

**CIRCULAR DATED 17 APRIL 2014**

**THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF ROTHSCHILD (SINGAPORE) LIMITED. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued by Olam International Limited (the “**Company**”). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares, Convertible Bonds and/or Warrants (each as defined herein), you should immediately hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained, opinions expressed or advice given in this Circular.



**OLAM INTERNATIONAL LIMITED**

(Incorporated in Singapore)  
(Company Registration No. 199504676H)

**CIRCULAR TO SHAREHOLDERS, BONDHOLDERS AND WARRANTHOLDERS**

in relation to the

**VOLUNTARY CONDITIONAL CASH OFFER**

by

**CREDIT SUISSE (SINGAPORE) LIMITED    DBS BANK LTD.    UNITED OVERSEAS BANK LIMITED**

for and on behalf of

**BREEDENS INVESTMENTS PTE. LTD.**

(Incorporated in Singapore)  
(Company Registration No. 200900787K)

an indirect wholly-owned subsidiary of

**TEMASEK HOLDINGS (PRIVATE) LIMITED**

(Incorporated in Singapore)  
(Company Registration No. 197401143C)

for the Company

*Independent Financial Adviser to the Independent Directors*



**ROTHSCHILD**

**ROTHSCHILD (SINGAPORE) LIMITED**

(Incorporated in Singapore)  
(Company Registration No. 197301242C)

**SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY 5.30 P.M. ON 9 MAY 2014 (FRIDAY, SINGAPORE TIME) OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN).**

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## DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

### GENERAL

<b>“Acceptance Forms”</b>	:	The Shares Form of Acceptance and Authorisation, the Shares Form of Acceptance and Transfer, the Warrants Form of Acceptance and Authorisation and the Warrants Form of Acceptance and Transfer
<b>“Approval Condition”</b>	:	Has the meaning ascribed to it in Section 2.5(b) of this Circular
<b>“Articles”</b>	:	The articles of association of the Company
<b>“Authorisation”</b>	:	Any approval, authorisation, clearance, licence, order, confirmation, consent, exemption, grant, permission, recognition and/or waiver
<b>“Board”</b>	:	Board of Directors of the Company
<b>“Bondholder”</b>	:	Each beneficial owner of Convertible Bonds holding such Convertible Bonds, directly or indirectly, in accounts in the name of a Direct Participant acting on the beneficial owner’s behalf
<b>“Circular”</b>	:	This circular to Securityholders in relation to the Offer for Securities enclosing, <i>inter alia</i> , the letter from Rothschild to the Independent Directors
<b>“Clearing Systems”</b>	:	Clearstream Banking, <i>société anonyme</i> and Euroclear Bank S.A./N.V.
<b>“Closing Date”</b>	:	5.30 p.m. on 9 May 2014 (Friday, Singapore time) or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer for Securities
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers
<b>“Companies Act”</b>	:	The Companies Act (Chapter 50 of Singapore)
<b>“Company Securities”</b>	:	(a) Shares; and (b) convertible securities, warrants, options and derivatives in respect of the Shares
<b>“Company’s Strategy Review”</b>	:	The Company’s annual strategy review and strategic plan for the three (3)-year period from financial year ending 30 June 2014 to financial year ending 30 June 2016, as also defined in Paragraph 8.9 of the IFA Letter

<b>“Consortium Agreement”</b>	:	The consortium agreement entered into between the Offeror and the Consortium Members on 13 March 2014, as more particularly set out in Section 9.1 of this Circular
<b>“Consortium Member Securities”</b>	:	Company Securities held by each of the Consortium Members
<b>“Convertible Bonds”</b>	:	The outstanding US\$500,000,000 in principal amount of 6% convertible bonds due 2016, issued by the Company on 15 October 2009 and 5 November 2009 with ISIN No. XS0450423321
<b>“Convertible Bonds Offer”</b>	:	The voluntary conditional cash offer made by the Financial Advisers, for and on behalf of the Offeror, to the Bondholders to acquire the Convertible Bonds, on the terms and subject to the conditions set out in the Offer Document, as such offer may be amended, extended or revised from time to time by or on behalf of the Offeror
<b>“Convertible Bonds Offer Price”</b>	:	The price for each Convertible Bond as more particularly defined in Section 3.3 of this Circular
<b>“CPF Agent Banks”</b>	:	Agent banks included under the CPFIS
<b>“CPFIS”</b>	:	Central Provident Fund Investment Scheme
<b>“CPFIS Investors”</b>	:	Shareholders who have purchased Shares using their CPF account savings under the CPFIS
<b>“Direct Participant”</b>	:	Each person shown in the records of the Clearing Systems as a holder of Convertible Bonds
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“Distributions”</b>	:	In respect of: <ul style="list-style-type: none"> <li>(a) Shares, dividends, rights, other distributions and return of capital; and</li> <li>(b) Convertible Bonds, interests, payments, rights and other distributions</li> </ul>
<b>“Encumbrances”</b>	:	All claims, charges, mortgages, liens, options, equity, power of sale, hypothecation, retention of title, rights of pre-emption, rights of first refusal or other third party rights or security interests of any kind or any agreements, arrangements or obligations to create any of the foregoing
<b>“Excluded Documents”</b>	:	The IFA Letter, the letter from Rothschild in relation to the review of the Statement of Prospects as set out in Appendix VII to this Circular and the letter from Ernst & Young in relation to the review of the Statement of Prospects as set out in Appendix VI to this Circular

<b>“Final Day Rule”</b>	:	Has the meaning ascribed to it in Section 6.1(d) of this Circular
<b>“FY”</b>	:	Financial year ended or ending, as the case may be, 30 June
<b>“Gestating Assets”</b>	:	Interests in projects and investments that are currently in immature or development phases and hence, do not yet contribute materially to the Company’s consolidated profit and loss statement, as also defined in Paragraph 8.10.3 of the IFA Letter
<b>“IFA Letter”</b>	:	The letter dated 17 April 2014 from Rothschild, as the IFA to the Independent Directors in respect of the Offer for Securities as set out in Appendix I to this Circular
<b>“Interest Payment”</b>	:	Has the meaning ascribed to it in Section 3.6(b) of this Circular
<b>“Interested Person”</b>	:	<p>As defined in the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is:</p> <ul style="list-style-type: none"> <li>(a) a director, chief executive officer, or substantial shareholder of the company;</li> <li>(b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;</li> <li>(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;</li> <li>(d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;</li> <li>(e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or</li> <li>(f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more</li> </ul>
<b>“Irrevocable Undertakings”</b>	:	The irrevocable undertakings granted by certain Consortium Members to the Offeror to accept the Offer, as more particularly set out in Section 8 of this Circular
<b>“Last Trading Day”</b>	:	12 March 2014, being the last full day of trading in the Shares on the SGX-ST prior to the Offer Announcement Date

<b>"Latest Practicable Date"</b>	:	10 April 2014, being the latest practicable date prior to the printing of this Circular
<b>"Listing Manual"</b>	:	The Listing Manual of the SGX-ST, as amended up to the Latest Practicable Date
<b>"LTD FX Rate"</b>	:	The exchange rate of US\$1 to S\$1.2672, being the US\$ to S\$ exchange rate extracted from Bloomberg L.P. on the Last Trading Day
<b>"Market Day"</b>	:	A day on which the SGX-ST is open for trading of securities
<b>"maximum potential share capital of the Company"</b>	:	Has the meaning ascribed to it in Section 2.5(a) of this Circular
<b>"Offer"</b>	:	The voluntary conditional cash offer made by the Financial Advisers, for and on behalf of the Offeror, to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the Shares Form of Acceptance and Authorisation and Shares Form of Acceptance and Transfer, as such Offer may be amended, extended or revised from time to time by or on behalf of the Offeror
<b>"Offer Announcement"</b>	:	The announcement of the Offer, released by the Financial Advisers, for and on behalf of the Offeror, on the Offer Announcement Date
<b>"Offer Announcement Date"</b>	:	14 March 2014, being the date of the Offer Announcement
<b>"Offer Document"</b>	:	The offer document dated 4 April 2014 and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update the document(s) from time to time
<b>"Offer Document Despatch Announcement"</b>	:	The announcement dated 4 April 2014 by the Financial Advisers, for and on behalf of the Offeror, in relation to the despatch of the Offer Document
<b>"Offer Document Despatch Date"</b>	:	4 April 2014, being the date of the Offer Document and the date of the despatch of the Offer Document
<b>"Offer Document LPD"</b>	:	31 March 2014, being the latest practicable date prior to the printing of the Offer Document
<b>"Offer for Securities"</b>	:	The Offer, the Convertible Bonds Offer and the Warrants Offer
<b>"Offer Price"</b>	:	The price for each Offer Share as more particularly defined in Section 2.2 of this Circular
<b>"Offer Shares"</b>	:	Has the meaning ascribed to it in Section 2.1 of this Circular

<b>“Offeror Securities”</b>	:	(a) Offeror Shares, (b) securities which carry substantially the same rights as any Offeror Shares, and (c) convertible securities, warrants, options and derivatives in respect of any Offeror Shares or such securities in (b)
<b>“Offeror Shares”</b>	:	Ordinary shares in the capital of the Offeror
<b>“Olam Scheme”</b>	:	Olam Employee Share Option Scheme
<b>“Options”</b>	:	Outstanding options granted to subscribe for new Shares under the Olam Scheme
<b>“Overseas Securityholders”</b>	:	Has the meaning ascribed to it in Section 13 of this Circular
<b>“PFB”</b>	:	Packaged Food Business, as also defined in Paragraph 8.10.2 of the IFA Letter
<b>“Re-classification”</b>	:	Has the meaning ascribed to it in paragraph 8.4(a) of Appendix II of this Circular
<b>“Register”</b>	:	The register of Shareholders, as maintained by the Registrar
<b>“Register of Warrantholders”</b>	:	The register of Warrantholders, as maintained by the Registrar
<b>“Relevant Authority”</b>	:	Any governmental, quasi-governmental, supranational, statutory, regulatory, administrative, investigative, fiscal or judicial agency, authority, body, court, association, institution, commission, department, exchange, tribunal or any other body or person whatsoever
<b>“Relevant Period”</b>	:	Has the meaning ascribed to it in Section 9.1(a) of this Circular
<b>“Rule 22.6 Period”</b>	:	Has the meaning ascribed to it in Section 6.1(c) of this Circular
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
<b>“Securityholders”</b>	:	Shareholders, Bondholders and Warrantholders
<b>“SFA”</b>	:	The Securities and Futures Act (Chapter 289 of Singapore)
<b>“Shareholders”</b>	:	Holders of the Shares in issue as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company

<b>“Shares Form of Acceptance and Authorisation”</b>	:	Form of Acceptance and Authorisation in respect of the Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of the Offer Document
<b>“Shares Form of Acceptance and Transfer”</b>	:	Form of Acceptance and Transfer in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of the Offer Document
<b>“Shut-Off Notice”</b>	:	Has the meaning ascribed to it in Section 6.1(c) of this Circular
<b>“Statement of Prospects”</b>	:	Has the meaning ascribed to it in paragraph 8.6 of Appendix II of this Circular
<b>“US\$”</b>	:	United States dollars, being the lawful currency of the United States of America
<b>“Warrantholder”</b>	:	Holder of the Warrants as indicated on the Register of Warrantholders and Depositors who have Warrants entered against their names in the Depository Register
<b>“Warrants”</b>	:	The outstanding warrants issued by the Company each carrying the right to subscribe for one (1) new Share at an exercise price of US\$1.25 for each new Share
<b>“Warrants Form of Acceptance and Authorisation”</b>	:	Form of Acceptance and Authorisation in respect of the Warrants Offer, applicable to Warrantholders whose Warrants are deposited with CDP and which forms part of the Offer Document
<b>“Warrants Form of Acceptance and Transfer”</b>	:	Form of Acceptance and Transfer in respect of the Warrants Offer, applicable to Warrantholders whose Warrants are represented by warrant certificate(s) which are not deposited with CDP and which forms part of the Offer Document
<b>“Warrants Offer”</b>	:	The voluntary conditional cash offer made by the Financial Advisers, for and on behalf of the Offeror, to the Warrantholders to acquire the Warrants, on the terms and subject to the conditions set out in the Offer Document, the Warrants Form of Acceptance and Authorisation and the Warrants Form of Acceptance and Transfer, as such offer may be amended, extended or revised from time to time by or on behalf of the Offeror
<b>“Warrants Offer Price”</b>	:	The price for each Warrant as more particularly defined in Section 4.3 of this Circular
<b>“%” or “per cent.”</b>	:	Per centum or percentage

#### **COMPANIES / ORGANISATIONS / PERSONS**

<b>“CDP”</b>	:	The Central Depository (Pte) Limited
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<b>“Company”</b>	:	Olam International Limited
<b>“Concert Parties”</b>	:	Parties acting or deemed to be acting in concert with the Offeror in connection with the Offer
<b>“Consortium Members”</b>	:	KSL and Key Management
<b>“CPF”</b>	:	Central Provident Fund
<b>“Credit Suisse”</b>	:	Credit Suisse (Singapore) Limited
<b>“DBS”</b>	:	DBS Bank Ltd.
<b>“Ernst &amp; Young”</b>	:	Ernst & Young LLP, the auditors of the Company
<b>“Financial Advisers”</b>	:	Credit Suisse, DBS and UOB
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“IFA”</b>	:	Independent financial adviser
<b>“Independent Directors”</b>	:	The Directors who are considered independent for the purposes of the Offer for Securities, namely Mr. Michael Lim Choo San, Mr. Mark Haynes Daniell, Mr. Jean-Paul Pinard, Mr. Sanjiv Misra and Mr. Robert Michael Tomlin
<b>“Key Management”</b>	:	Mr. Sunny George Verghese, Mr. Shekhar Anantharaman, Mr. Ashok Hegde, Mr. Ashok Krishen, Mr. Gerard Anthony Manley, Mr. Jagdish Parihar, Mr. Ranveer Singh Chauhan, Mr. Sridhar Krishnan, Mr. Srivathsan Venkataramani and Mr. Vivek Verma
<b>“KSL”</b>	:	Kewalram Singapore Limited
<b>“Offeror”</b>	:	Breedens Investments Pte. Ltd.
<b>“PCL”</b>	:	PureCircle Ltd.
<b>“Registrar”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<b>“Rothschild”</b>	:	Rothschild (Singapore) Limited, the IFA to the Independent Directors in respect of the Offer for Securities
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“SIC”</b>	:	Securities Industry Council of Singapore
<b>“Temasek”</b>	:	Temasek Holdings (Private) Limited

<b>“Temasek Entities”</b>	:	(a) Temasek’s direct and indirect wholly-owned companies whose board of directors or equivalent governing bodies comprise solely of nominees or employees of Temasek, Temasek Pte Ltd and/or wholly owned direct and indirect subsidiaries of Temasek Pte Ltd; and
		(b) certain investment management companies which are wholly owned by Temasek
<b>“Undertaking Consortium Members”</b>	:	KSL, Mr. Shekhar Anantharaman, Mr. Sridhar Krishnan and Mr. Srivathsan Venkataramani
<b>“UOB”</b>	:	United Overseas Bank Limited

Unless otherwise defined, the term **“acting in concert”** shall have the meaning ascribed to it in the Code.

The term **“depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in the Companies Act.

The terms **“subsidiary”** and **“related corporation”** shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Companies Act. The expression **“associated company”** in relation to the Group, shall mean a corporation in which the Group holds, directly or indirectly, at least 20% but not more than 50% of its issued shares.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one (1) gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Listing Manual or the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

Any discrepancies in this Circular between the listed amounts and the total thereof are due to rounding. Accordingly, figures may have been adjusted to ensure that totals reflect an arithmetic aggregation of the figures that precede them, as the case may be.

**Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Articles are set out in this Circular within quotes and in italics, and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Articles respectively.**

In this Circular, any reference to the total number of issued Shares is a reference to 2,390,213,869 issued Shares (excluding 52,196,000 treasury Shares) as at the Latest Practicable Date.

## **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Securityholders should not place undue reliance on such forward-looking statements, and neither the Company nor Rothschild assumes any obligation to update publicly or revise any forward-looking statement.

