



## OLAM INTERNATIONAL LIMITED

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

### Directors:

R. Jayachandran (Non-Executive Chairman)  
Narain Girdhar Chanrai (Non-Executive Director)  
Michael Lim Choo San (Non-Executive and Lead Independent Director)  
Mark Haynes Daniell (Non-Executive and Independent Director)  
Robert Michael Tomlin (Non-Executive and Independent Director)  
Wong Heng Tew (Non-Executive and Independent Director)  
Jean-Paul Pinard (Non-Executive and Independent Director)  
Tse Po Shing (Non-Executive Director)  
Sunny George Verghese (Group Managing Director and CEO/Executive Director)  
Sridhar Krishnan (Executive Director)  
Shekhar Anantharaman (Executive Director)

### Registered Office:

50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

13 October 2010

To: The Shareholders of Olam International Limited

Dear Sir/Madam,

## THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

### 1. INTRODUCTION

The Directors wish to refer the shareholders of the Company (the "**Shareholders**") to (a) the notice of annual general meeting of the Company ("**AGM**") dated 13 October 2010 (the "**Notice of AGM**") convening the AGM to be held on 28 October 2010 (the "**2010 AGM**"), and (b) the ordinary resolution number 11 under the heading "Special Business" set out in the Notice of AGM ("**Ordinary Resolution 11**") in relation to the proposed renewal of the Share Buyback Mandate of the Company.

The purpose of this Letter is to provide Shareholders with information relating to the above-mentioned proposal to be tabled at the AGM. This Letter has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Letter.

### 2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

Shareholders' approval is being sought at the AGM for the renewal of the Share Buyback Mandate by an ordinary resolution.

#### 2.1 The Proposed Renewal of the Share Buyback Mandate

It is a requirement under the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**") that a company which wishes to purchase or otherwise acquire its own shares has to obtain the

approval of its shareholders to do so at a general meeting of its shareholders. At the extraordinary general meeting of the Company held on 29 October 2009 (the “**2009 EGM**”), the Shareholders had approved a mandate to allow the Company to purchase or otherwise acquire its issued Shares (a “**Share Buyback Mandate**”). The rationale for, the authority and limitations on, and the financial effects of, the Share Buyback Mandate approved at the 2009 EGM (the “**2009 Share Buyback Mandate**”) were set out in the Company’s circular to Shareholders dated 7 October 2009. Unless revoked or varied by the Shareholders in general meeting, the authority conferred pursuant to the 2009 Share Buyback Mandate may be exercised by the Directors at any time during the period commencing from the date of the 2009 EGM and expiring on the date when the next AGM of the Company is held or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

In this regard, approval is now being sought from Shareholders at the AGM for the renewal of the Share Buyback Mandate. An ordinary resolution will be proposed, pursuant to which authority will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of the Share Buyback Mandate.

## **2.2 Rationale for the Proposed Renewal of the Share Buyback Mandate**

The approval of the proposed renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the 10% limit described in paragraph 2.3.1 below at any time, during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) In managing the business of the Group, the management team strives to increase shareholders’ value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways in which the return on equity of the Group may be enhanced.
- (b) The Company has at present a share based incentive scheme for its employees, namely, the Olam Employee Share Option Scheme. Under the scheme, subject to prevailing legislation, the Memorandum and Articles and the Listing Manual, the Company will issue new Shares, deemed fully paid upon issuance and allotment, to participants who have exercised their Share Options. A company may also, subject to prevailing legislation, its memorandum and articles of association and the Listing Manual, transfer existing shares to participants of its share based incentive schemes (whether held as treasury or otherwise). In this regard, the Company may in future amend the terms of the Olam Employee Share Option Scheme to provide for such transfers. This will allow Shares bought back under the Share Buyback Mandate to be held by the Company as treasury shares to satisfy the Company’s obligation to furnish Shares to participants under the Olam Employee Share Option Scheme, thus giving the Company greater flexibility to select the method of providing Shares to employees most beneficial to the Company and its Shareholders.
- (c) The Share Buyback Mandate is an expedient, effective and cost-efficient way for the Company to return to Shareholders surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and possible investment needs of the Group, if any. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company’s share capital structure and its dividend policy.
- (d) Share buyback mandates help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will only be made as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

## **2.3 Authority and Limits on the Share Buyback Mandate**

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate, which is proposed to be renewed, are similar in terms to those previously approved by the Shareholders at the 2009 EGM and, for the benefit of the Shareholders, are summarised below:

### **2.3.1 *Maximum Number of Shares***

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the 2010 AGM at which the renewal of the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Sections 78B or 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I confirming the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of the company or the order of the court, as the case may be. Any Shares which are held as treasury shares will be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 2,119,586,543 Shares in issue (excluding treasury shares) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the date of the 2010 AGM, not more than 211,958,654 Shares (representing 10% of the issued ordinary share capital of the Company (excluding treasury shares) as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate during the period referred to in paragraph 2.3.2 below.

