBS BANK LTD ("DBS BANK")
6 SHENTON WAY #36-01
DBS BUILDING TOWER ONE
SINGAPORE 068809



Gentlemen,

1. *I/We hereby declare that *I/we have read, understood and agree to the terms and conditions set out in the Prospectus including the "Terms, Conditions and Procedures For Application and Acceptance" for the completion and return of this Application Form set out in Appendix G of the Prospectus and that this application has been made in accordance therewith. Capitalised terms used in this Application Form shall bear the meanings assigned to them in the Prospectus.
2. In accordance with and subject to the terms and conditions of the Prospectus, this Application Form and the Memorandum and Articles of Association of the Company, *I/we hereby irrevocably apply for the number of Placement Shares at \$0.62 for each Placement Share as set out on page 2 of this Application Form. *I/We enclose a Banker's Draft or Cashier's Order or POSB Cashier's Order drawn in Singapore currency on a bank in Singapore and made out in favour of "**OLAM SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", with *my/our name and address written clearly on the reverse side for the amount as set out on page 2 of this Application Form being payment in full for the number of Placement Shares applied for.
3. *I/We hereby irrevocably undertake and agree to subscribe for or purchase and to accept the number of Placement Shares applied for or any lesser number of Placement Shares that may be allotted or allocated to *me/us in respect of this application. In the event that you decide to allot or allocate a lesser number of Placement Shares or not to allot or allocate any Placement Shares to *me/us, *I/we agree to accept that decision as final. If *my/our application is successful, *my/our signature(s) hereto (or, if the applicant is a corporation, the affixation of its common seal hereto) shall signify *my/our acceptance(s) of the number of Placement Shares that may be allotted or allocated to *me/us and *my/our agreement to be bound by the Memorandum and Articles of Association of the Company.
4. *I/We hereby request and authorise you (a) to register the Placement Shares allotted or allocated to *me/us in the name of The Central Depository (Pte) Limited ("CDP") for deposit in *my/our Securities Account; (b) to send the relevant share certificate(s) by ordinary post at *my/our own risk to CDP; and (c) to return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application moneys or the balance thereof should this application be unsuccessful or accepted in part only, by ordinary post at *my/our own risk, to *my/our address which appears in Section B of this Application Form or as registered with CDP. *I/We hereby agree and acknowledge that *I/we shall not be entitled to any interest or share of revenue or other benefit arising therefrom in connection with or by reason of the application moneys being deposited with a bank or otherwise.
5. I declare that I am not under 21 years of age or an undischarged bankrupt (for individuals only).
6. *I/We hereby acknowledge that (a) *my/our receipt of this Application Form was accompanied by the Prospectus; and (b) the Prospectus and this Application Form were not furnished to *me/us outside Singapore by the Company, the Vendors or the Joint Global Co-ordinators.
7. (a) ***For Non-nominee Applicants:-**
 - (i) *I/We declare that *I am/we are not applying for the Placement Shares as nominee(s) for any other person and that this is the only application for Placement Shares in the Company made by *me/us as beneficial owner(s).
 - (ii) *I/We declare that, save for this application, *I/we have not made any other application for Offer Shares and/or Placement Shares (other than Reserved Shares) except as permitted by the Prospectus.
- (b) ***For Approved Nominee Applicants:-**
 - (i) We declare that we are an approved nominee company as defined on page G-2 of the Prospectus and are applying for the Placement Shares as a nominee for the beneficial owner(s) whose particulars are set out in Section C of this Application Form and that save for this application, the beneficial owner(s) *has/have not made any other application for Offer Shares and/or Placement Shares (other than Reserved Shares) as beneficial owner(s) except as permitted by the Prospectus.
 - (ii) Following the allotment or allocation to us of any Placement Shares applied for in this Application Form, we undertake to immediately transfer or allocate the Placement Shares allotted or allocated to us to the Securities Account(s) of the beneficial owner(s).
8. *I/We hereby irrevocably authorise CDP to complete and sign on *my/our behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue and/or transfer of the Placement Shares allotted or allocated to *me/us.
9. *I/We hereby irrevocably authorise CDP to disclose the outcome of this application, including the number of Placement Shares allotted or allocated to *me/us pursuant to this application, to the authorised operators.
10. *I/We understand that if the address stated on this Application Form is different from *my/our address registered with CDP, *I/we must inform CDP of the updated address promptly before the close of the offering, failing which the notification letter on successful allotment will be sent to *my/our address last registered with CDP.
11. *I/We declare that *I/we do not possess more than one individual direct Securities Account with CDP.

Date

Signature of individual Applicant

Common Seal
(if applicant is a corporation)

Name(s) and Capacity of Official(s) signing
(if applicant is a corporation)

Signature(s) of Authorised Official(s)
(if applicant is a corporation)

*Delete accordingly.

PLEASE PIN REMITTANCE HERE

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 - (ii) 1,000,000 Internet Placement Shares at \$0.62 each for applications made through the Internet website of DBS Vickers Securities Online (Singapore) Pte Ltd; and
 - (iii) 11,250,000 Reserved Shares at \$0.62 each reserved for the management, staff, and business associates of our Group and others who have contributed to the success of our Group,

payable in full on application (subject to exercise of the Over-Allotment option (as defined herein)).