## SUMMARY TIMETABLE

Date of despatch of Offer Document	:	4 April 2014
Date of despatch of Circular	:	17 April 2014
Closing Date	:	5.30 p.m. on 9 May 2014 (Friday, Singapore time), or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for lodgment of acceptances of the Offer for Securities
Date of settlement of consideration for valid acceptances of the Offer <sup>(1)</sup> , the Convertible Bonds Offer <sup>(2)</sup> and the Warrants Offer <sup>(3)</sup>	:	<p>In respect of acceptances of the Offer, the Convertible Bonds Offer and the Warrants Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within 10 days of that date</p> <p>In respect of acceptances of the Offer, the Convertible Bonds Offer and the Warrants Offer which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Offer, the Convertible Bonds Offer and the Warrants Offer (as the case may be) closes, within 10 days of the date of such receipt</p>

### **Notes:**

- (1) Please refer to Paragraph 2 of Appendix 1 of the Offer Document for further details.
- (2) Please refer to Paragraph 3 of Appendix 1 of the Offer Document for further details.
- (3) Please refer to Paragraph 4 of Appendix 1 of the Offer Document for further details.

## OLAM INTERNATIONAL LIMITED

(Incorporated in Singapore)  
(Company Registration No. 199504676H)

### LETTER TO SECURITYHOLDERS FROM THE BOARD

#### Board of Directors:

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

#### Registered Office:

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

17 April 2014

To: The Securityholders of the Company

Dear Sir/Madam

#### VOLUNTARY CONDITIONAL CASH OFFER BY THE OFFEROR

##### 1. BACKGROUND

###### 1.1 Offer Announcement

On the Offer Announcement Date, the Financial Advisers announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer for (a) all the issued Shares; (b) new Shares unconditionally issued or to be issued pursuant to the valid conversion of outstanding Convertible Bonds; and (c) new Shares unconditionally issued or to be issued pursuant to the valid exercise of the Options.

According to the Offer Announcement, an appropriate offer will also be made for the Convertible Bonds and the Warrants.

A copy of the Offer Announcement is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

###### 1.2 Offer Document

Securityholders should have by now received a copy of the Offer Document setting out, *inter alia*, the terms and conditions of the Offer for Securities. The principal terms and conditions of the Offer, the Convertible Bonds Offer and the Warrants Offer are set out in Sections 2, 4 and 5 of the Offer Document respectively. **Securityholders are urged to read the terms and conditions of the Offer, the Convertible Bonds Offer and the Warrants Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

### 1.3 Purpose of the Circular

The purpose of this Circular is to provide Securityholders with relevant information pertaining to the Offer, the Convertible Bonds Offer and/or the Warrants Offer (as the case may be) and to set out the recommendation of the Independent Directors and the advice of Rothschild to the Independent Directors in respect of the Offer, the Convertible Bonds Offer and/or the Warrants Offer (as the case may be).

**Securityholders should consider carefully the recommendation of the Independent Directors and the advice of Rothschild to the Independent Directors in respect of the Offer, the Convertible Bonds Offer and/or the Warrants Offer (as the case may be) before deciding whether to accept or reject the Offer, the Convertible Bonds Offer and/or the Warrants Offer (as the case may be).**

## 2. THE OFFER

### 2.1 Offer Shares

Section 2.2 of the Offer Document states that the Offer will be extended to:

- (a) all issued Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, but including issued Shares owned, controlled or agreed to be acquired by Concert Parties;
- (b) all new Shares unconditionally issued or to be issued pursuant to the valid conversion of the Convertible Bonds prior to the close of the Offer; and
- (c) all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Option prior to the close of the Offer,

(collectively, the “**Offer Shares**”).

### 2.2 Offer Price

Section 2.1 of the Offer Document states that, for and on behalf of the Offeror, the Financial Advisers thereby make the Offer for all the Offer Shares, in accordance with Section 139 of the SFA and the Code, on the following basis:

For each Offer Share: **S\$2.23** in cash (the “**Offer Price**”).

### 2.3 No Encumbrances

Section 2.3 of the Offer Document states that the Offer Shares will be acquired (a) fully paid; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) declared, paid or made by the Company on or after the Offer Announcement Date.

### 2.4 Adjustments for Distribution

Section 2.4 of the Offer Document states that if any Distribution is declared, paid or made by the Company on the Offer Shares on or after the Offer Announcement Date and the Offeror is not entitled to receive such Distribution in full from the Company in respect of any of the Offer Shares tendered in acceptance of the Offer, the Offer Price payable in respect of such Offer Shares will be reduced by the amount of such Distribution.

## 2.5 Offer Conditions

Section 2.5 of the Offer Document states that the Offer is subject to the following conditions:

- (a) **Level of Acceptances of the Offer.** The Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, together with Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror or the Concert Parties, will result in the Offeror and the Concert Parties holding such number of Shares carrying more than 50% of voting rights attributable to the issued Shares as at the close of the Offer.

The Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, together with Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror or the Concert Parties, will result in the Offeror and the Concert Parties holding such number of Shares representing more than 50% of the maximum potential share capital of the Company.

For the purposes of the Offer, the “**maximum potential share capital of the Company**” means the total number of Shares which would be in issue if all the outstanding Convertible Bonds and Options (other than those owned, controlled or agreed to be acquired by the Offeror or the Concert Parties) were validly converted and exercised as at the date of the relevant declaration.

- (b) **Approval Condition.** The Offeror having obtained any Authorisation necessary for the making or implementation of the Offer which is required to be obtained from any Relevant Authority in Singapore or any other jurisdiction in which the Company or any of its subsidiaries or associated companies carries on business and if any such Authorisation is subject to conditions, such conditions being on terms reasonably satisfactory to the Offeror (the “**Approval Condition**”), provided that the Approval Condition may only be invoked by the Offeror when the circumstances which give rise to the right to invoke such Approval Condition are of material significance to the Offeror in the context of the Offer. In any event, the Approval Condition may only be invoked by the Offeror after prior consultation with and consent having been obtained from the SIC.

The Offeror reserves the right in its absolute discretion to waive the Approval Condition, in whole or in part.

## 2.6 Warranty

Section 2.6 of the Offer Document states that a Shareholder who tenders his Shares in acceptance of the Offer will be deemed to warrant that he sells such Shares as or for or on behalf of the beneficial owner(s) thereof, (a) fully paid; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all Distributions (if any) declared, paid or made by the Company on or after the Offer Announcement Date.

## 2.7 Choices

Section 2.7 of the Offer Document states that a Shareholder can, in relation to all or part of his Offer Shares, either:

- (a) accept the Offer in respect of such Offer Shares in accordance with the procedures set out in Appendix 2 of the Offer Document; or
- (b) take no action and let the Offer lapse in respect of his Offer Shares.

## 3. CONVERTIBLE BONDS OFFER

### 3.1 Convertible Bonds

Section 4.1 of the Offer Document states that, as at the Offer Document LPD, based on the latest information available to the Offeror, US\$500,000,000 in principal amount of Convertible Bonds remains outstanding. The Convertible Bonds are convertible into 241,610,738 new Shares at the prevailing conversion price of S\$2.98<sup>1</sup> per new Share, such conversion price being subject to adjustments in accordance with the terms and conditions of the Convertible Bonds. The Convertible Bonds, if converted at the prevailing conversion price, would represent 8.9% of the maximum potential share capital of the Company.

### 3.2 Convertible Bonds Offer

Section 4.2 of the Offer Document states that in addition to extending the Offer to all new Shares unconditionally issued or to be issued pursuant to the valid conversion of the Convertible Bonds prior to the close of the Offer, in accordance with Rule 19 of the Code, the Financial Advisers, for and on behalf of the Offeror, thereby make an offer to the Bondholders to acquire the Convertible Bonds in accordance with the terms and subject to the conditions set out in the Offer Document.

### 3.3 Convertible Bonds Offer Price

Section 4.3 of the Offer Document states that the offer price of the Convertible Bonds will be as follows:

For every US\$1,000 principal amount of Convertible Bonds: **US\$850.37** in cash (equivalent to **S\$1,077.58** based on the LTD FX Rate) ("**Convertible Bonds Offer Price**").

The Convertible Bonds Offer Price is calculated based on the Offer Price of S\$2.23 for one (1) Offer Share multiplied by the number of new Shares into which US\$1,000 principal amount of the Convertible Bonds may be converted (rounded to the nearest cent). The actual Convertible Bonds Offer Price payable to each accepting Bondholder will be determined based on the total principal amount of the Convertible Bonds that are tendered by a Bondholder in acceptance of the Convertible Bonds Offer. The Convertible Bonds are denominated and can only be tendered in acceptance of the Convertible Bonds Offer in a minimum principal amount of US\$1,000. **Subject to Section 4.6 of the Offer Document, payment of the Convertible Bonds Offer Price will be made in US\$ based on the LTD FX Rate, being US\$850.37 for each US\$1,000 principal amount of Convertible Bonds tendered in acceptance of the Convertible Bonds Offer.**

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<sup>1</sup> Based on the fixed exchange rate of US\$1 : S\$1.44 as set out in the terms and conditions of the Convertible Bonds.



### 3.4 Condition

Section 4.4 of the Offer Document states that the Convertible Bonds Offer will be subject to and conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms.

### 3.5 No Encumbrances

Section 4.5 of the Offer Document states that the Convertible Bonds will be acquired (a) fully paid; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) declared, paid or made by the Company on or after the Offer Announcement Date.

### 3.6 Adjustments for Interest Payment

Section 4.6 of the Offer Document states that:

- (a) if any Distribution is declared, paid or made by the Company on the Convertible Bonds on or after the Offer Announcement Date and the Offeror is not entitled to receive such Distribution in full from the Company in respect of any of the Convertible Bonds tendered in acceptance of the Convertible Bonds Offer, the Convertible Bonds Offer Price payable in respect of such Convertible Bonds will be reduced by the amount of such Distribution; and
- (b) the Offeror notes that an interest payment is due to be paid to the Bondholders on 15 April 2014 (the “**Interest Payment**”). Pursuant to the terms and conditions of the Convertible Bonds, the books closure date to determine the Bondholders entitled to the Interest Payment is 31 March 2014. As the Offeror will not be entitled to receive the Interest Payment in respect of any of the Convertible Bonds tendered in acceptance of the Convertible Bonds Offer, an amount equivalent to the Interest Payment due will be deducted from the Convertible Bonds Offer Price payable to accepting Bondholders. The Interest Payment due on each US\$1,000 principal amount of Convertible Bonds is US\$30. **Accordingly, accepting Bondholders will receive US\$820.37 for every US\$1,000 principal amount of Convertible Bonds tendered in acceptance of the Convertible Bonds Offer, being the Convertible Bonds Offer Price of US\$850.37 for every US\$1,000 principal amount of Convertible Bonds less the Interest Payment of US\$30 due on each US\$1,000 principal amount of Convertible Bonds.**

### 3.7 Warranty

Section 4.8 of the Offer Document states that a Bondholder who tenders his Convertible Bonds in acceptance of the Convertible Bonds Offer will be deemed to unconditionally and irrevocably warrant that he sells such Convertible Bonds as, for or on behalf of the beneficial owner(s) thereof, (a) fully paid; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) declared, paid or made by the Company on or after the Offer Announcement Date.

### **3.8 Offer and Convertible Bonds Offer Mutually Exclusive**

Section 4.7 of the Offer Document states that, for the avoidance of doubt, whilst the Convertible Bonds Offer is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Convertible Bonds Offer. The Offer and the Convertible Bonds Offer are separate and are mutually exclusive. The Convertible Bonds Offer does not form part of the Offer, and *vice versa*.

Without prejudice to the foregoing, if a Bondholder converts its Convertible Bonds in order to accept the Offer in respect of the new Shares to be issued pursuant to such conversion, it may not accept the Convertible Bonds Offer in respect of such converted Convertible Bonds. Conversely, if a Bondholder wishes to accept the Convertible Bonds Offer in respect of its Convertible Bonds, it may not convert those Convertible Bonds in order to accept the Offer in respect of the new Shares to be issued pursuant to such conversion.

### **3.9 Choices**

Section 4.9 of the Offer Document states that Bondholders can, in relation to all or part of their Convertible Bonds, either:

- (a) convert such Convertible Bonds and participate in the Offer by (i) converting the Convertible Bonds in compliance with the procedures for conversion of the Convertible Bonds set out in the terms and conditions of the Convertible Bonds; and (ii) thereafter accepting the Offer in respect of all or part of the new Shares unconditionally issued or to be issued pursuant to such conversion, in accordance with the procedures set out in Appendix 2 of the Offer Document;
- (b) accept the Convertible Bonds Offer in respect of all or part of the Convertible Bonds held in accordance with the procedures set out in Appendix 3 of the Offer Document; or
- (c) take no action and let the Convertible Bonds Offer lapse in respect of their Convertible Bonds.

## **4. WARRANTS OFFER**

### **4.1 Warrants**

Section 5.1 of the Offer Document states that, as at the Offer Document LPD, based on the latest information available to the Offeror, the Company has 397,826,160 Warrants in issue. Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants commences on 29 January 2016 and ends on 28 January 2018. As the Warrants are not exercisable into Shares during the Offer period, the Warrants will not be taken into account for determining the maximum potential share capital of the Company for the purposes of the Offer.

### **4.2 Warrants Offer**

Section 5.2 of the Offer Document states that in accordance with Rule 19 of the Code, the Financial Advisers, for and on behalf of the Offeror, thereby make an offer to the Warrantholders to acquire the Warrants in accordance with the terms and subject to the conditions set out in the Offer Document, the Warrants Form of Acceptance and Authorisation and the Warrants Form of Acceptance and Transfer.

#### **4.3 Warrants Offer Price**

Section 5.3 of the Offer Document states that the offer price for the Warrants will be as follows:

For each Warrant: **S\$0.646** in cash ("**Warrants Offer Price**").

The Warrants Offer Price is calculated based on the difference between the Offer Price of S\$2.23 for one (1) Offer Share and the adjusted exercise price of US\$1.25 for each new Share, converted based on the LTD FX Rate.

#### **4.4 Condition**

Section 5.4 of the Offer Document states that the Warrants Offer will be subject to and conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms.

#### **4.5 No Encumbrances**

Section 5.5 of the Offer Document states that the Warrants will be acquired (a) fully paid; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all payments, rights and other distributions (if any) declared, paid or made by the Company on or after the Offer Announcement Date.

#### **4.6 Warranty**

Section 5.7 of the Offer Document states that a Warrantholder who tenders his Warrants in acceptance of the Warrants Offer will be deemed to unconditionally and irrevocably warrant that he sells such Warrants as, for or on behalf of the beneficial owner(s) thereof, (a) fully paid; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all payments, rights and other distributions (if any) declared, paid or made by the Company on or after the Offer Announcement Date.

#### **4.7 Offer and Warrants Offer Mutually Exclusive**

Section 5.6 of the Offer Document states that, for the avoidance of doubt, whilst the Warrants Offer is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Warrants Offer. The Offer and the Warrants Offer are separate and are mutually exclusive. The Warrants Offer does not form part of the Offer, and *vice versa*.

#### **4.8 Choices**

Section 5.8 of the Offer Document states that Warrantholders can, in relation to all or part of their Warrants, either:

- (a) accept the Warrants Offer in respect of such Warrants in accordance with the procedures set out in Appendix 4 of the Offer Document; or
- (b) take no action and let the Warrants Offer lapse in respect of their Warrants.

## 5. NO OPTIONS OFFER

Section 3 of the Offer Document states that as at the Offer Document LPD, based on the latest information available to the Offeror, there are 130,300,000 outstanding Options<sup>2</sup> granted under the Olam Scheme. Under the rules of the Olam Scheme, the Options are not transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the Options. For the avoidance of doubt, the Offer is extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Option prior to the close of the Offer.

## 6. OTHER TERMS OF THE OFFER FOR SECURITIES

### 6.1 Duration of the Offer for Securities

As set out in Paragraph 1 of Appendix 1 of the Offer Document:

- (a) **First Closing Date.** The Offer, Convertible Bonds Offer and Warrants Offer are open for acceptance by Shareholders, Bondholders and Warranholders respectively for at least 28 days from the Offer Document Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder. **Accordingly, the Offer for Securities will close at 5.30 p.m. on 9 May 2014, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**
- (b) **No Obligation to Extend the Offer for Securities.** The Offeror is not obliged to extend the Offer for Securities if the conditions specified in Section 2.5 above are not fulfilled or waived (as the case may be) by the Closing Date. However, if the Offer for Securities is extended and:
  - (i) the Offer is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or
  - (ii) the Offer is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer for Securities will remain open until further notice. In such a case, the Offeror must give Shareholders, Bondholders and Warranholders, as the case may be, who have not accepted the relevant Offer for Securities at least 14 days' prior notice in writing before it may close the Offer for Securities.
- (c) **Offer for Securities to Remain Open for 14 Days after Offer becomes or is Declared to be Unconditional as to Acceptances.** In order to give Shareholders, Bondholders and Warranholders, as the case may be, who have not accepted the Offer for Securities the opportunity to accept the Offer for Securities after the Offer has become or is declared to be unconditional as to acceptances, the Offer for Securities will remain open for a period (the "**Rule 22.6 Period**") of not less than 14 days after the date on which the Offer for Securities would otherwise have closed.