### **2.3.2 *Duration of Authority***

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2010 AGM at which the renewal of the Share Buyback Mandate is approved, up to:

- (a) the date on which the next annual general meeting is held or required by law to be held; or
- (b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting; or

- (c) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase Shares may be renewed by the Shareholders in any general meeting of the Company, such as at the next annual general meeting or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

### 2.3.3 ***Manner of Purchase or Acquisition***

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Companies Act and the Memorandum and Articles, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable) and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;

- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST; and
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases.

#### 2.3.4 **Maximum Purchase Price**

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses (“**related expenses**”)) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

(the “**Maximum Price**”) in either case, excluding related expenses.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days.

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

#### 2.3.5 **Status of Purchased Shares**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically de-listed by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

## **2.4 Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

### **2.4.1 *Maximum Holdings***

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

### **2.4.2 *Voting and Other Rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### **2.4.3 *Disposal and Cancellation***

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

### **2.4.4 *Reporting Requirements***

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall notify the Registrar within 30 days of a purchase of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchases including the date of the purchases, the total number of Shares purchased by the Company, the number of shares cancelled and the number of shares held as treasury shares, the Company's issued share capital before and after the purchase of Shares, the amount of consideration paid by the Company for the purchases, and such other information as required by the Companies Act.

The Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(26) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of Shares outstanding before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

#### 2.4.5 **Source of Funds**

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Articles and in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group.

#### 2.4.6 **Financial Effects**

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total number of issued Shares and total issued share capital will be diminished by the total number of Shares purchased by the Company and which are not held as treasury shares. The NTA of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources and the expansion and investment plans of the Group, and the prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view to enhance the EPS and/or the NTA per Share of the Group.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Company and the Group, based on the audited financial accounts of the Group for the financial year ended 30 June 2010 and based on the assumptions set out below:

- (a) based on 2,119,586,543 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the date of the 2010 AGM, not more than 211,958,654 Shares (representing 10% of the issued ordinary share capital of the Company (excluding treasury shares) as at that date) may be purchased by the Company pursuant to the proposed Share Buyback Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases 211,958,654 Shares at the Maximum Price of S\$3.03 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 211,958,654 Shares (excluding related expenses) is approximately S\$642,234,721.62; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases the 211,958,654 Shares at the Maximum Price of S\$3.46 for one Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 211,958,654 Shares (excluding related expenses) is approximately S\$733,376,942.84.



For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that:

- (i) such purchase or acquisition of Shares is financed solely by internal sources of funds;
- (ii) the Share Buyback Mandate had been effective on 1 July 2010; and
- (iii) the Company had purchased or acquired 211,958,654 Shares (representing 10% of its issued ordinary share capital at the Latest Practicable Date),

the financial effects of the purchase or acquisition of the 211,958,654 Shares by the Company on the audited financial accounts of the Group and the Company for the financial year ended 30 June 2010 pursuant to the Share Buyback Mandate:

- (1) by way of purchases made entirely out of profits and held as treasury shares;
- (2) by way of purchases made entirely out of capital and held as treasury shares;
- (3) by way of purchases made entirely out of profits and cancelled; and
- (4) by way of purchases made entirely out of capital and cancelled,

are summarised for ease of reference in the following table:

<b>Scenario</b>	<b>Purchased out of</b>	<b>Type of purchase</b>	<b>Held as treasury shares or cancelled</b>	<b>Maximum price per Share (S\$)</b>
1(A)	Profits	Market Purchase	Held as treasury shares	3.03
1(B)	Profits	Off-Market Purchase	Held as treasury shares	3.46
2(A)	Capital	Market Purchase	Held as treasury shares	3.03
2(B)	Capital	Off-Market Purchase	Held as treasury shares	3.46
3(A)	Profits	Market Purchase	Cancelled	3.03
3(B)	Profits	Off-Market Purchase	Cancelled	3.46
4(A)	Capital	Market Purchase	Cancelled	3.03
4(B)	Capital	Off-Market Purchase	Cancelled	3.46

the details of which are set out below:

**(1) Purchases made entirely out of profits and held as treasury shares**

**(A) Market Purchases**

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 30 June 2010</b>				
Share capital	1,201,581	1,201,581	1,201,581	1,201,581
Capital and other reserves	(238,976)	(238,976)	(168,833)	(168,833)
Retained earnings	809,324	167,089	523,623	(118,612)
	1,771,929	1,129,694	1,556,371	914,136
Treasury shares	–	642,235	–	642,235
Shareholders' funds	1,771,929	1,771,929	1,556,371	1,556,371
Net tangible assets	1,430,343	788,108	1,536,915	894,680
Minority interests	(1,144)	(1,144)	–	–
Current assets	5,672,895	5,030,660	4,812,633	4,170,398
Current liabilities	3,685,576	3,685,576	2,526,279	2,526,279
Working capital	1,987,319	1,345,084	2,286,354	1,664,119
Number of issued shares	2,119,586,543	2,119,586,543	2,119,586,543	2,119,586,543
Weighted average number of shares	2,007,397,130	2,007,397,130	2,007,397,130	2,007,397,130
<b>Financial ratios</b>				
Net tangible assets/share (S\$)	67.48	37.18	72.51	42.21
Current ratio (times)	1.54	1.36	1.91	1.65
EPS (cents)	17.91	17.91	–	–

**(B) Off-Market Purchases**

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 30 June 2010</b>				
Share capital	1,201,581	1,201,581	1,201,581	1,201,581
Capital and other reserves	(238,976)	(238,976)	(168,833)	(168,833)
Retained earnings	809,324	75,947	523,623	(209,754)
	1,771,929	1,038,552	1,556,371	822,994
Treasury shares	–	733,377	–	733,377
Shareholders' funds	1,771,929	1,771,929	1,556,371	1,556,371
Net tangible assets	1,430,343	696,966	1,536,915	803,538
Minority interests	(1,144)	(1,144)	–	–
Current assets	5,672,895	4,939,518	4,812,633	4,079,256
Current liabilities	3,685,576	3,685,576	2,526,279	2,526,279
Working capital	1,987,319	1,253,942	2,286,354	1,552,977
Number of issued shares	2,119,586,543	2,119,586,543	2,119,586,543	2,119,586,543
Weighted average number of Shares	2,007,397,130	2,007,397,130	2,007,397,130	2,007,397,130
<b>Financial ratios</b>				
Net tangible assets/share (S\$)	67.48	32.88	72.51	37.91
Current ratio (times)	1.54	1.34	1.91	1.61
EPS (cents)	17.91	17.91	–	–

## (2) Purchases made entirely out of capital and held as treasury shares

### (A) Market Purchases

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 30 June 2010</b>				
Share capital	1,201,581	559,346	1,201,581	559,346
Capital and other reserves	(238,976)	(238,976)	(168,833)	(168,833)
Retained earnings	809,324	809,324	523,623	523,623
	1,771,929	1,129,694	1,556,371	914,136
Treasury shares	–	642,235	–	642,235
Shareholders' funds	1,771,929	1,771,929	1,556,371	1,556,371
Net tangible assets	1,430,343	788,108	1,536,915	894,680
Minority interests	(1,144)	(1,144)	–	–
Current assets	5,672,895	5,030,660	4,812,633	4,170,398
Current liabilities	3,685,576	3,685,576	2,526,279	2,526,279
Working capital	1,987,319	1,345,084	2,286,354	1,644,119
Number of issued shares	2,119,586,543	2,119,586,543	2,119,586,543	2,119,586,543
Weighted average number of Shares	2,007,397,130	2,007,397,130	2,007,397,130	2,007,397,130
<b>Financial ratios</b>				
Net tangible assets/share (S\$)	67.48	37.18	72.51	42.21
Current ratio (times)	1.54	1.36	1.91	1.65
EPS (cents)	17.91	17.91	–	–