RESERVED SHARES APPLICATION FORM

TO: OLAM INTERNATIONAL LIMITED ("OLAM" OR THE "COMPANY")
AND VENDORS (AS DEFINED HEREIN)
C/O DBS BANK LTD ("DBS BANK")
6 SHENTON WAY #36-01
DBS BUILDING TOWER ONE
SINGAPORE 068809



Gentlemen,

1. *I/We hereby declare that *I/we have read, understood and agree to the terms and conditions set out in the Prospectus including the "Terms, Conditions and Procedures For Application and Acceptance" for the completion and return of this Application Form set out in Appendix G of the Prospectus and that this application has been made in accordance therewith. Capitalised terms used in this Application Form shall bear the meanings assigned to them in the Prospectus.
2. In accordance with and subject to the terms and conditions of the Prospectus, this Application Form and the Memorandum and Articles of Association of the Company, *I/ we hereby irrevocably apply for the number of Reserved Shares at S\$0.62 for each Reserved Share as set out on page 2 of this Application Form. *I/We enclose a Banker's Draft or Cashier's Order or POSB Cashier's Order drawn in Singapore currency on a bank in Singapore and made out in favour of "OLAM SHARE ISSUE ACCOUNT" crossed "A/C PAYEE ONLY", with *my/our name and address written clearly on the reverse side for the amount as set out on page 2 of this Application Form being payment in full for the number of Reserved Shares applied for.
3. *I/We hereby irrevocably undertake and agree to subscribe for or purchase and to accept the number of Reserved Shares applied for or any lesser number of Reserved Shares that may be allotted to *me/us in respect of this application. In the event that you decide to allot or allocate a lesser number of Reserved Shares or not to allot or allocate any Reserved Shares to *me/us, *I/we agree to accept that decision as final. If *my/our application is successful, *my/our signature(s) hereto (or, if the applicant is a corporation, the affixation of its common seal hereto) shall signify *my/our acceptance(s) of the number of Reserved Shares that may be allotted or allocated to *me/ us and *my/our agreement to be bound by the Memorandum and Articles of Association of the Company.
4. *I/We hereby request and authorise you (a) to register the Reserved Shares allotted or allocated to *me/us in the name of The Central Depository (Pte) Limited ("CDP") for deposit in *my/our Securities Account; (b) to send the relevant share certificate(s) by ordinary post at *my/our own risk to CDP; and (c) to return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application moneys or the balance thereof should this application be unsuccessful or accepted in part only, by ordinary post at *my/our own risk to *my/our address which appears in Section B of this Application Form or as registered with CDP. *I/We hereby agree and acknowledge that *I/we shall not be entitled to any interest or share of revenue or other benefit arising therefrom in connection with or by reason of the application moneys being deposited with a bank or otherwise.
5. I declare that I am not under 21 years of age or an undischarged bankrupt (for individuals only).
6. *I/We hereby acknowledge that (a) *my/our receipt of this Application Form was accompanied by the Prospectus; and (b) the Prospectus and this Application Form were not furnished to *me/us outside Singapore by the Company, the Vendors or the Joint Global Co-ordinators.
7. (a) ***For Non-nominee Applicants:-**
 - (i) *I/We declare that *I am/we are not applying for the Reserved Shares as nominee(s) for any other person and that this is the only application for Reserved Shares in the Company made by *me/us as beneficial owner(s).
 - (ii) *I/We declare that, save for this application, *I/we have not made any other application for Offer Shares and/or Placement Shares (other than Reserved Shares) except as permitted by the Prospectus.
- (b) ***For Approved Nominee Applicants:-**
 - (i) We declare that we are an approved nominee company as defined on page G-2 of the Prospectus and are applying for the Reserved Shares as a nominee for the beneficial owner(s) whose particulars are set out in Section C of this Application Form and that save for this application, the beneficial owner(s) *has/have not made any other applications for Offer Shares and/or Placement Shares (other than Reserved Shares) as beneficial owner(s) except as permitted by the Prospectus.
 - (ii) Following the allotment or allocation to us of any Reserved Shares applied for in this Application Form, we undertake to immediately transfer or allocate the Reserved Shares allotted or allocated to us to the Securities Account(s) of the beneficial owner(s).
8. *I/We hereby irrevocably authorise CDP to complete and sign on *my/our behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue and/or transfer of the Reserved Shares allotted or allocated to *me/us.
9. *I/We hereby irrevocably authorise CDP to disclose the outcome of this application, including the number of Reserved Shares allotted or allocated to *me/us pursuant to this application, to the authorised operators.
10. *I/We understand that if the address stated on this Application Form is different from *my/our address registered with CDP, *I/we must inform CDP of the updated address promptly before the close of the offering, failing which the notification letter on successful allotment or allocation will be sent to *my/our address last registered with CDP.
11. *I/We declare that *I/we do not possess more than one individual direct Securities Account with CDP.

Date

Signature of Individual Applicant

Common Seal
(if applicant is a corporation)

Name(s) and Capacity of Official(s) signing
(if applicant is a corporation)

Signature(s) of Authorised Official(s)
(if applicant is a corporation)

*Delete accordingly.