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<sup>2</sup> As at the Latest Practicable Date, there are 128,150,000 outstanding Options in issue.

This requirement does not apply if, before the Offer has become or is declared to be unconditional as to acceptances, the Offeror has given Shareholders, Bondholders and Warrantholders, as the case may be, at least 14 days' notice in writing (the "**Shut-Off Notice**") that the Offer for Securities will not be open for acceptance beyond a specified Closing Date, provided that:

- (i) the Offeror may not give a Shut-Off Notice in a competitive situation; and
- (ii) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with Paragraph 5.1 of Appendix 1 of the Offer Document, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer for Securities would otherwise have closed, whichever is later.

(d) **Final Day Rule.** The Offer (whether revised or not) will not be capable:

- (i) of becoming or being declared to be unconditional as to acceptances after 5.30 p.m. on the 60th day after Offer Document Despatch Date; or
- (ii) of being kept open after such 60-day period unless the Offer has previously become or been declared to be unconditional as to acceptances,

provided that the Offeror may extend the Offer beyond such 60-day period with the SIC's prior consent (the "**Final Day Rule**").

(e) **Revision.** If the Offer for Securities is revised, the Offer for Securities will remain open for acceptances for at least 14 days from the date of posting of the written notification of the revision to Securityholders. In any case, where the terms are revised, the benefit of the Offer for Securities (as so revised) will be made available to each of the Securityholders who have previously accepted the Offer for Securities.

## 6.2 Details of the Offer for Securities

The Offer for Securities are made in accordance with the principal terms and conditions as set out in the Offer Document. Further details on, *inter alia*, (a) the settlement of the consideration for the Offer for Securities, (b) the requirements relating to the announcement of the level of acceptances of the Offer for Securities and (c) the right of withdrawal of acceptances of the Offer for Securities are set out in Appendix 1 of the Offer Document.

## 6.3 Procedures for Acceptance

Section 7 of the Offer Document states that Appendices 2, 3 and 4 of the Offer Document set out the procedures for acceptance of the Offer, the Convertible Bonds Offer and the Warrants Offer, respectively.

## 7. INFORMATION ON THE OFFEROR

Section 8 of the Offer Document states that the Offeror is a private company limited by shares incorporated in Singapore on 13 January 2009. Its principal activity is that of an investment holding company. The directors of the Offeror are Mr. Cheong Kok Tim, Mr. David Heng Chen Seng, Mr. Dilhan Pillay Sandrasegara, Mr. Jonathan Popper, Mr. Paul Lam Wai and Mr. Rohit Sipahimalani. The Offeror is an indirect wholly-owned subsidiary of Temasek.

Additional information regarding the Offeror is set out in Appendix 5 of the Offer Document.

## 8. IRREVOCABLE UNDERTAKINGS

Section 15.3 of the Offer Document states that the Undertaking Consortium Members have each given irrevocable undertakings ("**Irrevocable Undertakings**") to accept the Offer in respect of part of their existing shareholdings in the Company, representing approximately 5.6% of the issued Shares and approximately 4.9% of the maximum potential share capital of the Company, as at the Offer Document LPD. The Irrevocable Undertakings terminate on the date the Offer lapses or is withdrawn.

Paragraph 4 of Appendix 7 of the Offer Document states that details of the Undertaking Consortium Members and the number of Shares to be tendered in acceptance of the Offer by each Undertaking Consortium Member pursuant to their respective Irrevocable Undertaking are as follows:

Name of Undertaking Consortium Member	No. of Shares to be tendered in acceptance of the Offer	Total percentage of issued Shares <sup>(1)</sup>	Percentage of maximum potential share capital of the Company <sup>(2)</sup>
KSL	128,031,977	5.4%	4.7%
Shekhar Anantharaman	2,000,000	0.1%	0.1%
Sridhar Krishnan	3,500,000	0.1%	0.1%
Srivathsan Venkataramani	320,000	n.m. <sup>(3)</sup>	n.m. <sup>(3)</sup>
<b>Total</b>	<b>133,851,977</b>	<b>5.6%</b>	<b>4.9%</b>

### Notes:

- (1) As a percentage of the total number of Shares in issue as at the Offer Document LPD. For the purposes of the above table, all percentages figures are rounded to the nearest one decimal place.
- (2) As a percentage of the maximum potential share capital of the Company, being 2,721,324,607 Shares as at the Offer Document LPD.
- (3) Not meaningful.

## 9. CONSORTIUM AGREEMENT

**9.1 Consortium Agreement.** Section 14.1 of the Offer Document states that the Consortium Members have on 13 March 2014 entered into a consortium agreement ("**Consortium Agreement**") with the Offeror to act in concert in relation to the Offer. Pursuant to the terms of the Consortium Agreement, the Consortium Members have agreed, *inter alia*, that:

- (a) each of the Consortium Members will not tender all or any of the Consortium Member Securities in acceptance of any other offer (as defined under the Code) for the Company, from the date of the Consortium Agreement until six (6) months after the Offer closes, lapses or is withdrawn (the "**Relevant Period**");
- (b) each of the Consortium Members will not, without the Offeror's consent, directly or indirectly transfer or dispose of all or any of their interest in the Consortium Member Securities, other than pursuant to the Irrevocable Undertakings, until the expiry of the Relevant Period; and
- (c) after the Relevant Period, if a Consortium Member intends to dispose of all or any of the Consortium Member Securities held as at the date of the Consortium Agreement (including new Shares issued pursuant to the exercise or conversion of such Consortium Member Securities, but excluding new Shares issued pursuant to the exercise of Options), such Consortium Member must first offer such Consortium Member Securities to the Offeror except in certain limited circumstances. Pursuant to the terms of the Consortium Agreement, the Consortium Members each have the right to dispose of up to 5% of their respective shareholdings every 12 months without having to comply with the pre-emption rights given to the Offeror, subject to the conditions specified in the Consortium Agreement. The rights of pre-emption granted to the Offeror are for a period of up to 10 years from the date of the Consortium Agreement.

In relation to Section 9.1(b) above, the Financial Advisers had on 4 April 2014 announced, for and on behalf of the Offeror, that in addition to the Shares which are the subject of the Irrevocable Undertakings, the Offeror has consented to permitting the Key Management (excluding Mr. Sunny George Verghese, the Chief Executive Officer of the Company) to tender, if they so elect, another 67,036,956 Shares and up to 10,201,554 Warrants held by such Key Management in acceptance of the Offer and Warrants Offer respectively.

**9.2 Shareholdings of the Offeror (together with the Temasek Entities) and the Consortium Members.** Section 14.2 of the Offer Document states that as at the Offer Document LPD, the Offeror (together with the Temasek Entities) and the Consortium Members hold in aggregate 1,255,261,951 Shares, representing approximately 52.5% of the issued Shares and approximately 46.1% of the maximum potential share capital of the Company. The Offeror, certain Temasek Entities and the Consortium Members also hold Options and Warrants, as further detailed in Appendix 7 of the Offer Document.

**9.3 Shareholdings of the Offeror and its Concert Parties.** The Offer Document Despatch Announcement states that as at the date of the Offer Document Despatch Announcement, based on the latest information available to the Offeror, the Offeror and the Concert Parties hold in aggregate 1,256,022,801 Shares, representing approximately 52.5% of the issued Shares and approximately 46.2% of the maximum potential share capital of the Company. The holdings of the Offeror and the Concert Parties in Company Securities are further detailed in the Appendix of the Offer Document Despatch Announcement.



## **10. RATIONALE FOR THE OFFER FOR SECURITIES AND THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY**

### **10.1 Rationale for the Offer for Securities and the Offeror's Intentions Relating to the Company**

The rationale for the Offer for Securities and the Offeror's intentions relating to the Company are set out in Sections 10 and 11 of the Offer Document which are reproduced in italics below:

#### ***"10. RATIONALE FOR THE OFFER***

**10.1 Long-term Shareholder.** *The Offeror is a long-term Shareholder and continues to believe in the prospects of the Company. Through the Offer, the Offeror wishes to increase its shareholding and provide the Company with a stronger long term shareholder base to support the Company's strategy and growth plans over the medium to long term.*

**10.2 Realisation of Investment.** *With the Offer, Shareholders will have the flexibility to tender all, part or none of their Shares in acceptance of the Offer. By tendering part of their Shares, Shareholders can create their own preferred balance between realising some of their investments in cash now and continuing to share in the Company's potential future growth by holding on to their remaining Shares.*

#### **11. THE OFFEROR'S INTENTIONS FOR THE COMPANY**

**11.1 The Offeror's Future Plans for the Company.** *Based on the Offeror's understanding of the Company, the Offeror does not intend to (i) introduce any major changes to the businesses of the Company, (ii) redeploy the fixed assets of the Company or (iii) discontinue the employment of the employees of the Company and its subsidiaries. The Offeror expects the board and management of the Company to continue to grow its business in a sustainable manner and with operational and financial discipline.*

**11.2 No Compulsory Acquisition.** *As KSL and the Key Management have, pursuant to the Consortium Agreement, given an undertaking not to dispose of their Shares during the Offer (except pursuant to the Irrevocable Undertakings and the Management Shares), the Offeror will not acquire a right of compulsory acquisition to acquire the remaining Shares under the Offer."*

### **10.2 Listing Status**

The full text of the Offeror's intentions relating to the listing status of the Company has been extracted from Section 11.3 of the Offer Document and reproduced in italics below:

**"11.3 Listing Status of the Company.** *Pursuant to Rule 1105 of the Listing Manual, in the event that the Offeror and its Concert Parties should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of issued Shares (excluding treasury Shares), the SGX-ST may suspend the listing of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of issued Shares (excluding treasury Shares) are held by at least 500 Shareholders who are members of the public.*

*In addition, pursuant to Rule 723 of the Listing Manual, the Company must ensure that at least 10 per cent. of its total issued Shares (excluding treasury Shares) is at all times held in public hands (the "Free Float Requirement"). Pursuant to Rule 724(1) of the Listing Manual, if the percentage of the issued Shares held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Pursuant to Rule 724(2)*



*of the Listing Manual, the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of issued Shares held by members of the public to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.*

***The Offeror prefers to keep the Company listed. However, if the Free Float Requirement is not satisfied at the close of the Offer, the Offeror will assess its options at that time and may decide to delist the Company. Accordingly, the Offeror may decide not to take steps to preserve the listing status of the Company on the SGX-ST if the Free Float Requirement is not satisfied.***

## **11. DIRECTORS' INTERESTS**

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities as at the Latest Practicable Date are set out in Appendix II of this Circular.

## **12. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER FOR SECURITIES**

### **12.1 Appointment of Independent Financial Adviser**

Rothschild has been appointed as the IFA to the Independent Directors in respect of the Offer for Securities.

### **12.2 Independent Directors**

Mr. Michael Lim Choo San, Mr. Mark Haynes Daniell, Mr. Robert Michael Tomlin, Mr. Jean-Paul Pinard and Mr. Sanjiv Misra are independent for the purposes of the Offer for Securities and are required to make a recommendation to the Securityholders in respect of the Offer, the Convertible Bonds Offer and/or the Warrants Offer (as the case may be). The SIC has ruled on 28 March 2014 that SIC exempts the following Directors from the requirement to make a recommendation on the Offer, the Convertible Bonds Offer and the Warrants Offer to Shareholders, Bondholders and Warrantholders for the reasons set out below:

- (a) **Mr. R. Jayachandran.** Mr. R. Jayachandran is the Non-Executive Chairman of the Company.

He is also a director of KSL. As described in Section 8 and Section 9.1 above, KSL has entered into the Consortium Agreement with, *inter alia*, the Offeror to act in concert in relation to the Offer, and has also given Irrevocable Undertakings to accept the Offer in respect of part of its existing shareholdings in the Company.

As Mr. R. Jayachandran is acting in concert with the Offeror in connection with the Offer, he will face conflicts of interest in relation to the Offer that would render it inappropriate for him to join the Independent Directors in making a recommendation to the Securityholders in connection with the Offer for Securities.

- (b) **Mr. Sunny George Verghese.** Mr. Sunny George Verghese is the Group Managing Director and CEO and Executive Director of the Company.

As described in Section 9.1 above, Mr. Sunny George Verghese has entered into the Consortium Agreement with, *inter alia*, the Offeror to act in concert in relation to the Offer.

As Mr. Sunny George Verghese is acting in concert with the Offeror in connection with the Offer, he will face conflicts of interest in relation to the Offer that would render it inappropriate for him to join the Independent Directors in making a recommendation to the Securityholders in connection with the Offer for Securities.

- (c) **Mr. Shekhar Anantharaman.** Mr. Shekhar Anantharaman is an Executive Director of the Company.

As described in Section 8 and Section 9.1 above, Mr. Shekhar Anantharaman has entered into the Consortium Agreement with, *inter alia*, the Offeror to act in concert in relation to the Offer, and has also given Irrevocable Undertakings to accept the Offer in respect of part of his existing shareholdings in the Company.

As Mr. Shekhar Anantharaman is acting in concert with the Offeror in connection with the Offer, he will face conflicts of interest in relation to the Offer that would render it inappropriate for him to join the Independent Directors in making a recommendation to the Securityholders in connection with the Offer for Securities.

- (d) **Mr. Narain Girdhar Chanrai.** Mr. Narain Girdhar Chanrai is a Non-Executive Director of the Company.

He is also the Managing Director of KSL and has been the Group Chief Executive Officer of the Kewalram Chanrai Group since December 2004. As described in Section 8 and Section 9.1 above, KSL has entered into the Consortium Agreement with, *inter alia*, the Offeror to act in concert in relation to the Offer, and has also given Irrevocable Undertakings to accept the Offer in respect of part of its existing shareholdings in the Company.

As Mr. Narain Girdhar Chanrai is acting in concert with the Offeror in connection with the Offer, he will face conflicts of interest in relation to the Offer that would render it inappropriate for him to join the Independent Directors in making a recommendation to the Securityholders in connection with the Offer for Securities.

- (e) **Mr. Wong Heng Tew.** Mr. Wong Heng Tew is a Non-Executive and Independent Director of the Company.

He was Managing Director, Investments at Temasek from 2002 to 2008 and was concurrently their Chief Representative in Vietnam from 2005 to 2008. Following his retirement in 2008, Mr. Wong Heng Tew is now the Advisory Director for Temasek. As described in Section 7 above, the Offeror is an indirect wholly-owned subsidiary of Temasek. Notwithstanding the above, Mr. Wong Heng Tew is an Independent Director of the Company for the purpose of the Listing Manual and the Code of Corporate Governance 2012.

Nonetheless, in light of his past and present association with Temasek, Mr. Wong Heng Tew is of the view that it is inappropriate for him to be included as one (1) of the Independent Directors in making a recommendation to the Securityholders in connection with the Offer for Securities.

All the Directors (including, for the avoidance of doubt, Mr. R. Jayachandran, Mr. Sunny George Verghese, Mr. Shekhar Anantharaman, Mr. Narain Girdhar Chanrai and Mr. Wong Heng Tew) are jointly and severally responsible for the accuracy of facts stated and completeness of the information given by the Company to the Securityholders on the Offer for Securities, including information contained in announcements and documents issued by or on behalf of the Company in connection with the Offer for Securities.

### 12.3 Rothschild's Advice to the Independent Directors in relation to the Offer for Securities

The advice of Rothschild to the Independent Directors on the Offer for Securities is set out in the IFA Letter annexed as Appendix I of this Circular.