**(B) Off-Market Purchases**

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 30 June 2010</b>				
Share capital	1,201,581	468,204	1,201,581	468,204
Capital and other reserves	(238,976)	(238,976)	(168,833)	(168,833)
Retained earnings	809,324	809,324	523,623	523,623
	1,771,929	1,038,552	1,556,371	822,994
Treasury shares	–	733,377	–	733,377
Shareholders' funds	1,771,929	1,771,929	1,556,371	1,556,371
Net tangible assets	1,430,343	696,966	1,536,915	803,538
Minority interests	(1,144)	(1,144)	–	–
Current assets	5,672,895	4,939,518	4,812,633	4,079,256
Current liabilities	3,685,576	3,685,576	2,526,279	2,526,279
Working capital	1,987,319	1,253,942	2,286,354	1,552,977
Number of issued shares	2,119,586,543	2,119,586,543	2,119,586,543	2,119,586,543
Weighted average number of Shares	2,007,397,130	2,007,397,130	2,007,397,130	2,007,397,130
<b>Financial ratios</b>				
Net tangible assets/share (S\$)	67.48	32.88	72.51	37.91
Current ratio (times)	1.54	1.34	1.91	1.61
EPS (cents)	17.91	17.91	–	–

### (3) Purchases made entirely out of profits and cancelled

#### (A) Market Purchases

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 30 June 2010</b>				
Share capital	1,201,581	1,201,581	1,201,581	1,201,581
Capital and other reserves	(238,976)	(238,976)	(168,833)	(168,833)
Retained earnings	809,324	167,089	523,623	(118,612)
	1,771,929	1,129,694	1,556,371	914,136
Treasury shares	–	–	–	–
Shareholders' funds	1,771,929	1,129,694	1,556,371	914,136
Net tangible assets	1,430,343	788,108	1,536,915	894,680
Minority interests	(1,144)	(1,144)	–	–
Current assets	5,672,895	5,030,660	4,812,633	4,170,398
Current liabilities	3,685,576	3,685,576	2,526,279	2,526,279
Working capital	1,987,319	1,345,084	2,286,354	1,644,119
Number of issued shares	2,119,586,543	1,907,627,889	2,119,586,543	1,907,627,889
Weighted average number of Shares	2,007,397,130	1,806,657,417	2,007,397,130	1,806,657,417
<b>Financial ratios</b>				
Net tangible assets/share (S\$)	67.48	41.31	72.51	46.90
Current ratio (times)	1.54	1.36	1.91	1.65
EPS (cents)	17.91	19.90	–	–

**(B) Off-Market Purchases**

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 30 June 2010</b>				
Share capital	1,201,581	1,201,581	1,201,581	1,201,581
Capital and other reserves	(238,976)	(238,976)	(168,833)	(168,833)
Retained earnings	809,324	75,947	523,623	(209,754)
	1,771,929	1,038,552	1,556,371	822,994
Treasury shares	–	–	–	–
Shareholders' funds	1,771,929	1,038,552	1,556,371	822,994
Net tangible assets	1,430,343	696,966	1,536,915	830,538
Minority interests	(1,144)	(1,144)	–	–
Current assets	5,672,895	4,939,518	4,812,633	4,079,256
Current liabilities	3,685,576	3,685,576	2,526,279	2,526,279
Working capital	1,987,319	1,235,942	2,286,354	1,552,977
Number of issued shares	2,119,586,543	1,907,627,889	2,119,586,543	1,907,627,889
Weighted average number of Shares	2,007,397,130	1,806,657,417	2,007,397,130	1,806,657,417
<b>Financial ratios</b>				
Net tangible assets/share (S\$)	67.48	36.54	72.51	42.12
Current ratio (times)	1.54	1.34	1.91	1.61
EPS (cents)	17.91	19.90	–	–

#### (4) Purchases made entirely out of capital and cancelled

##### (A) Market Purchases

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 30 June 2010</b>				
Share capital	1,201,581	559,346	1,201,581	559,346
Capital and other reserves	(238,976)	(238,976)	(168,833)	(168,833)
Retained earnings	809,324	809,324	523,623	523,623
	1,771,929	1,129,694	1,556,371	914,136
Treasury shares	–	–	–	–
Shareholders' funds	1,771,929	1,129,694	1,556,371	914,136
Net tangible assets	1,430,343	788,108	1,536,915	894,680
Minority interests	(1,144)	(1,144)	–	–
Current assets	5,672,895	5,030,660	4,812,633	4,170,398
Current liabilities	3,685,576	3,685,576	2,526,279	2,526,279
Working capital	1,987,319	1,345,084	2,286,354	1,644,119
Number of issued shares	2,119,586,543	1,907,627,889	2,119,586,543	1,907,627,889
Weighted average number of Shares	2,007,397,130	1,806,657,417	2,007,397,130	1,806,657,417
<b>Financial ratios</b>				
Net tangible assets/share (S\$)	67.48	41.31	72.51	46.90
Current ratio (times)	1.54	1.36	1.91	1.65
EPS (cents)	17.91	19.90	–	–



**(B) Off-Market Purchases**

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<b>As at 30 June 2010</b>				
Share capital	1,201,581	468,204	1,201,581	468,204
Capital and other reserves	(238,976)	(238,976)	(168,833)	(168,833)
Retained earnings	809,324	809,324	523,623	523,623
	1,771,929	1,038,552	1,556,371	822,994
Treasury shares	–	–	–	–
Shareholders' funds	1,771,929	1,038,552	1,556,371	822,994
Net tangible assets	1,430,343	696,966	1,536,915	803,538
Minority interests	(1,144)	(1,144)	–	–
Current assets	5,672,895	4,939,518	4,812,633	4,079,256
Current liabilities	3,685,576	3,685,576	2,526,279	2,526,279
Working capital	1,987,319	1,253,942	2,286,354	1,552,977
Number of issued shares	2,119,586,543	1,907,672,889	2,119,586,543	1,907,672,889
Weighted average number of Shares	2,007,397,130	1,806,657,417	2,007,397,130	1,806,657,417
<b>Financial ratios</b>				
Net tangible assets/share (S\$)	67.48	36.54	72.51	42.12
Current ratio (times)	1.54	1.34	1.91	1.61
EPS (cents)	17.91	19.90	–	–

**Shareholders should note that the financial effects set out above are purely for illustration purposes and based on the abovementioned assumptions. Although the Share Buyback Mandate, if renewed, would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares), the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.**

**Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional advisers.**

## 2.5 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

### 2.5.1 *Obligation to make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

### 2.5.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

### 2.5.3 ***Effect of Rule 14 and Appendix 2 of the Take-over Code***

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on substantial shareholding notifications received by the Company under Division 4, Part IV of the Companies Act as at the Latest Practicable Date, as set out in paragraph 3 below, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of its issued Shares as at the Latest Practicable Date.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.**

## 2.6 Listing Manual

While the Listing Manual does not expressly prohibit purchase of shares by a listed company during any particular time or times, because a listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase any Shares pursuant to the Share Buyback Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of a consideration and/or a decision of the Board of Directors until such time as such information has been publicly announced. In particular, in line with Rule 1207(18) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) one month immediately preceding the announcement of the Company’s full-year results; and
- (b) two weeks immediately preceding the announcement of the Company’s quarterly results.

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares are in the hands of the public. The “**public**”, as defined under the Listing Manual, are persons other than the Directors, chief executive officer, Substantial Shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

Based on the Register of Directors’ shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 871,294,376 Shares, representing 41.1% of the issued Shares (excluding treasury shares), are in the hands of the public. Assuming that the Company purchases its Shares up to the full 10% limit pursuant to the Share Buyback Mandate from the public (as defined in the Listing Manual), the number of Shares in the hands of the public not taking into account treasury shares would be reduced to 659,335,722 Shares, representing 34.56% of the reduced issued share capital of the Company (excluding treasury shares). Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

## 2.7 Previous Share Buybacks

The Company has not purchased any Shares pursuant to the 2009 Share Buyback Mandate during the 12-month period preceding the Latest Practicable Date.