The advice of Rothschild to the Independent Directors in respect of the Offer for Securities has been extracted from the IFA Letter and is reproduced in italics below:

#### **"12. CONCLUSION**

*In arriving at our opinion to the Independent Directors, we have taken into consideration and relied upon, inter alia, the following key factors which should be read in conjunction with, and interpreted, in the full context of this letter:*

- (a) The Offer is a general offer (and not a partial offer) for all of the Shares in the Company, including new shares unconditionally issued or to be issued pursuant to the valid conversion of outstanding Convertible Bonds and Options. If the Offer is declared to be unconditional in all respects, the Offeror and the Concert Parties would hold a controlling interest in the Company. The Shareholders would receive the Offer Price of S\$2.23 for all Shares tendered if the Offer is declared to be unconditional in all respects;*
- (b) The Offeror is a long-term shareholder of the Company and continues to believe in the prospects of the Company. Through the Offer, the Offeror wishes to increase its shareholding and provide the Company with a long term shareholder base to support the Company's strategy and growth plans over the medium to long term;*
- (c) With reference to the Offer Document, we note that the Offeror has specifically outlined its preference to keep the Company listed, therefore giving Shareholders the choice to tender all, part or none of their Shares in acceptance of the Offer. However, if the free float requirement is not satisfied at the close of the Offer, the Offeror will evaluate its options at that time and may decide to delist the Company;*
- (d) As Kewalram Singapore Limited (KSL) and ten members of the executive committee of the Company (the Key Management and collectively with KSL, the Consortium Members) have given an undertaking not to dispose of their Shares during the Offer (except pursuant to the Irrevocable Undertakings and the Management Shares as set out in Section 14.1 and Appendix 7 of the Offer Document), the Offeror will not acquire a right of compulsory acquisition to acquire any remaining Shares under the Offer;*
- (e) The Shares have adequate liquidity and broker research coverage. The historical Share prices of the Company provide a reasonable basis against which to compare the Offer Price. However, the liquidity of the Shares may be impacted by the outcome of the Offer, and there is no assurance that the liquidity of the Shares will remain at current levels;*
- (f) The closing prices of the Shares have traded between S\$1.395 and S\$2.38 over the 24-month period prior to the Offer Announcement Date;*
- (g) Subsequent to the Offer Announcement Date and up to the Latest Practicable Date, the closing and intraday prices of the Shares have traded between S\$2.21 and S\$2.24;*
- (h) As at the Latest Practicable Date, the Shares are trading above the Offer Price. The Offer Price of S\$2.23 represents a discount of approximately 0.4% to the closing price of the Shares of S\$2.24 as at the Latest Practicable Date;*

- (i) *The Offer Price represents a premium of approximately 24.3%, 33.0%, 39.9%, and 35.9% respectively over the VWAP of the Shares in the 1-month, 3-month, 6-month and 12-month periods preceding the Offer Announcement Date;*
- (j) *The Offer Price represents a premium of approximately 11.8% to the closing price of S\$1.995 on the Last Trading Day;*
- (k) *The implied last twelve months (LTM) EV/Sales, LTM EV/EBITDA, LTM P/E, historical latest (Latest) P/BV and Latest P/NTA multiples are above the Company's mean multiples for the 12-month period prior to the Offer Announcement Date and the implied LTM EV/Sales, LTM P/E, Latest P/BV and Latest P/NTA multiples are above the high end of the Company's multiple range during that period;*
- (l) *The implied multiples of the Company are above the range of the overall mean and median of the Comparable Companies for LTM EV/EBITDA (10.1 times to 10.8 times) and within the range across LTM EV/Sales (0.6 times to 0.7 times), LTM P/E (16.2 times to 17.2 times), Latest P/BV (1.3 times to 1.5 times) and Latest P/NTA (1.6 times to 2.1 times);*
- (m) *The implied multiples of the Company are above the range of the overall mean and median of the Selected Global Agri Precedent Transactions for LTM EV/EBITDA (10.1 times to 10.2 times), within range across LTM EV/Sales (0.7 times to 0.7 times) and Latest P/BV (1.5 times to 1.6 times), and below the range across LTM P/E (19.0 times to 20.6 times), and Latest P/NTA (2.3 times to 2.3 times);*
- (n) *The implied premia of the Offer Price are within the range of the Selected Precedent Take-overs in Singapore for Closing 1-day (2.6 per cent. to 97.2 per cent.), 1-month (4.2 per cent. to 98.7 per cent.), 3-month (6.9 per cent. to 122.9 per cent.), 6-month (negative 6.4 per cent. to 136.1 per cent.) and 12-month VWAPs (negative 1.9 per cent. to 170.3 per cent.);*
- (o) *The implied premium of the Offer Price is above the overall median of the Selected Precedent Take-overs in Singapore for 6-month VWAPs (36.8 per cent.) and within the range of the overall mean and median 6-month VWAPs (36.8 per cent. to 47.6 per cent.);*
- (p) *Broker research price targets range from S\$1.50 to S\$2.00 for reports from 14 February 2014 (being the date of the release of the Group's unaudited financial statements for the three month period ended 31 December 2013) to the Offer Announcement Date. The Offer Price represents a premium of approximately 27.5 per cent. to the mean broker research price target of S\$1.75 over that period, according to Bloomberg;*
- (q) *Broker research price targets range from S\$1.57 to S\$2.55 for reports from the Offer Announcement Date to the Latest Practicable Date, according to Bloomberg. The Offer Price represents a premium of approximately 2.0 per cent. to the mean broker research price target of S\$2.19 over that period, according to Bloomberg;*
- (r) *We note that the Company announced the results of the Company's Strategy Review on 25 April 2013. As part of this review, the Company has described its intention to explore a wide array of strategic options to unlock value for Shareholders. In this context, the Directors have indicated to us that certain parts of the Company's business may be included in such future initiatives to unlock value including but not limited to the Packaged Food Business (PFB) and Gestating Assets (see point (s) below) and PureCircle Ltd. (PCL) (see point (t) below). We further understand the Company will seek to make appropriate disclosures on any transactions as and when any such initiative becomes sufficiently certain so as to be discloseable under relevant regulations. Based on our discussion with the Directors, they have indicated that as of the Latest Practicable Date, while various*

*exploratory discussions are underway, they are not aware of any potential transactions that are imminent, material and discloseable which should be specifically highlighted to shareholders and these discussions may or may not result in an actual transaction in the future;*

- (s) The Company has a number of Gestating Assets including Gabon Fertiliser Complex (GFC), Olam Palm Gabon (OPG), Olam Rubber Gabon (ORG), Ivory Coast cocoa processing, and Cameroon and Senegal flour milling. We note that these Gestating Assets are at a development phase and do not presently contribute materially to the Company's consolidated profit & loss statement. Given this, we have not ascribed any specific value to the Gestating Assets in our analysis beyond the value ascribed by the Company in its consolidated balance sheet;*
- (t) The Company is a significant shareholder in PCL with an 18.6 per cent. stake. With respect to the Company's stake in PCL, if it were assumed the Offeror was implying full value for this stake in line with the market price of PCL's shares as at the Latest Practicable Date, the LTM EV/EBITDA and LTM P/E multiples implied by the Offer Price for the Company, excluding its stake in PCL, would reduce to 11.0x and 15.1x respectively. The implied LTM EV/Sales, Latest P/BV and Latest P/NTA multiples would not differ materially. In addition, further to our discussions with the Company's management, we understand that due to a change in accounting treatment, the Company is required to mark its PCL shareholding to market which is expected to result in an exceptional gain (PCL Expected Gain) in the Company's profit & loss account for the third quarter and nine months results ending 31 March 2014, scheduled to be released in May 2014. We note that the PCL Expected Gain is an exceptional and non-recurring event un-related to the fundamental operations of the Company's business;*
- (u) With respect to the Convertible Bonds Offer, as the Convertible Bonds Offer Price is calculated on the basis of a "see-through" price, the consideration a Bondholder would receive from accepting the Convertible Bonds Offer would be the same as if the Bondholder were to convert the Bonds held to Shares in the Company and accept the Offer Price;*
- (v) The Convertible Bonds Conversion Price of S\$2.98 is higher than the Offer Price of S\$2.23;*
- (w) The Convertible Bonds Offer Price of US\$850.37 for every US\$1,000 principal amount of Convertible Bonds represents a discount of 17.2 per cent. to the Convertible Bonds closing price of US\$1,027.62 on the Last Trading Day and a discount of 21.3 per cent. to the Convertible Bonds closing price of US\$1,081.18 on the Latest Practicable Date;*
- (x) The Convertible Bonds Offer Price of US\$850.37 is subject to a US\$30 adjustment for the Interest Payment payable on 15 April 2014. Accordingly, accepting Bondholders will receive US\$820.37 for every US\$1,000 principal amount of Convertible Bonds tendered in acceptance of the Convertible Bonds Offer or a discount of 18.0 per cent. to the principal amount;*
- (y) Bondholders have the option to hold their Convertible Bonds until the maturity date on 15 October 2016, as stipulated in the CB Offering Circular, at which point the Convertible Bonds may be redeemed for 100 per cent. of their principal amount, together with unpaid accrued interest (if any) on the maturity date;*
- (z) If the Offer is declared unconditional and Breedens Investments Pte. Ltd. (the Offeror) acquires or controls more than 50 per cent. of the voting rights in relation to the Shares pursuant to the Offer or otherwise, each holder of Convertible Bonds (the Bondholder) will have the right, at such Bondholders' option, to require the*



*Company to redeem all or some only of such Bondholder's Convertible Bonds at 100 per cent. of their principal amount together with accrued, but unpaid, interest (calculated up to, but excluding, the date fixed for redemption);*

- (aa) With respect to the Warrants Offer, as the Warrants Offer Price is calculated on the basis of a "see-through" price, the consideration a Warrantholder would receive from accepting the Warrants Offer would be the same as if the Warrantholder were to convert the Warrants held to Shares in the Company and accept the Offer Price;*
- (bb) The Warrants have adequate liquidity and the historical Warrant prices of the Company provide a reasonable basis against which to compare the Warrants Offer Price. However, the liquidity of the Warrants may be impacted by the outcome of the Offer, and there is no assurance that the liquidity of the Warrants will remain at current levels;*
- (cc) The Warrants Offer Price represents a premium of approximately 69.5 per cent., 77.4 per cent., 95.0 per cent., and 70.2 per cent. respectively over the VWAP of the Warrants in the 1-month, 3-month, 6-month and 12-month periods preceding the Offer Announcement Date; and*
- (dd) The Warrants Offer Price represents a premium of approximately 52.2 per cent. to the Warrants closing price of US\$0.335 on the Last Trading Day.*

***For the purposes of providing this letter and our evaluation of the Offer for Securities from a financial point of view, we have not received or relied on any financial projections or forecasts in respect of the Company or the Group. We are not required to express, and we do not express, an opinion on the future growth prospects and earnings potential of the Company. We are therefore not expressing any opinion herein as to the price at which the Shares, Convertible Bonds and Warrants may trade whether or not the Offer is declared unconditional in all respects or on the future financial performance of the Company.***

***In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any specific Securityholder and we neither assume any responsibility for, nor hold ourselves out as advisers to any person other than the Independent Directors.***

***Our opinion is only based on a financial analysis and does not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our opinion also does not incorporate an assessment of the price at which the Shares, Convertible Bonds or Warrants may trade following the success or failure of the Offer. Such factors are beyond the ambit of our review and do not fall within our terms of reference in connection with the Offer for Securities.***

***Based upon and subject to the foregoing, we are of the opinion that, as at the Latest Practicable Date:***

- (a) The terms of the Offer from a financial point of view are fair and reasonable so far as the Shareholders are concerned.***

***We note that the Independent Directors may wish to consider advising Shareholders who:***

- Wish to realise their investments in the Company at this time but are unable to sell their Shares in the open market at a price (after deduction of related expenses) higher than the Offer Price; and/or***
- Believe that the current market price of the Shares may decrease; and/or***
- Believe that even if the Company remains listed, trading liquidity may reduce materially; and/or***

- *Believe that a higher offer may not be made; and/or*
- *Are uncertain of the longer term performance and prospects of the Company, either on a status quo basis or under the stewardship of the Offeror,*

*that such Shareholders may wish to consider selling a portion or all of their Shares in the open market or tendering Shares pursuant to the Offer. If the Independent Directors make a recommendation to Shareholders to tender Shares in acceptance of the Offer, the Independent Directors may also wish to consider highlighting that there is no certainty that the Offer will become unconditional in all respects, there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, inter alia, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.*

*The Independent Directors may also wish to consider advising Shareholders who:*

- *Do not currently wish to realise their investments in the Company; and/or*
- *Believe that the current market price of the Shares may increase; and/or*
- *Believe that a higher offer may be made; and/or*
- *Believe that there may be material incremental value to be realised in the future as a result of initiatives being executed pursuant to the Company's Strategy Review and/or the development of PFB, Gestating Assets, PCL and/or other events; and/or*
- *Hold a favourable view of the Company's prospects, either on a status quo basis or under the stewardship of the Offeror, and believe that they will be able to realise greater value from continuing to own their Shares,*

*that such Shareholders may wish to consider retaining a portion or all of their Shares. If the Independent Directors make a recommendation to Shareholders to retain their Shares, the Independent Directors may also wish to consider highlighting that there is no certainty that the Offer will become unconditional in all respects, there is no assurance that the prices of the Shares will remain at current levels after the close or lapse of the Offer; and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, inter alia, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.*

*Furthermore, the Independent Directors may wish to consider advising Shareholders who are considering retaining a portion or all of their Shares, that in the event the Company is delisted, such Shareholders would hold Shares in an unquoted company with the related implications as outlined in Section 11.5 above. We note, however, the Offeror's preference, as according to the Offer Document, to keep the Company listed, although it has no obligation to do so.*

- (b) The terms of the Convertible Bonds Offer from a financial point of view on a "see-through" price basis are not fair and not reasonable so far as the Bondholders are concerned. On this basis, we advise the Independent Directors to recommend to the Bondholders to REJECT the Convertible Bonds Offer.*

*Our assessment of the terms of the Convertible Bonds Offer with respect to the Bondholders is predicated on the fact that the Convertible Bonds Conversion Price is higher than the Offer Price, and therefore the implied "see-through" price which the Convertible Bonds Offer Price is based on, would result in Bondholders receiving less than the Convertible Bonds' principal amount, should they choose to accept the Convertible Bonds Offer.*

- (c) *The terms of the Warrants Offer from a financial point of view on a “see-through” price basis are fair and reasonable so far as the Warrantholders are concerned.*

*We note that the Independent Directors may wish to consider advising Warrantholders who:*

- Wish to realise their investments in the Company at this time but are unable to sell their Warrants in the open market at a price (after deduction of related expenses) higher than the Warrants Offer Price; and/or*
- Believe that the current market price of the Warrants and/or Shares may decrease; and/or*
- Believe that the Singapore Dollar/United States Dollar exchange rate may fluctuate unfavourably; and/or*
- Believe that even if the Company remains listed, trading liquidity of the Warrants may reduce materially; and/or*
- Believe that a higher offer may not be made; and/or*
- Are uncertain of the longer term performance and prospects of the Company, either on a status quo basis or under the stewardship of the Offeror,*

*that such Warrantholders may wish to consider selling a portion or all of their Warrants in the open market or tendering Warrants pursuant to the Warrants Offer. If the Independent Directors make a recommendation to Warrantholders to tender Warrants in acceptance of the Warrants Offer, the Independent Directors may also wish to consider highlighting that there is no certainty that the Warrants Offer will become unconditional in all respects, there is no assurance that the price of the Warrants will remain at current levels after the close or lapse of the Warrants Offer; and the current price performance of the Warrants is not indicative of the future price performance levels of the Warrants, which will be governed by factors such as, inter alia, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.*

*The Independent Directors may also wish to consider advising Warrantholders who:*

- Do not currently wish to realise their investments in the Company; and/or*
- Believe that the current market price of the Warrants and/or Shares may increase; and/or*
- Believe that the Singapore Dollar/United States Dollar exchange rate may fluctuate favourably; and/or*
- Believe that a higher offer may be made; and/or*
- Believe that there may be material incremental value to be realised in the future as a result of initiatives being executed pursuant to the Company’s Strategy Review and/or the development of PFB, Gestating Assets, PCL and/or other events; and/or*
- Hold a favourable view of the Company’s prospects, either on a status quo basis or under the stewardship of the Offeror, and believe that they will be able to realise greater value from continuing to own their Warrants,*

*that such Warrantholders may wish to consider retaining a portion or all of their Warrants. If the Independent Directors make a recommendation to Warrantholders to retain their Warrants, the Independent Directors may also wish to consider highlighting that there is no certainty that the Warrants Offer will become unconditional in all respects, there is no assurance that the prices of the Warrants will remain at current levels after the close or lapse of the Warrants Offer; and the current price performance of the Warrants is not indicative of the future price performance levels of the Warrants, which will be governed by factors such as, inter alia, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.*



*Furthermore, the Independent Directors may wish to consider advising Warrantholders who are considering retaining a portion or all of their Warrants, that in the event the Company is delisted, such Warrantholders would hold Warrants in an unquoted company with the related implications as outlined in Section 11.5 above. We note, however, the Offeror's preference, according to the Offer Document, to keep the Company listed, although it has no obligation to do so."*

Securityholders should read and consider carefully the full text of the IFA Letter.