### 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date and as at the date of the 2010 AGM (on the assumption that their voting rights will not change between the Latest Practicable Date and the date of the 2010 AGM), the interests of the Directors in Shares and Share Options and the interests of the Substantial Shareholders in Shares before and after the purchase of Shares pursuant to the Share Buyback Mandate, assuming (a) the Company purchases the maximum amount of 10% of the total number of issued Shares (excluding treasury shares) and (b) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, will be as follows:

Name	Before Share Buyback (Number of Shares)			Before Share Buyback (%) <sup>(1)</sup>	After Share Buyback (%) <sup>(2)</sup>	No. of outstanding Share Options
	Direct Interest	Deemed Interest	Total Interest			
<b>Directors</b>						
R. Jayachandran	-	-	-	-	-	-
Michael Lim Choo San	-	-	-	-	-	100,000
Mark Haynes Daniell	-	-	-	-	-	100,000
Robert Michael Tomlin	-	-	-	-	-	100,000
Wong Heng Tew	-	-	-	-	-	100,000
Jean-Paul Pinard	-	-	-	-	-	-
Tse Po Shing	-	-	-	-	-	-
Sunny George Verghese	89,574,893	-	89,574,893	4.23	4.70	30,000,000
Sridhar Krishnan	13,010,312	1,418,826	14,429,138	0.68	0.76	2,300,000
Shekhar Anantharaman	13,184,035	1,418,826	14,602,861	0.69	0.77	2,550,000
<b>Substantial Shareholders</b>						
Kewalram Singapore Limited (" <b>Kewalram</b> ") <sup>(3)</sup>	459,602,064	-	459,602,064	21.68	24.09	-
Chanrai Investment Corporation Limited <sup>(3)</sup>	-	459,602,064	459,602,064	21.68	24.09	-
Kewalram Chanrai Holdings Limited <sup>(3)</sup>	-	459,602,064	459,602,064	21.68	24.09	-
Investec Trustees (Jersey) Ltd, Murlu Kewalram Chanrai and Narain Girdhar Chanrai as trustees of Girdhar Kewalram Chanrai Settlement (" <b>GKC Trustees</b> ") <sup>(3)</sup>	-	459,602,064	459,602,064	21.68	24.09	-
Investec Trustees (Jersey) Ltd, Narain Girdhar Chanrai and Koshu Murlu Chanrai as trustees of Hariom Trust (" <b>Hariom Trustees</b> ") <sup>(3)</sup>	-	459,602,064	459,602,064	21.68	24.09	-
Investec Trustees (Jersey) Ltd, Narain Girdhar Chanrai and Murlu Kewalram Chanrai as trustees of Dayal Damodar Chanrai Settlement (" <b>DKC Trustees</b> ") <sup>(3)</sup>	-	459,602,064	459,602,064	21.68	24.09	-

Name	Before Share Buyback (Number of Shares)			Before Share Buyback (%) <sup>(1)</sup>	After Share Buyback (%) <sup>(2)</sup>	No. of outstanding Share Options
	Direct Interest	Deemed Interest	Total Interest			
Investec Trustees (Jersey) Ltd as trustee of PKC 2008 Settlement (" <b>PKC Trustee</b> ") <sup>(3)</sup>	–	459,602,064	459,602,064	21.68	24.09	–
Narain Girdhar Chanrai <sup>(3)</sup>	–	459,602,064	459,602,064	21.68	24.09	–
Breedens Investments Pte. Ltd. (" <b>Breedens</b> ")	201,456,047	–	201,456,047	9.50	10.56	–
Seletar Investments Pte Ltd (" <b>Seletar</b> ") <sup>(4)</sup>	–	277,272,173	277,272,173	13.08	14.53	–
Temasek Capital (Private) Limited <sup>(5)</sup>	–	277,272,173	277,272,173	13.08	14.53	–
Temasek Holdings (Private) Limited <sup>(6)</sup>	–	281,487,904	281,487,904	13.28	14.76	–
UBS AG <sup>(7)</sup>	–	158,832,623	158,832,623	7.49	8.33	–
Wellington Management Company, LLP <sup>(8)</sup>	–	120,508,767	120,508,767	5.68	6.32	–
The Capital Group Companies, Inc. <sup>(9)</sup>	–	111,636,678	111,636,678	5.27	5.85	–

**Notes:**

- (1) As a percentage of the issued share capital of the Company as at the Latest Practicable Date, comprising 2,119,586,543 Shares.
- (2) As a percentage of the issued share capital of the Company, comprising 1,907,627,889 Shares (assuming that the Company purchases the maximum number of 211,958,654 Shares under the Share Buyback Mandate).
- (3) Kewalram is a wholly-owned subsidiary of Chanrai Investment Corporation Limited ("**CICL**"), which in turn is a wholly-owned subsidiary of Kewalram Chanrai Holdings Limited ("**KCH**").  
CICL and KCH are therefore deemed to be interested in the 459,602,064 Shares held by Kewalram.  
GKC Trustees, Hariom Trustees, DKC Trustees and PKC Trustee are shareholders of KCH, each holding approximately 28%, 28%, 28% and 16% respectively in the issued and paid-up capital of KCH. Pursuant to Section 7(4A) of the Companies Act, as GKC Trustees, Hariom Trustees, DKC Trustees are associates of PKC Trustee and *vice versa*, PKC Trustee would be deemed to be interested in the shares held by Kewalram.  
GKC Trustees, Hariom Trustees, DKC Trustees and PKC Trustee are therefore deemed to be interested in the 459,602,064 Shares held by Kewalram in the Company.  
Narain Girdhar Chanrai is a non-executive Director of the Company. Narain Girdhar Chanrai is deemed to be interested in these Shares as at the Latest Practicable Date as he is one of the trustees of the Dayal Damodar Chanrai Settlement, the Girdhar Kewalram Chanrai Settlement and the Hariom Trust.
- (4) Seletar is the holding company of Breedens and Aranda Investments Pte. Ltd. ("**Aranda**") and is deemed to be interested in the 201,456,047 and 75,816,126 Shares held by Breedens and Aranda respectively pursuant to a subscription agreement dated 30 May 2009 entered into between the Company, Breedens and Aranda.
- (5) Temasek Capital is the holding company of Seletar and is deemed to be interested in the 277,272,173 Shares held by Breedens and Aranda collectively.
- (6) Temasek is the holding company of Temasek Capital, which in turn is the holding company of Seletar, which in turn holds all issued shares in Breedens and Aranda. In addition, DBS Group Holdings Limited ("**DBSH**"), an associated company of Temasek, has a deemed interest in 4,215,731 Shares in the Company by virtue of Section 7 of the Companies Act. Accordingly, Temasek has a deemed interest in an aggregate of 281,487,904 Shares (being all Shares held by Breedens and Aranda, and all Shares in which DBSH has an interest).
- (7) UBS AG's deemed interests comprised of 131,169,434 shares representing interests aggregating voting shares and 27,663,189 shares representing interests aggregating non-voting shares. Non-Voting Shares are shares which the UBS Group has authority to acquire and dispose of the shares but does not exercise any discretion over the voting rights.
- (8) Wellington Management is registered as an investment adviser with the United States Securities and Exchange Commission and acts as a discretionary investment manager on behalf of various separate accounts (the "Accounts") that hold 120,508,767 shares in the Company. The Accounts do not act as a group nor do they act in concert with

respect to the interest in shares. Wellington Management acquired the interests in shares for the Accounts in its capacity as discretionary investment manager to, and solely for the benefit of, the Accounts, and the interests were acquired solely for investment purposes. The shares are registered in the name of the Accounts or the Accounts' custodians or nominees according to their respective holdings.

- (9) The Capital Group is deemed to be interested in 111,636,678 shares in the Company over which its subsidiaries have (a) no voting rights but disposal rights only as well as (b) both voting and disposal rights. These shares are registered in the names of BBH Dublin, Bank Of Tokyo (Singapore), DBS Nominees Pte. Ltd., HSBC (Singapore) Nominees Pte. Ltd., Raffles Nominees Pte. Ltd., Standard Chartered Bank (Hong Kong) and United Overseas Bank Nominees Ltd.

#### **4. AGM**

The 2010 AGM of the Company, notice of which is set out in pages 175 to 178 of the Annual Report, will be held at 2 Shenton Way, SGX Centre 1, SGX Auditorium Level 2, Singapore 068804 on 28 October 2010 at 2.00 p.m. for the purpose of, *inter alia*, considering and, if thought fit, passing with or without modifications, the resolution on the renewal of the Share Buyback Mandate as set out in the Notice of AGM.

#### **5. DIRECTORS' RECOMMENDATIONS**

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders **vote in favour** of Ordinary Resolution 11 in respect of the renewal of the Share Buyback Mandate to be proposed at the 2010 AGM.

#### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

This Letter has been seen and approved by the Directors (including those who have delegated detailed supervision of this Letter) and the Directors collectively and individually accept responsibility for the accuracy of the information contained in this Letter and confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, the facts stated and opinions expressed in this Letter are fair and accurate in all material respects and there are no material facts the omission of which would make any statement in this Letter misleading.