#### 12.4 Recommendation of the Independent Directors

The Independent Directors have considered carefully the terms of the Offer for Securities and the advice given by Rothschild to the Independent Directors in the IFA Letter. The Independent Directors concur with Rothschild's assessment of the terms of the Offer for Securities from a financial point of view, which is summarised below:

<b>Offer</b>	<b>:</b>	<b>Fair and reasonable, so far as the Shareholders are concerned</b>
<b>Convertible Bonds Offer</b>	<b>:</b>	<b>Not fair and not reasonable on a "see-through" price basis, so far as the Bondholders are concerned</b>
<b>Warrants Offer</b>	<b>:</b>	<b>Fair and reasonable on a "see-through" price basis, so far as the Warrantholders are concerned</b>

Accordingly, the Independent Directors recommend as follows:

##### (a) Offer

The Independent Directors concur with Rothschild's assessment (that the terms of the Offer from a financial point of view, are fair and reasonable, so far as the Shareholders are concerned). **Accordingly, the Independent Directors recommend that:**

##### (i) **Shareholders who:**

- (A) wish to realise their investments in the Company at this time but are unable to sell their Shares in the open market at a price (after deduction of related expenses) higher than the Offer Price; and/or**
- (B) believe that the current market price of the Shares may decrease; and/or**
- (C) believe that even if the Company remains listed, trading liquidity may reduce materially; and/or**
- (D) believe that a higher offer may not be made; and/or**

- (E) are uncertain of the longer term performance and prospects of the Company, either on a status quo basis or under the stewardship of the Offeror,

may wish to consider selling a portion or all of their Shares in the open market or tendering Shares pursuant to the Offer. Such Shareholders are advised that there is no certainty that the Offer will become unconditional in all respects, there is no assurance that the prices of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments; and

(ii) Shareholders who:

- (A) do not currently wish to realise their investments in the Company; and/or
- (B) believe that the current market price of the Shares may increase; and/or
- (C) believe that a higher offer may be made; and/or
- (D) believe that there may be material incremental value to be realised in the future as a result of initiatives being executed pursuant to the Company's Strategy Review and/or the development of PFB, Gestating Assets, PCL and/or other events; and/or
- (E) hold a favourable view of the Company's prospects, either on a status quo basis or under the stewardship of the Offeror, and believe that they will be able to realise greater value from continuing to own their Shares,

may wish to consider retaining a portion or all of their Shares. Such Shareholders are advised that there is no certainty that the Offer will become unconditional in all respects, there is no assurance that the prices of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.

Such Shareholders are also advised that in the event the Company is delisted, such Shareholders would hold Shares in an unquoted company with related implications. The Independent Directors note, however, that as according to the Offer Document, the Offeror has stated its preference to keep the Company listed, although it has no obligation to do so.

(b) Convertible Bonds Offer

The Independent Directors concur with Rothschild's assessment (that the terms of the Convertible Bonds Offer from a financial point of view, are not fair and not reasonable on a "see-through" basis, so far as the Bondholders are concerned). **Accordingly, the Independent Directors recommend that Bondholders REJECT the Convertible Bonds Offer.**

(c) Warrants Offer

The Independent Directors concur with Rothschild's assessment (that the terms of the Warrants Offer from a financial point of view, are fair and reasonable on a "see-through" basis, so far as the Warrantholders are concerned). **Accordingly, the Independent Directors recommend that:**

(i) **Warrantholders who:**

- (A) **wish to realise their investments in the Company at this time but are unable to sell their Warrants in the open market at a price (after deduction of related expenses) higher than the Warrants Offer Price; and/or**
- (B) **believe that the current market price of the Warrants and/or Shares may decrease; and/or**
- (C) **believe that the Singapore Dollar/United States Dollar exchange rate may fluctuate unfavourably; and/or**
- (D) **believe that even if the Company remains listed, trading liquidity of the Warrants may reduce materially; and/or**
- (E) **believe that a higher offer may not be made; and/or**
- (F) **are uncertain of the longer term performance and prospects of the Company, either on a status quo basis or under the stewardship of the Offeror,**

**may wish to consider selling a portion or all of their Warrants in the open market or tendering Warrants pursuant to the Warrants Offer. Such Warrantholders are advised that there is no certainty that the Warrants Offer will become unconditional in all respects, there is no assurance that the prices of the Warrants will remain at current levels after the close or lapse of the Warrants Offer and the current price performance of the Warrants is not indicative of the future price performance levels of the Warrants, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments; and**

**(ii) Warrantholders who:**

- (A) do not currently wish to realise their investments in the Company; and/or**
- (B) believe that the current market price of the Warrants and/or Shares may increase; and/or**
- (C) believe that the Singapore Dollar/United States Dollar exchange rate may fluctuate favourably; and/or**
- (D) believe that a higher offer may be made; and/or**
- (E) believe that there may be material incremental value to be realised in the future as a result of initiatives being executed pursuant to the Company's Strategy Review and/or the development of PFB, Gestating Assets, PCL and/or other events; and/or**
- (F) hold a favourable view of the Company's prospects, either on a status quo basis or under the stewardship of the Offeror, and believe that they will be able to realise greater value from continuing to own their Warrants,**

**may wish to consider retaining a portion or all of their Warrants. Such Warrantholders are advised that there is no certainty that the Warrants Offer will become unconditional in all respects, there is no assurance that the prices of the Warrants will remain at current levels after the close or lapse of the Warrants Offer and the current price performance of the Warrants is not indicative of the future price performance levels of the Warrants, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.**

**Such Warrantholders are also advised that in the event the Company is delisted, such Warrantholders would hold Warrants in an unquoted company with related implications. The Independent Directors note, however, that as according to the Offer Document, the Offeror has stated its preference to keep the Company listed, although it has no obligation to do so.**

In making the above recommendation, the Independent Directors wish to highlight to Securityholders the factors highlighted by Rothschild set out in bold and italics in Section 12.3 above.

In rendering the above advice and making the above recommendation, Rothschild and the Independent Directors have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions and/or particular needs and constraints of any specific Securityholder. As different Securityholders would have different investment profiles and objectives, the Independent Directors recommend that any specific Securityholder who may require specific advice in relation to his Shares, Convertible Bonds or Warrants should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

Securityholders should read and consider carefully the recommendation of the Independent Directors and the advice of Rothschild to the Independent Directors in respect of the Offer, the Convertible Bonds Offer and/or the Warrants Offer (as the case may be) in their entirety before deciding whether to accept or reject the Offer, the Convertible Bonds Offer and/or the Warrants Offer (as the case may be). Securityholders are also urged to read the Offer Document carefully.

**13. OVERSEAS SECURITYHOLDERS**

Shareholders whose mailing addresses are outside Singapore, Bondholders who are located or whose mailing addresses are outside Singapore and Warrantheolders whose mailing addresses are outside of Singapore as shown on the Register of Warrantheolders or the Depository Register (collectively, the **“Overseas Securityholders”**) should refer to Section 16 of the Offer Document.

**14. INFORMATION PERTAINING TO CPFIS INVESTORS**

As stated in Section 17.2 of the Offer Document, CPFIS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice.

CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts.

**15. ACTION TO BE TAKEN**

Securityholders who wish to accept the Offer, the Convertible Bonds Offer and/or the Warrants Offer (as the case may be) must do so not later than 5.30 p.m. on 9 May 2014 (Friday, Singapore time) or such later date(s) as may be announced from time to time by or on behalf of the Offeror. Securityholders should refer to Section 6.3 of this Circular for the procedures for acceptance of the Offer for Securities.

Securityholders who do not wish to accept the Offer, the Convertible Bonds Offer and/or the Warrants Offer (as the case may be) need not take further action in respect of the Offer Document (including the Acceptance Forms) which has been sent to them.

**16. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Circular (other than the Excluded Documents) are fair and accurate and that there are no other material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, the Offer Document, the Offer Document Despatch Announcement and the Excluded Documents), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

The Directors jointly and severally accept full responsibility accordingly.

**Yours faithfully**  
**For and on behalf of the Board**

R. Jayachandran  
Non-Executive Chairman

## LETTER FROM ROTHSCHILD TO THE INDEPENDENT DIRECTORS

17 April 2014

The Independent Directors  
of Olam International Limited  
9 Temasek Boulevard  
#11-02 Suntec Tower Two  
Singapore 038989

Dear Sirs,

**VOLUNTARY CONDITIONAL CASH OFFER BY CREDIT SUISSE (SINGAPORE) LIMITED, DBS BANK LTD. AND UNITED OVERSEAS BANK LIMITED FOR AND ON BEHALF OF BREEDENS INVESTMENTS PTE. LTD., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF TEMASEK HOLDINGS (PRIVATE) LIMITED FOR ALL THE ORDINARY SHARES IN ISSUE IN THE CAPITAL OF OLAM INTERNATIONAL LIMITED, NEW SHARES UNCONDITIONALLY ISSUED OR TO BE ISSUED PURSUANT TO THE VALID CONVERSION OF OUTSTANDING CONVERTIBLE BONDS AND NEW SHARES UNCONDITIONALLY ISSUED OR TO BE ISSUED PURSUANT TO THE VALID EXERCISE OF THE OPTIONS, AND OFFER FOR THE OUTSTANDING CONVERTIBLE BONDS AND WARRANTS OF OLAM INTERNATIONAL LIMITED**

### 1. INTRODUCTION

On 14 March 2014 (the “**Offer Announcement Date**”), Credit Suisse (Singapore) Limited, DBS Bank Ltd. and United Overseas Bank Limited (collectively, the “**Financial Advisers**”) announced, for and on behalf of Breedens Investments Pte. Ltd. (the “**Offeror**”), an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”), that the Offeror intends to make a voluntary conditional cash offer (the “**Offer**”) for (i) all the ordinary shares (“**Shares**” and holders of the Shares, the “**Shareholders**”) in issue in the capital of Olam International Limited (“**Olam**” or the “**Company**”), (ii) new Shares unconditionally issued or to be issued pursuant to the valid conversion of outstanding Convertible Bonds (as defined below), and (iii) new Shares unconditionally issued or to be issued pursuant to the valid exercise of the options (each, an “**Option**”) granted under the Olam Employee Share Option Scheme (the “**Olam Scheme**”), whereby the holders of such Options shall be referred to as the Optionholders (“**Optionholders**”). The offer price for the Shares (“**Offer Price**”) is S\$2.23 for each Share.

Pursuant to Rule 19 of the Singapore Code on Take-overs and Mergers (the “**Code**”), the Offeror has also made an offer for the Company’s Convertible Bonds and Warrants (as defined below). As of 10 April 2014 (the “**Latest Practicable Date**”), the Company has outstanding an aggregate of US\$500,000,000 six per cent. convertible bonds due 2016, which were issued on 15 October 2009 and 5 November 2009 (the “**Convertible Bonds**”). In addition, and as of the Latest Practicable Date, the Company has 397,826,160 outstanding warrants in issue each carrying the right to subscribe for one new Share at an adjusted exercise price of US\$1.25 (the “**Warrants Exercise Price**”) for each new Share (the “**Warrants**”). Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants commences from 29 January 2016 and ends on 28 January 2018. The Offeror’s offer for the Convertible Bonds and the Warrants shall, herein, be referred to as the Convertible Bonds Offer (“**Convertible Bonds Offer**”) and the Warrants Offer (“**Warrants Offer**”) respectively (and, together with the Offer, the “**Offer for Securities**”), and the holders of such Convertible Bonds and Warrants shall be referred to as the Bondholders (“**Bondholders**”) and Warrantholders (“**Warrantholders**”) (and, together with the Shareholders, “**Securityholders**”). The offer price for the Convertible Bonds (the “**Convertible Bonds Offer Price**”) is US\$850.37 for every US\$1,000 principal amount of the Convertible Bonds, equivalent to S\$1,077.58 based on the exchange rate of US\$1 to S\$1.2672 (“**LTD FX Rate**”), being the US\$ to S\$ exchange rate extracted from Bloomberg on 12 March 2014, being the last full day of trading in the Shares on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) prior to the Offer Announcement Date (“**Last**

**Trading Day**"). The offer price for the Warrants (the "**Warrants Offer Price**") is S\$0.646 for each Warrant, calculated based on the difference between the Offer Price and the Warrants Exercise Price, converted using the LTD FX Rate.

As announced by the Company in an announcement dated 21 March 2014, Rothschild (Singapore) Limited ("**Rothschild**") has been appointed to act as Independent Financial Adviser ("**IFA**") to the Directors of the Company (the "**Directors**") who are considered to be independent for the purposes of making a recommendation to the Shareholders in respect of the Offer for Securities (the "**Independent Directors**"). This letter sets out our opinion arising from our evaluation of the Offer for Securities, from a financial point of view, for inclusion in the circular (the "**Circular**") to be sent to the Securityholders in connection with the Offer for Securities.

Unless otherwise defined in this letter or where the context otherwise requires, all terms defined in the Circular shall have the same meaning when used in the letter.

## 2. TERMS OF REFERENCE

In the course of our evaluation of the Offer for Securities, from a financial point of view, we have:

- (i) Reviewed certain publicly available financial statements and other publicly available business and financial information relating to the Company, as well as certain public information provided, and representations made, to us by the Directors, senior executives, professional advisers and other authorised representatives of the Company;
- (ii) Discussed the past and current operations and financial condition of the Company and its subsidiaries (the "**Group**") with senior executives of the Company;
- (iii) Reviewed the reported prices, trading multiples and trading activity for the Shares;
- (iv) Compared the prices and trading multiples with those of certain other comparable publicly-traded companies and their securities we deemed relevant;
- (v) Reviewed the financial terms, to the extent publicly available, of certain comparable transactions;
- (vi) Compared the premia implied by the Offer Price to the premia/discounts on selected take-overs in Singapore at different times prior to their respective announcement dates;
- (vii) Reviewed broker research price targets for the Shares prior to, and after, the Offer Announcement Date;
- (viii) Reviewed the reported prices for the Convertible Bonds;
- (ix) Reviewed the reported prices and trading activity for the Warrants;
- (x) Participated in discussions with representatives of the Company and its legal advisers with respect to the Offer for Securities;
- (xi) Reviewed the Offer Document dated 4 April 2014 ("**Offer Document**") and the Circular; and
- (xii) Performed such other financial analyses, reviewed such other information and considered such other matters as we deemed appropriate.

For the purposes of this letter, we have relied upon and assumed, *inter alia*, the accuracy and completeness of all information that was publicly available or was furnished to or discussed with us by the Company or otherwise reviewed by or for us, and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its



accuracy or completeness or adequacy. We do not represent or warrant, expressly or impliedly, and do not accept or assume any responsibility for, the accuracy, completeness or adequacy of such information. We have not conducted any independent valuation or appraisal of any assets or liabilities of the Company, the Offeror, their subsidiaries, their associated companies, parties acting in concert with them or any other relevant party to the Offer for Securities, nor have we evaluated the solvency of the Company, the Offeror, their subsidiaries, their associated companies, parties acting in concert with them or any other relevant party to the Offer for Securities under any applicable laws relating to bankruptcy, insolvency or similar matters.

We are not legal, regulatory or tax experts. We are the independent financial advisers only and have relied on, without independent verification, the assessments made by advisers to the Company with respect to such issues. In addition, we have assumed that the Offer for Securities will be consummated in accordance with the terms set forth in the Offer Document without any waiver, amendment or delay of any terms or conditions and that no conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offer for Securities. We have further assumed, *inter alia*, that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Offer for Securities will be obtained and that no delays, limitations, conditions or restrictions will be imposed that would have any material adverse effect on the Company or on the contemplated benefits of the Offer for Securities.

This letter is based on economic, market and other conditions as in effect on, and the information made available to us as of the Latest Practicable Date. It should be understood that subsequent developments after the Latest Practicable Date may affect the contents of this letter and that we do not have any obligation to update, revise, or reaffirm the contents of this letter. Our opinion is limited to the fairness, from a financial point of view, of the Offer Price, Convertible Bonds Offer Price and Warrants Offer Price and we express no opinion as to the fairness of the Offer Price, Convertible Bonds Offer Price and Warrants Offer Price to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors or other constituencies of the Company or as to the underlying decision by the Company to engage in the Offer for Securities. Furthermore, we express no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Offer for Securities, or any class of such persons relative to the Offer Price, Convertible Bonds Offer Price and Warrants Offer Price to be received by the Securityholders in the Offer for Securities or with respect to the fairness of any such compensation. In addition, we were not requested to and did not provide advice concerning the structure, the specific amount of the Offer Price, Convertible Bonds Offer Price and Warrants Offer Price, or any other aspects of the Offer for Securities, or to provide services other than the delivery of this letter. We have not been requested to and were not authorised to and did not solicit any expressions of interest from any other parties with respect to the Shares, the Convertible Bonds, the Warrants, or the sale of all or any part of the Company or any other alternative transaction. We do not evaluate and/or comment on the strategic or commercial merits and/or risks of the Offer for Securities or on the prospects of the Company. We do not address the relative merits and/or risks of the Offer for Securities as compared to any other alternative transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. We also note that we did not participate in negotiations with respect to the terms of the Offer for Securities and related transactions.