#### **7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, during normal business hours from the date of this Letter up to and including the date of the 2010 AGM:

- (a) the Memorandum and Articles; and
- (b) the Annual Report.

Yours faithfully

For and on behalf of the Board of Directors of  
**OLAM INTERNATIONAL LIMITED**

R. Jayachandran  
Non-Executive Chairman

## SCHEDULE

### DEFINITIONS

<b><u>“AGM”</u></b>	:	Annual general meeting of the Company
<b><u>“Annual Report”</u></b>	:	The annual report of the Company for the financial year ended 30 June 2010
<b><u>“Articles”</u></b>	:	The articles of association of the Company
<b><u>“Auditors”</u></b>	:	The auditors of the Company for the time being
<b><u>“Board of Directors”</u></b>	:	The board of directors of the Company at this date of the Letter
<b><u>“CDP”</u></b>	:	The Central Depository (Pte) Limited
<b><u>“Code of Corporate Governance”</u></b>	:	The Code of Corporate Governance issued by the Council on Corporate Disclosure and Governance, as amended or modified from time to time
<b><u>“Companies Act”</u></b>	:	The Companies Act (Chapter 50 of Singapore), as amended or modified from time to time
<b><u>“Company”</u></b>	:	Olam International Limited
<b><u>“CPF”</u></b>	:	Central Provident Fund
<b><u>“Directors”</u></b>	:	The directors of the Company for the time being
<b><u>“EPS”</u></b>	:	Earnings per Share
<b><u>“Group”</u></b>	:	The Company and its subsidiaries
<b><u>“Latest Practicable Date”</u></b>	:	16 September 2010, being the latest practicable date prior to the printing of this Letter
<b><u>“Letter”</u></b>	:	This Letter to Shareholders dated 13 October 2010
<b><u>“Listing Manual”</u></b>	:	The listing manual of the SGX-ST, as amended or modified from time to time
<b><u>“Market Day”</u></b>	:	A day on which the SGX-ST is open for trading in securities
<b><u>“Member”</u></b>	:	A member of the Company
<b><u>“Memorandum”</u></b>	:	The memorandum of association of the Company
<b><u>“Notice of AGM”</u></b>	:	The notice of AGM, set out on pages 175 to 178 of the Annual Report
<b><u>“NTA”</u></b>	:	Net tangible assets
<b><u>“Olam Employee Share Option Scheme”</u></b>	:	The employee share option scheme of the Company which was approved by the Shareholders on 4 January 2005
<b><u>“Ordinary Resolution 11”</u></b>	:	Ordinary resolution number 11 as set out in the Notice of AGM
<b><u>“Registrar”</u></b>	:	The Registrar of Companies



<b><u>“Relevant Period”</u></b>	:	The period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Buyback Mandate is passed
<b><u>“Securities Account”</u></b>	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b><u>“SGX-ST”</u></b>	:	Singapore Exchange Securities Trading Limited
<b><u>“Share Buyback Mandate”</u></b>	:	General and unconditional mandate given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in this Letter as well as the rules and regulations set forth in the Companies Act and the Listing Manual
<b><u>“Share Options”</u></b>	:	Options to subscribe for new Shares granted pursuant to the Olam Employee Share Option Scheme
<b><u>“Shareholders”</u></b>	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares
<b><u>“Shares”</u></b>	:	Ordinary shares in the capital of the Company
<b><u>“Substantial Shareholder”</u></b>	:	A person who has an interest in one or more voting shares in a company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares in the company
<b><u>“Take-over Code”</u></b>	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<b><u>“2009 EGM”</u></b>	:	The extraordinary general meeting of the Company held on 29 October 2009
<b><u>“2009 Share Buyback Mandate”</u></b>	:	The Share Buyback Mandate which was approved at the 2009 EGM
<b><u>“2010 AGM”</u></b>	:	The annual general meeting of the Company to be held on 28 October 2010, notice of which is set out on pages 175 to 178 of the Annual Report
<b><u>“S\$”</u></b> and <b><u>“cents”</u></b>	:	Singapore dollars and cents respectively
<b><u>“%”</u></b>	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of 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, where applicable, include corporations.

Any reference in this Letter to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof and used in this Letter shall have the meaning assigned to it under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Letter is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Letter is a reference to S\$ unless otherwise stated.

Any discrepancies in tables included in this Letter between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Letter may not be an arithmetic aggregation of the figures that precede them.

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