The Directors have confirmed to us that, to the best of their knowledge and belief, all material information in connection with the Company, the Offer for Securities and the Circular has been disclosed to us and the general public, that such information is true, complete and accurate in all material respects and that there are no omissions which may cause any information given to us to be incomplete, inaccurate or misleading. The Directors have jointly and severally accepted the responsibility for the accuracy and completeness of such information. We have relied upon such confirmation by the Directors and the accuracy and completeness of all information given to us and have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or impliedly, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information.

We have relied upon the assurance that the Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Circular (other than the Excluded Documents) are fair and accurate and that there are no other material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading. Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, the Offer Document, the Offer Document Despatch Announcement and the Excluded Documents), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may have been, accurately reflected or reproduced in this Circular. For the purposes of providing this letter and our evaluation of the Offer Price, Convertible Bonds Offer Price and Warrants Offer Price from a financial point of view, we have not received or relied on any financial projections or forecasts in respect of the Company or any part or division of any of the foregoing. We are not required to express, and we do not express, an opinion on the future growth prospects and earnings potential of the Company or any part or division of any of the foregoing. We are therefore not expressing any opinion herein as to the price at which the Shares, Convertible Bonds or Warrants may trade whether or not the Offer is declared unconditional or on the future financial performance of the Company or any part or division of any of the foregoing.

In rendering our opinion, we are not providing any investment advice and we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax status or positions or particular needs or constraints of any specific Securityholder, and do not assume any responsibility for, nor hold ourselves out as advisers to, any person other than the Independent Directors. As different Securityholders would have different investment profiles and objectives, the Independent Directors may wish to advise any Securityholder who may require specific advice in relation to his investment portfolio to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

We have no role or involvement and have not and will not provide any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this letter and Appendix VII to the Circular). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (except for this letter and Appendix VII to the Circular).

We will receive a fee from the Company for the delivery of this letter. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement. In the ordinary course of its business, Rothschild and its affiliates may also seek to provide services to the Company, the Offeror and parties acting in concert with each of the Company and the Offeror in the future and expect to receive fees for rendering such services.

The issuance of this letter has been approved by a committee of Rothschild in accordance with our customary practice. This letter is provided to the Independent Directors solely for their information only. This letter is not addressed to and may not be relied upon by any third party including, without limitation, Securityholders, employees or creditors of the Company. This letter does not constitute a recommendation to any Securityholder as to whether any such Securityholder should accept or reject the Offer for Securities or any other matter. Whilst a copy of this letter and parts thereof may be reproduced in the Circular, no person may use, reproduce, disseminate, refer to, or quote this letter (or any part thereof) for any purpose whatsoever except with our prior written approval.

Our opinion in relation to the Offer Price, Convertible Bonds Offer Price and Warrants Offer Price should be considered in the context of the entirety of this letter.

### 3. TERMS AND CONDITIONS OF THE OFFER FOR SECURITIES

Securityholders should by now have received a copy of the Offer Document which, amongst other things, sets out the terms and conditions of the Offer for Securities.

The principal terms of the Offer, as extracted from the Offer Document, are set out in italics below.

***“2.1 Offer Price.*** *For and on behalf of the Offeror, the Financial Advisers hereby make the Offer for all the Offer Shares, in accordance with Section 139 of the SFA and the Code, on the following basis:*

***For each Offer Share: S\$2.23 in cash***

***2.2 Offer Shares.*** *The Offer will be extended to:*

- 2.2.1*** *all issued Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, but including issued Shares owned, controlled or agreed to be acquired by the Concert Parties;*
- 2.2.2*** *all new Shares unconditionally issued or to be issued pursuant to the valid conversion of the Convertible Bonds prior to the close of the Offer; and*
- 2.2.3*** *all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Option prior to the close of the Offer,*

*(collectively, the “Offer Shares”).*

***2.3 No Encumbrances.*** *The Offer Shares will be acquired:*

- 2.3.1*** *fully paid;*
- 2.3.2*** *free from all Encumbrances; and*
- 2.3.3*** *together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights, other distributions and return of capital (if any) declared, paid or made by the Company on or after the Offer Announcement Date.*

***2.4 Adjustments for Distribution.*** *If any dividend, rights, other distribution or return of capital is declared, paid or made by the Company on the Offer Shares on or after the Offer Announcement Date and the Offeror is not entitled to receive such dividend, rights, other distribution or return of capital in full from the Company in respect of any of the Offer Shares tendered in acceptance of the Offer, the Offer Price payable in respect of such Offer Shares will be reduced by the amount of such dividend, rights, other distribution or return of capital.*

***2.5 Offer Conditions.*** *The Offer is subject to the following conditions:*

- 2.5.1 Level of Acceptances of the Offer.*** *The Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, together with Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror or the Concert Parties, will result in the Offeror and the Concert Parties holding such number of Shares carrying more than 50 per cent. of voting rights attributable to the issued Shares as at the close of the Offer.*

*The Offer will not become or be capable of being declared to be unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the*

*Offer, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, together with Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror or the Concert Parties, will result in the Offeror and the Concert Parties holding such number of Shares representing more than 50 per cent. of the maximum potential share capital of the Company. For the purposes of the Offer, the “maximum potential share capital of the Company” means the total number of Shares which would be in issue if all the outstanding Convertible Bonds and Options (other than those owned, controlled or agreed to be acquired by the Offeror or the Concert Parties) were validly converted and exercised as at the date of the relevant declaration.*

**2.5.2 Approval Condition.** *The Offeror having obtained any Authorisation necessary for the making or implementation of the Offer which is required to be obtained from any Relevant Authority in Singapore or any other jurisdiction in which the Company or any of its subsidiaries or associated companies carries on business and if any such Authorisation is subject to conditions, such conditions being on terms reasonably satisfactory to the Offeror, provided that the Approval Condition may only be invoked by the Offeror when the circumstances which give rise to the right to invoke such Approval Condition are of material significance to the Offeror in the context of the Offer. In any event, the Approval Condition may only be invoked by the Offeror after prior consultation with and consent having been obtained from the SIC.*

*The Offeror reserves the right in its absolute discretion to waive the Approval Condition, in whole or in part.*

**2.6 Warranty.** *A Shareholder who tenders his Shares in acceptance of the Offer will be deemed to warrant that he sells such Shares as or for or on behalf of the beneficial owner(s) thereof, (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all dividends, rights, other distributions and return of capital (if any) declared, paid or made by the Company on or after the Offer Announcement Date.*

**2.7 Choices.** *A Shareholder can, in relation to all or part of his Offer Shares, either:*

**2.7.1** *accept the Offer in respect of such Offer Shares in accordance with the procedures set out in **Appendix 2** to this Offer Document; or*

**2.7.2** *take no action and let the Offer lapse in respect of his Offer Shares.”*

The principal terms of the Convertible Bonds Offer, as extracted from the Offer Document, are set out in italics below.

**“4.1 Convertible Bonds.** *As at the Latest Practicable Date, based on the latest information available to the Offeror, US\$500,000,000 in principal amount of Convertible Bonds remains outstanding. The Convertible Bonds are convertible into 241,610,738 new Shares at the prevailing conversion price of S\$2.98 per new Share, such conversion price being subject to adjustments in accordance with the terms and conditions of the Convertible Bonds. The Convertible Bonds, if converted at the prevailing conversion price, would represent 8.9 per cent. of the maximum potential share capital of the Company.*

**4.2 Convertible Bonds Offer.** *In addition to extending the Offer to all new Shares unconditionally issued or to be issued pursuant to the valid conversion of the Convertible Bonds prior to the close of the Offer, in accordance with Rule 19 of the Code, the Financial Advisers, for and on behalf of the Offeror, hereby make an offer to the Bondholders to acquire the Convertible Bonds in accordance with the terms and subject to the conditions set out in this Offer Document.*



**4.3 Convertible Bonds Offer Price.** The offer price for the Convertible Bonds (the “**Convertible Bonds Offer Price**”) will be as follows:

For every US\$1,000 principal amount of Convertible Bonds: **US\$850.37** in cash (equivalent to **S\$1,077.58** based on the LTD FX Rate).

The Convertible Bonds Offer Price is calculated based on the Offer Price of S\$2.23 for one Offer Share multiplied by the number of new Shares into which US\$1,000 principal amount of Convertible Bonds may be converted (rounded to the nearest cent). The actual Convertible Bonds Offer Price payable to each accepting Bondholder will be determined based on the total principal amount of Convertible Bonds that are tendered by a Bondholder in acceptance of the Convertible Bonds Offer. The Convertible Bonds are denominated and can only be tendered in acceptance of the Convertible Bonds Offer in a minimum principal amount of US\$1,000. **Subject to Section 4.6 below, payment of the Convertible Bonds Offer Price will be made in US\$ based on the LTD FX Rate, being US\$850.37 for each US\$1,000 principal amount of Convertible Bonds tendered in acceptance of the Convertible Bonds Offer.**

**4.4 Condition.** The Convertible Bonds Offer will be subject to and conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms.

**4.5 No Encumbrances.** The Convertible Bonds will be acquired (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all interests, payments, rights and other distributions (if any) declared, paid or made by the Company on or after the Offer Announcement Date.

**4.6 Adjustments for Interest Payment.** If any interest, payment, rights or other distribution is declared, paid or made by the Company on the Convertible Bonds on or after the Offer Announcement Date and the Offeror is not entitled to receive such interest, payment, rights or other distribution in full from the Company in respect of any of the Convertible Bonds tendered in acceptance of the Convertible Bonds Offer, the Convertible Bonds Offer Price payable in respect of such Convertible Bonds will be reduced by the amount of such interest, payment, rights or other distribution.

The Offeror notes that an interest payment is due to be paid to the Bondholders on 15 April 2014 (the “Interest Payment”). Pursuant to the terms and conditions of the Convertible Bonds, the books closure date to determine the Bondholders entitled to the Interest Payment is 31 March 2014. As the Offeror will not be entitled to receive the Interest Payment in respect of any of the Convertible Bonds tendered in acceptance of the Convertible Bonds Offer, an amount equivalent to the Interest Payment due will be deducted from the Convertible Bonds Offer Price payable to accepting Bondholders. The Interest Payment due on each US\$1,000 principal amount of Convertible Bonds is US\$30. **Accordingly, accepting Bondholders will receive US\$820.37 for every US\$1,000 principal amount of Convertible Bonds tendered in acceptance of the Convertible Bonds Offer, being the Convertible Bonds Offer Price of US\$850.37 for every US\$1,000 principal amount of Convertible Bonds less the Interest Payment of US\$30 due on each US\$1,000 principal amount of Convertible Bonds.**

**4.7 Offer and Convertible Bonds Offer Mutually Exclusive.** For the avoidance of doubt, whilst the Convertible Bonds Offer is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Convertible Bonds Offer. The Offer and the Convertible Bonds Offer are separate and are mutually exclusive. The Convertible Bonds Offer does not form part of the Offer, and vice versa. Without prejudice to the foregoing, if a Bondholder converts its Convertible Bonds in order to accept the Offer in respect of the new Shares to be issued pursuant to such conversion, it may not accept the Convertible Bonds Offer in respect of such converted Convertible Bonds. Conversely, if a Bondholder wishes to accept the Convertible Bonds Offer in respect of its Convertible Bonds, it may not convert those Convertible Bonds in order to accept the Offer in respect of the new Shares to be

*issued pursuant to such conversion.*

**4.8 Warranty.** A Bondholder who tenders his Convertible Bonds in acceptance of the Convertible Bonds Offer will be deemed to unconditionally and irrevocably warrant that he sells such Convertible Bonds as, for or on behalf of the beneficial owner(s) thereof, (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all interests, payments, rights and other distributions (if any) declared, paid or made by the Company on or after the Offer Announcement Date.

**4.9 Choices.** Bondholders can, in relation to all or part of their Convertible Bonds, either:

- 4.9.1** convert such Convertible Bonds and participate in the Offer by (i) converting the Convertible Bonds in compliance with the procedures for the conversion of the Convertible Bonds set out in the terms and conditions of the Convertible Bonds; and (ii) thereafter accepting the Offer in respect of all or part of the new Shares unconditionally issued or to be issued pursuant to such conversion, in accordance with the procedures set out in **Appendix 2** to this Offer Document;
- 4.9.2** accept the Convertible Bonds Offer in respect of all or part of the Convertible Bonds held in accordance with the procedures set out in **Appendix 3** to this Offer Document; or
- 4.9.3** take no action and let the Convertible Bonds Offer lapse in respect of their Convertible Bonds.”

The principal terms of the Warrants Offer, as extracted from the Offer Document, are set out in italics below.

**“5.1 Warrants.** As at the Latest Practicable Date, based on the latest information available to the Offeror, the Company has 397,826,160 Warrants in issue. Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants commences on 29 January 2016 and ends on 28 January 2018. As the Warrants are not exercisable into Shares during the Offer period, the Warrants will not be taken into account for determining the maximum potential share capital of the Company for the purposes of the Offer.

**5.2 Warrants Offer.** In accordance with Rule 19 of the Code, the Financial Advisers, for and on behalf of the Offeror, hereby make an offer to the Warrant Holders to acquire the Warrants in accordance with the terms and subject to the conditions set out in this Offer Document, the Warrants FAA and the Warrants FAT.

**5.3 Warrants Offer Price.** The offer price for the Warrants (the “Warrants Offer Price”) will be as follows:

**For each Warrant: S\$0.646 in cash**

The Warrants Offer Price is calculated based on the difference between the Offer Price of S\$2.23 for one Offer Share and the adjusted exercise price of US\$1.25 for each new Share, converted based on the LTD FX Rate.

**5.4 Condition.** The Warrants Offer will be subject to and conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms.

**5.5 No Encumbrances.** The Warrants will be acquired (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all payments, rights and other distributions (if any) declared, paid or made by the Company on or after the Offer Announcement Date.

**5.6 Offer and Warrants Offer Mutually Exclusive.** *For the avoidance of doubt, whilst the Warrants Offer is conditional upon the Offer becoming or being declared unconditional in all respects in accordance with its terms, the Offer will not be conditional upon acceptances received in relation to the Warrants Offer. The Offer and the Warrants Offer are separate and are mutually exclusive. The Warrants Offer does not form part of the Offer, and vice versa.*

**5.7 Warranty.** *A Warrant Holder who tenders his Warrants in acceptance of the Warrants Offer will be deemed to unconditionally and irrevocably warrant that he sells such Warrants as, for or on behalf of the beneficial owner(s) thereof, (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all payments, rights and other distributions (if any) declared, paid or made by the Company on or after the Offer Announcement Date.*

**5.8 Choices.** *Warrant Holders can, in relation to all or part of their Warrants, either:*

**5.8.1** *accept the Warrants Offer in respect of such Warrants in accordance with the procedures set out in **Appendix 4** to this Offer Document; or*

**5.8.2** *take no action and let the Warrants Offer lapse in respect of their Warrants.”*

#### **4. INFORMATION ON THE OFFEROR**

Information on the Offeror is set out in Section 8 and Appendix 5 of the Offer Document.

#### **5. INFORMATION ON THE COMPANY**

Information on the Company can be found in Appendix II of the Circular.

#### **6. FINANCIAL EVALUATION OF THE OFFER FOR SECURITIES**

We have confined our evaluation to the financial terms of the Offer for Securities. In evaluating the Offer for Securities, from a financial point of view for the Shares and a financial point of view on a “see-through” basis for the Convertible Bonds and Warrants, we have performed the following analyses based upon publicly available information and clarifications provided to us on the same publicly available information by the Company as at the Latest Practicable Date and based on market, economic, industry, monetary and other conditions in effect as at the Latest Practicable Date:

- **Liquidity and broker research coverage analysis** to evaluate whether the historical Share prices of the Company provide a meaningful reference point for comparison against the Offer Price;
- **Historical Share price performance analysis** to evaluate how the Offer Price compares to the historical Share prices of the Company over different observation periods;
- **Historical trading performance analysis** to evaluate how the valuation multiples implied by the Offer Price compare to the Company’s historical trading multiples;
- **Trading comparable analysis** to evaluate how the valuation multiples implied by the Offer Price compare to trading multiples of listed comparable companies;
- **Precedent transaction analysis** to evaluate how the valuation multiples implied by the Offer Price compare to multiples of selected transactions in the agricultural commodity industry globally;
- **Precedent take-overs analysis** to evaluate how the premia implied by the Offer Price



compare to the premia/discounts on selected take-overs in Singapore at different times prior to their respective announcement dates;

- **Broker research price targets for the Shares** to evaluate how the Offer Price compares to broker research price targets for the Company in reports issued prior to, and after, the Offer Announcement Date;
- **Historical Convertible Bond price performance analysis** to evaluate how the Convertible Bonds Offer Price compares to the historical Convertible Bond prices of the Company over different observation periods; and
- **Historical Warrant price performance analysis** to evaluate how the Warrants Offer Price compares to the historical Warrant prices of the Company over different observation periods.

The figures and underlying financial data used in our analyses in this letter, including share prices, trading volumes, free float data, and broker research, have been extracted from, *inter alia*, Bloomberg, FactSet, Mergermarket, SGX-ST and other public filings and documents as at the Latest Practicable Date. Rothschild has not independently verified (nor assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, express or implied, as to the accuracy, completeness or adequacy of such information.

We note that the generally accepted accounting principles (“GAAP”) used by the respective comparable companies may be different. Such differences may therefore render any comparisons carried out less useful than if the same GAAP was being used. In addition, we note that the comparable companies are not identical to the Company in terms of, *inter alia*, location, business mix, scale, geographical spread and track record. Any conclusions drawn from any comparisons made may therefore not necessarily reflect the possible market valuation of the Company.

## 7. VALUATION RATIOS

We have applied the following valuation ratios in our analysis of the Offer Price:

Valuation Ratio	General Description
EV/Sales	<ul style="list-style-type: none"> <li>▪ “EV” or “enterprise value” is the sum of the company’s market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents. The “EV/Sales” ratio illustrates the market value of a company’s business relative to its historical sales, without regard to the company’s capital structure</li> </ul>
EV/EBITDA	<ul style="list-style-type: none"> <li>▪ “EV” or “enterprise value” is the sum of the company’s market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents. “EBITDA” stands for historical earnings before interest, tax, depreciation and amortisation expenses, inclusive of share of associates’ and joint ventures’ income and excluding exceptional items. The “EV/EBITDA” ratio illustrates the market value of a company’s business relative to its historical pre-tax operating cash flow performance, without regard to the company’s capital structure</li> </ul>
P/E	<ul style="list-style-type: none"> <li>▪ The “P/E” or “price-to-earnings” ratio illustrates the market price of a company’s shares relative to its earnings per share adjusted for the after-tax impact of exceptional items. The P/E ratio is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to sales recognition, depreciation and intangible assets</li> </ul>

Valuation Ratio	General Description
P/BV	<ul style="list-style-type: none"> <li>▪ “BV” or “book value” is the book value of a company’s shareholders’ equity. The “P/BV” or “price-to-book” ratio illustrates the ratio of the market price of a company’s shares relative to its historical book value per share as recorded in its latest reported financial statements. Comparisons of companies using their book value are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies</li> </ul>
P/NTA	<ul style="list-style-type: none"> <li>▪ “NTA” or “net tangible assets” is the company’s total assets less total liabilities and intangible assets. The P/NTA ratio illustrates the ratio of the market price of a company’s shares relative to its historical NTA per share as recorded in its latest reported financial statements. Comparison of companies using their NTA are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies, and amount of intangible assets, which are excluded from the calculation of NTA</li> </ul>

In applying the above ratios, we have considered whether the multiples of the Company, implied by the Offer Price, lie above, within or below the mean and median, and the minimum and maximum of the range implied by the relevant ratios considered set out in Sections 8.3, 8.4 and 8.5. We consider each of the ratios equally and do not view any particular ratio as more instructive than others.

## 8. EVALUATION OF THE OFFER

### 8.1. Liquidity and Broker Research Coverage Analysis

To evaluate whether the historical market prices of the Shares provide a meaningful reference point for comparison against the Offer Price and in evaluating the Offer Price relative to the historical market prices of the Shares, we have considered the liquidity, free float and extent of research coverage of the Company relative to companies that make up the top 25 companies traded on the SGX-ST in Singapore based on market capitalisation as at the Latest Practicable Date (“**Top 25 Largest SGX Companies**”).

**Chart 1. Liquidity Analysis and Broker Research Coverage<sup>1</sup>**

Rank	Company	Undiluted Market cap. <sup>2</sup> (S\$m)	Free Float <sup>3</sup> (%)	Avg. Daily Volume <sup>4</sup> / Free Float (%)	Avg. Daily Value <sup>5</sup> / Market Cap. (%)	Approx. # of Brokers Covering Company <sup>6</sup>
1	Singapore Telecommunications Ltd	58,511	48%	0.25%	0.12%	28
2	Jardine Matheson Holdings Ltd	41,040	36%	0.11%	0.04%	12
3	DBS Group Holdings Ltd	40,620	71%	0.24%	0.17%	27
4	Jardine Strategic Holdings Ltd	38,315	18%	0.12%	0.02%	11
5	United Overseas Bank Ltd	34,529	93%	0.15%	0.13%	27
6	Oversea-Chinese Banking Corp Ltd	33,237	79%	0.15%	0.12%	23
7	Wilmar International Ltd	22,141	36%	0.30%	0.11%	26
8	Keppel Corp Ltd	20,178	78%	0.26%	0.20%	27
9	Genting Singapore PLC	16,154	48%	0.33%	0.17%	22
10	Jardine Cycle & Carriage Ltd	16,139	21%	0.35%	0.06%	7
11	Hongkong Land Holdings Ltd	15,740	50%	0.13%	0.06%	18
12	Thai Beverage PCL	14,815	53%	0.23%	0.12%	9
13	Dairy Farm International Holdings Ltd	13,237	22%	0.06%	0.01%	9
14	CapitaLand Ltd	12,561	60%	0.39%	0.25%	24
15	Global Logistic Properties Ltd	12,328	61%	0.42%	0.28%	16
16	Singapore Airlines Ltd	12,298	44%	0.19%	0.08%	20
17	Singapore Technologies Engineering Ltd	12,216	50%	0.15%	0.08%	15
18	Sembcorp Industries Ltd	9,577	50%	0.27%	0.13%	22
19	City Developments Ltd	9,384	65%	0.16%	0.10%	26
20	Great Eastern Holdings Ltd	8,917	13%	0.04%	0.01%	4
21	Sembcorp Marine Ltd	8,566	39%	0.40%	0.16%	27
22	Noble Group Ltd	8,218	64%	0.63%	0.33%	18
23	Golden Agri-Resources Ltd	7,638	50%	0.72%	0.34%	20
24	Singapore Exchange Ltd	7,404	95%	0.16%	0.16%	16
25	StarHub Ltd	7,172	34%	0.35%	0.12%	27
Mean <sup>7</sup>		19,237	51%	0.26%	0.13%	19
Median <sup>7</sup>		13,237	50%	0.24%	0.12%	20
Maximum <sup>7</sup>		58,511	95%	0.72%	0.34%	28
Minimum <sup>7</sup>		7,172	13%	0.04%	0.01%	4
32	Olam	5,354	46.6% <sup>8</sup>	0.52%	0.19%	19

**Source:** Offer Document and Bloomberg as at the Latest Practicable Date

#### Notes

- 1 All figures are as at the Latest Practicable Date
- 2 Market capitalisation on a non-diluted basis. The Company's market capitalisation is calculated by taking the Share Price as at the Latest Practicable Date and multiplying by the Company's basic number of Shares issued and outstanding of 2,390.2 million as at the Latest Practicable Date
- 3 Free float percentages are based on Bloomberg estimates
- 4 Average daily trading volume for the last 12 months prior to the Latest Practicable Date
- 5 Average daily trading value for the last 12 months prior to the Latest Practicable Date
- 6 Latest analyst coverage based on Bloomberg estimates
- 7 Mean, median, maximum and minimum values based on the top 25 SGX-listed companies by market capitalisation
- 8 The Company's free float percentage is calculated based on the Company's basic number of Shares issued and outstanding, after excluding shareholdings of the Offeror and the Concert Parties (as defined in the Circular) as at the Latest Practicable Date

With respect to Chart 1, we note that in the 12-month period leading up to the Latest Practicable Date, the Company's average daily trading volume represented 0.52 per cent. of the Company's free float and 0.19 per cent. of the Company's market capitalisation. These values are within the ranges of the Top 25 Largest SGX Companies (between 0.04 per cent. and 0.72 per cent., and between 0.01 per cent. and 0.34 per cent., respectively) for the same 12-month period leading up to the Latest Practicable Date, and above the mean and median average daily trading volume to free float of 0.26

per cent. and 0.24 per cent., respectively, and above the mean and median average daily trading value to market capitalisation of 0.13 per cent. and 0.12 per cent., respectively, of the Top 25 Largest SGX Companies for the same 12-month period leading up to the Latest Practicable Date.

We also note that according to Bloomberg, 19 brokerage houses provide research coverage on the Company. This is within the range of the number of brokerage houses providing research coverage on the Top 25 Largest SGX Companies according to Bloomberg, from 4 to 28, and within the range of the mean and median of 19 and 20, respectively.

We have also considered the historical trading volume of the Shares for the 1-week, 1-month, 3-month, 6-month and 12-month periods leading up to the Latest Practicable Date, as well as the period from the Offer Announcement Date to the Latest Practicable Date, as set out in Chart 2.

**Chart 2. Historical Trading Volume**

Calendar period up to the Latest Practicable Date <sup>1</sup>	VWAP <sup>2</sup> (S\$)	Total Volume Traded ('000)	Avg. Daily Trading Value (S\$'000)	Avg. Daily Trading Volume ('000)	Avg. Daily Trading Volume / Free Float <sup>3</sup> (%)
12-month	1.740	1,446,250	9,988	5,739	0.52%
6-month	1.847	696,767	10,295	5,574	0.50%
3-month	1.983	498,566	15,943	8,041	0.72%
1-month	2.190	300,832	29,944	13,674	1.23%
1-week	2.225	41,518	18,479	8,304	0.75%
From Offer Announcement Date to the Latest Practicable Date	2.220	266,289	29,551	13,314	1.20%

**Source:** Bloomberg and Company Filings on the SGX-ST as of the Latest Practicable Date

#### Notes

- 1 Periods analysed are as follows - 12 months up to the Latest Practicable Date: 11 April 2013 to 10 April 2014, 6 months up to the Latest Practicable Date: 11 October 2013 to 10 April 2014, 3 months up to the Latest Practicable Date: 11 January 2014 to 10 April 2014, 1 month up to the Latest Practicable Date: 11 March 2014 to 10 April 2014 and 1 week up to the Latest Practicable Date: 4 April 2014 to 10 April 2014. Only trading days have been included in the analysis
- 2 VWAP calculated as the average daily trading value / average daily trading volume for the relevant period
- 3 The Company's free float is calculated based on the Company's basic number of Shares issued and outstanding, after excluding shareholdings of the Offeror and the Concert Parties as of the Latest Practicable Date

We note that the analysis of the historical trading volume of the Shares includes the period from the Offer Announcement Date to the Latest Practicable Date. For the 12-month period ending on the Latest Practicable Date, the average daily trading value has been approximately S\$9,988,281. We note that announcements related to the Offer for Securities may have had an impact on the trading volume of the Shares during this period.

In addition, we note that for the 1-month period ending on the Latest Practicable Date, the average daily trading value and volume increased significantly to S\$29,944,495 and 13,674,182 Shares respectively. This compares with the 3-month average daily trading value and volume of S\$15,942,521 and 8,041,387 Shares respectively.

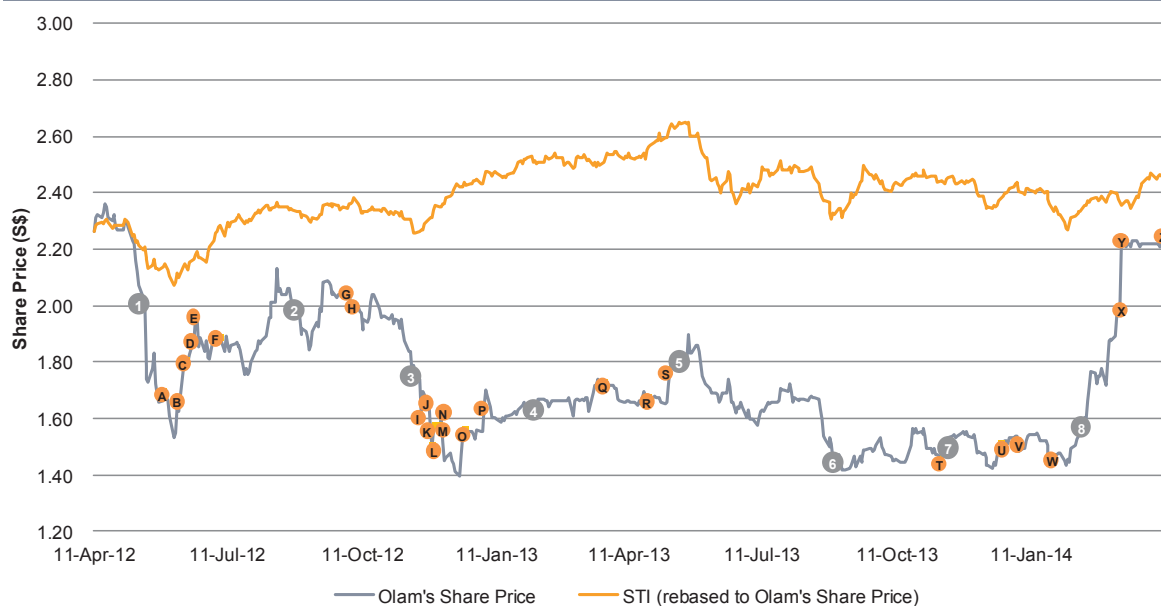
Our analysis of the historical trading volume of the Shares, and the average daily trading volume and value of the Shares relative to the Top 25 Largest SGX Companies suggests there is reasonable liquidity in the Shares and that the market prices of the Shares should generally reflect a fundamental, market-based value of the Shares.

## 8.2. The Company's Historical Share Price Performance Analysis

In evaluating the fairness of the Offer Price from a market price perspective, we have compared the Offer to the historical and current share price performance of the Shares over different observation periods.

We set out in Chart 3 the daily closing prices of the Shares compared to the performance of the Straits Times Index ("STI" or the "Benchmark Index") for the period from 11 April 2012 to the Latest Practicable Date.

**Chart 3. Share Price Performance Relative to the Benchmark Index<sup>1</sup>**



**Source:** Company Filings on the SGX-ST, Factiva and Bloomberg as of the Latest Practicable Date

### Notes

- 1 The Benchmark Index has been rebased to the Company's Share Price as at 11 April 2012

### Significant Events

- A. **29 May 2012:** The Company announces a US\$240 million investment in its first sugar milling asset in Brazil through the acquisition of Usina Açucareira Passos S.A. The Company subsequently announced on 21 December 2012 that due to the inability to reach an agreement on the final closing terms and conditions, both parties have decided to terminate the proposed transaction
- B. **7 June 2012:** The Company announces the 100 per cent. acquisition of Kayass Enterprises S.A., a branded dairy and beverage products manufacturer in Nigeria, for US\$66.5 million
- C. **13 June 2012:** The Company announces its intention to form a 50-50 joint venture with Lansing Trade Group LLC to originate and merchandise Canadian grains and oilseeds. The Company subsequently announced the divestment of its stake on 2 January 2014 as described in note V below
- D. **18 June 2012:** The Company announces the formation of a 50-50 joint venture with Blommer Chocolate Company to develop a long-standing sustainability partnership in the cocoa supply chain
- E. **20 June 2012:** The Company announces the resignation of its Chief Financial Officer, Mr. Krishnan Ravi Kumar, who leaves the Company to pursue a new career outside the agri-commodity sector. Mr. Shekhar Anantharaman moves into a new and enhanced role as Executive Director – Finance & Business Development
- F. **6 July 2012:** The Company announces the establishment of a US\$2,000,000,000 Euro Medium Term Note Programme

- G. **2 October 2012:** The Company announces its intention to make a cash offer at NZ\$0.75 per share for all of the shares in NZ Farming Systems Uruguay Limited that it does not already own
- H. **5 October 2012:** The Company announces the acquisition of a 50 per cent. stake in Acacia Investments, a UAE-based business with significant presence in edible oil refining and distribution in East Africa, for US\$35 million
- I. **20 November 2012:** The Company issues a trading halt in connection with various media reports in relation to the negative statements made by the research firm Muddy Waters
- J. **23 November 2012:** The Company issues a statement rejecting the assertions made by Muddy Waters and quoted a letter by Ernst & Young to the Board of Directors of the Company standing by its opinion on the consolidated financial statements of the Company
- K. **27 November 2012:** Muddy Waters issues a report on the Company alleging that the Company “runs a high risk of failure”
- L. **28 November 2012:** The Company issues a response to the Muddy Waters report dated 27 November 2012, dismissing the report’s allegations
- M. **30 November 2012:** The Company announces the 100 per cent. acquisition of Dehydro Foods Limited, a leading processor of dehydrated onions and herbs in Egypt, for US\$30.8 million
- N. **3 December 2012:** The Company announces a proposal to undertake a renounceable underwritten rights issue of US\$750 million in principal amount of 6.75 per cent. bonds due 2018, with 387,365,079 free detachable warrants each carrying the right to subscribe for one new ordinary Share in the capital of the Company at an exercise price of US\$1.291 per share. Aranda Investments Pte. Ltd., a wholly-owned subsidiary of Temasek, sub-underwrote the rights issue
- O. **21 December 2012:** The Company announces the acquisition of the soluble coffee assets and businesses of Seda Solubles for US\$52 million
- P. **2 January 2013:** Release of the Offer Information Statement in respect of the renounceable underwritten rights issue announced on 3 December 2012, issued together with a letter from the Board of Directors of the Company providing a comprehensive review of the issues raised with regard to the Company’s business model, growth strategy, liquidity and solvency position, and accounting practices
- Q. **26 March 2013:** The Company announces the opening of its A\$60 million almond hulling and processing plant in Victoria, Australia
- R. **25 April 2013:** The Company announces the results of its annual strategy review process and strategic plan for the three-year period FY2014-2016, with a re-balanced approach to growth and cash flow generation
- S. **9 May 2013:** The Company announces the formation of a joint venture with Sanyo Foods Co. Ltd. to manufacture and distribute instant noodles in Nigeria and across sub-Saharan Africa. Sanyo Foods Co. Ltd. will acquire a 25.5 per cent. stake in the Company’s instant noodles business in Nigeria for US\$20 million
- T. **13 November 2013:** The Company announces the sale and lease-back with Adveq Almond Trust in relation to its nearly 12,000 hectares of almond orchards in Victoria, Australia for a cash consideration of A\$200 million
- U. **23 December 2013:** The Company enters into an agreement to sell up to 14.99 per cent. in Open Country Dairy Limited, New Zealand, to Talley’s Group Limited for up to NZ\$46.5 million. The transaction will be completed through a combination of a direct sale of shares and acceptance of a partial takeover offer from Talley’s in accordance with the requirements of the New Zealand Takeovers Code
- V. **2 January 2014:** The Company announces the divestment of its entire 50 per cent. stake in Lansing Olam Canada by way of a share repurchase arrangement
- W. **24 January 2014:** The Company announces the sale of part of its forestry and saw milling assets in Gabon for a gross consideration of US\$18.0 million
- X. **13 March 2014:** Trading halt called
- Y. **14 March 2014:** Offer Announcement Date
- Z. **10 April 2014:** The Offeror purchased 21,017,000 Shares on the SGX-ST

**Source:** Factiva, Company Filings on the SGX-ST as at the Latest Practicable Date

## Earnings Announcements (Period — Date)

1. **3Q12 – 15 May 2012:** The reported net income of S\$98.7 million for 3Q FY2012 compared to S\$127.3 million a year ago represented a decrease of 22.5 per cent.
2. **FY12 – 28 Aug 2012:** The reported net income of S\$109.5 million for 4Q FY2012 compared to S\$127.4 million a year ago, represented a decrease of 14.1 per cent. The reported net income of S\$370.9 million for FY2012 compared to S\$429.8 million a year ago, represented a decrease of 13.7 per cent. The Board of Directors of the Company recommended a final dividend of 4.0 cents per share for FY2012
3. **1Q13 – 14 Nov 2012:** The reported net income of S\$43.2 million for 1Q FY2013 compared to S\$34.2 million a year ago, represented an increase of 26.2 per cent.
4. **2Q13 – 7 Feb 2013:** The reported net income of S\$154.1 million for 2Q FY2013 compared to S\$128.5 million a year ago, represented an increase of 19.9 per cent.
5. **3Q13 – 15 May 2013:** The reported net income of S\$108.5 million for 3Q FY2013 compared to S\$98.7 million a year ago, represented an increase of 10.0 per cent.
6. **FY13 – 29 Aug 2013:** The reported net income of S\$56.8 million for 4Q FY2013 compared to S\$109.5 million a year ago, represented a decrease of 48.1 per cent. The reported net income of S\$362.6 million for FY2013 compared to S\$370.9 million a year ago, represented a decrease of 2.2 per cent. The Board of Directors of the Company recommended a final dividend of 4.0 cents per share
7. **1Q14 – 14 Nov 2013:** The reported net income of S\$45.6 million for 1Q FY2014 compared to S\$43.2 million a year ago, represented an increase of 5.7 per cent.
8. **2Q14 – 14 Feb 2014:** The reported net income of S\$134.9 million for 2Q FY2014 compared to S\$154.1 million a year ago, represented a decrease of 12.5 per cent.

**Source:** Company Filings on the SGX-ST as at the Latest Practicable Date

### Chart 4. Historical Share Price Performance of the Company and the Benchmark Index

	Calendar period up to the Latest Practicable Date		Calendar period up to the Last Trading Day	
	The Company	STI	The Company	STI
Last 3 months	45.0%	2.2%	39.0%	1.0%
Last 6 months	54.0%	0.8%	39.5%	(0.7%)
Last 12 months	34.5%	(3.2%)	19.1%	(5.8%)
Last 24 months	(0.9%)	8.7%	(12.5%)	3.6%

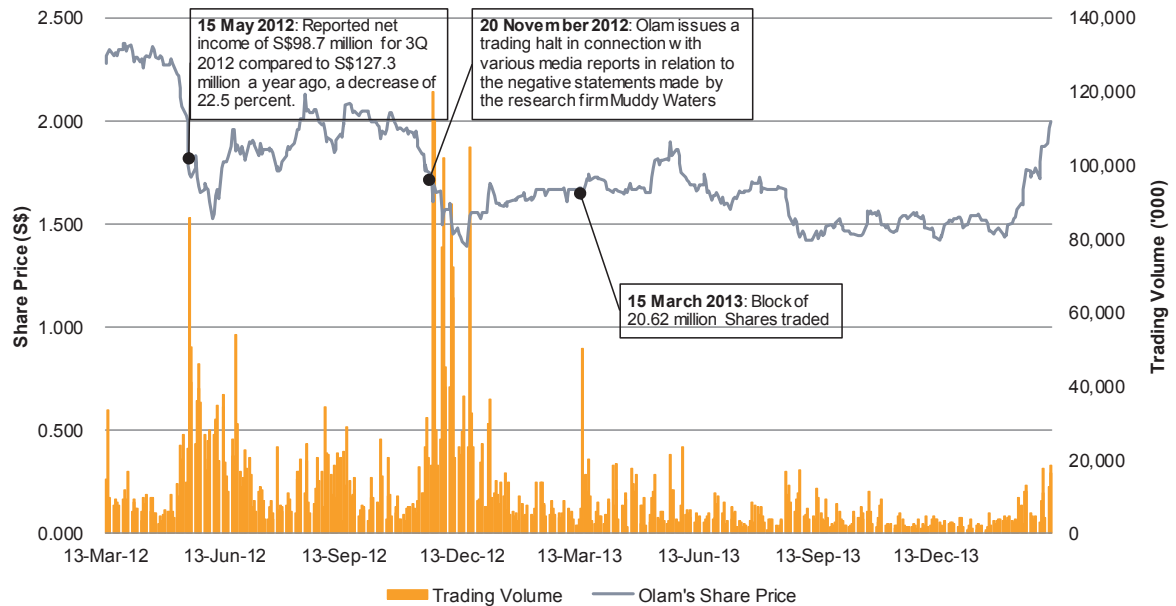
**Source:** Bloomberg as at the Latest Practicable Date

With reference to Chart 4 above, we note that the Shares have outperformed the Benchmark Index for the 3-month, 6-month and 12-month periods up to the Latest Practicable Date, and have underperformed the Benchmark Index for the 24-month period up to the Latest Practicable Date. In addition, we note that the Shares have outperformed the Benchmark Index for the 3-month, 6-month and 12-month periods up to the Last Trading Day, and have underperformed the Benchmark Index for the 24-month period up to the Last Trading Day.



We set out in Chart 5 the daily closing prices of the Shares and daily trading volumes for the period from 13 March 2012 to the Last Trading Day.

**Chart 5. Share Price Performance and Trading Volume to the Last Trading Day<sup>1</sup>**



**Source:** Bloomberg as of the Last Trading Day

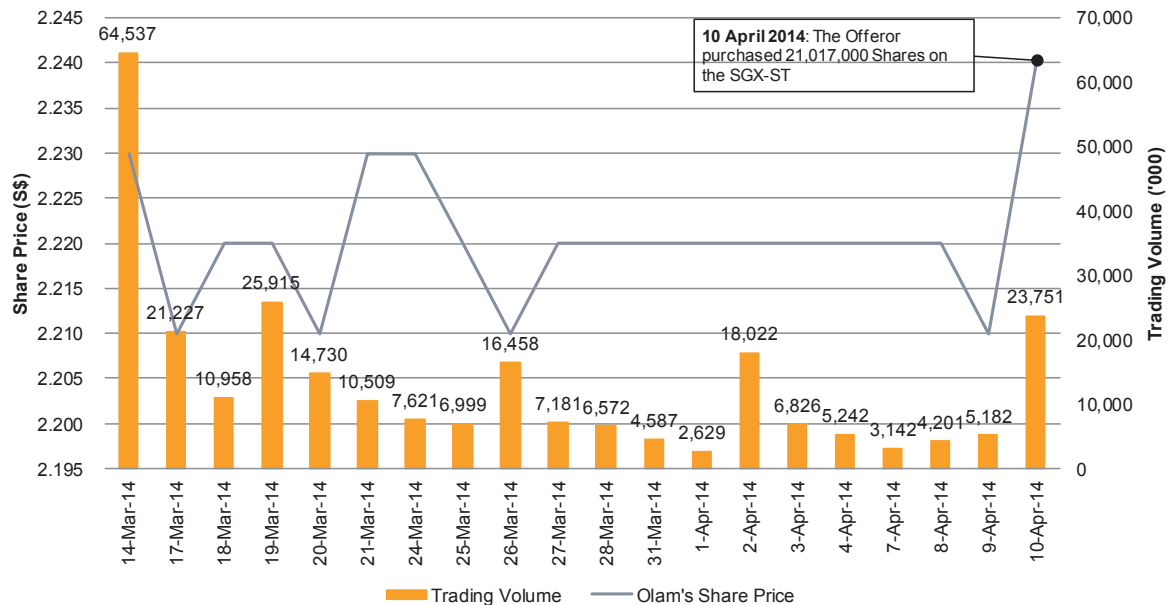
#### Notes

<sup>1</sup> For the period from 13 March 2012 to the Last Trading Day

Based on Chart 5, we note that over the period from 13 March 2012 to the Last Trading Day, the price of the Shares decreased by 12.5 per cent., based on closing prices of S\$2.28 and S\$1.995 respectively.

We set out in Chart 6 the daily closing prices of the Shares and total volume of Shares traded from the Offer Announcement Date to the Latest Practicable Date.

**Chart 6. Share Price Performance and Trading Volume from the Offer Announcement Date to the Latest Practicable date**



**Source:** Bloomberg as of the Latest Practicable Date

Based on Chart 6, we note that, from the Offer Announcement Date to the Latest Practicable Date, the closing prices of the Shares ranged between S\$2.21 and S\$2.24 and the total volume of Shares traded was approximately 266,289,000 Shares, representing approximately 11.1 per cent. of the Company's total outstanding Shares as at the Latest Practicable Date. We further note that on the Latest Practicable Date, the Offeror purchased 21,017,000 Shares on the SGX-ST.

We set out in Chart 7 the premia implied by the Offer Price over the volume weighted average price of the Shares (“**VWAP**”) for the 1-week, 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Day. Chart 7 also sets out the premia implied by the Offer Price over the closing price of the Shares on the Latest Practicable Date, one trading day following the Offer Announcement Date and on the Last Trading Day.

**Chart 7. Analysis of Share Price Performance**

	Price Basis	Price S\$	Offer Price % Premium / (Discount)
Latest Practicable Date (10 April 2014)	Closing Price	2.240	(0.4%)
1 Trading Day Post Offer Announcement Date (17 March 2014)	Closing Price	2.210	0.9%
<b>Offer Price (14 March 2014)</b>		<b>2.230</b>	
Last Trading Day (12 March 2014)	Closing Price	1.995	11.8%
<b>Calendar Period VWAP Prior to Offer Announcement Date<sup>1</sup></b>			
1 Week Period up to Last Trading Day	VWAP <sup>2</sup>	1.931	15.5%
1 Month Period up to Last Trading Day	VWAP <sup>2</sup>	1.794	24.3%
3 Month Period up to Last Trading Day	VWAP <sup>2</sup>	1.676	33.0%
6 Month Period up to Last Trading Day	VWAP <sup>2</sup>	1.594	39.9%
12 Month Period up to Last Trading Day	VWAP <sup>2</sup>	1.641	35.9%

**Source:** Bloomberg as of the Latest Practicable Date

**Notes**

- 1 Periods analysed are as follows - 1 week up to the Last Trading Day: 6 March 2014 to 12 March 2014, 1 month up to the Last Trading Day: 13 February 2014 to 12 March 2014, 3 months up to the Last Trading Day: 13 December 2013 to 12 March 2014, 6 months up to the Last Trading Day: 13 September 2013 to 12 March 2014 and 12 months up to the Last Trading Day: 13 March 2013 to 12 March 2014
- 2 VWAP calculated as the average daily trading value / average daily trading volume for the relevant period

Based on Chart 7, we note the following:

- The Offer Price represents a discount of approximately 0.4 per cent. to the closing price of the Shares of S\$2.24 on the Latest Practicable Date and a premium of 0.9 per cent. over the closing price of the Shares of S\$2.21 one trading day after the Offer Announcement Date;
- The closing price of the Shares on the Latest Practicable Date of S\$2.24 represents an increase of approximately 12.3 per cent. over the closing price of S\$1.995 on the Last Trading Day;
- The Offer Price represents a premium of approximately 11.8 per cent. over the closing price of the Shares of S\$1.995 on the Last Trading Day; and
- The Offer Price represents premia of approximately 15.5 per cent., 24.3 per cent., 33.0 per cent., 39.9 per cent. and 35.9 per cent., respectively, over the VWAP of the Shares in the 1-week, 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Day.

**We note there is no assurance that the price of the Shares will remain at current levels after the close or the lapse of the Offer. In addition, our analysis of the past price performance of the Shares is not indicative of the future price performance of the Shares, which will be governed by other factors such as, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook, market conditions and sentiments.**

### 8.3. The Company's Historical Trading Performance Analysis

We have compared, in Charts 8 and 9, the last twelve months ("LTM") EV/Sales multiple implied by the Offer Price (based on the Company's LTM sales as of 31 December 2013) to the Company's LTM EV/Sales multiple (based on its trailing 12-month sales for the applicable time periods) over the LTM prior to the Offer Announcement Date.

**Chart 8. Historical LTM EV/Sales**



**Chart 9. Summary of Historical LTM EV/Sales Multiples**

<b>A</b>	<b>Implied by Offer Price</b>	<b>0.68x</b>
<b>Pre-Offer (12 months up to 12 March 2014)</b>		
<b>B</b>	<b>LTM Mean</b>	<b>0.58x</b>
	LTM Maximum <sup>1</sup>	0.66x
	LTM Minimum	0.52x

**Source:** Company Filings on the SGX-ST and FactSet as of the Last Trading Day

#### Notes

<sup>1</sup> On 22 May 2013, the Company closed at S\$1.900

Based on Chart 9, we note that the LTM EV/Sales multiple implied by the Offer Price (based on the trailing 12-month sales) of 0.68 times is above the range of LTM EV/Sales multiples (based on trailing 12-month sales) of 0.52 times to 0.66 times over the LTM prior to the Offer Announcement Date. We also note that the capital structure of the Company has changed over the LTM prior to the Offer Announcement Date, partially due to the normal cyclicity of the business, and that the decline in the Company's LTM EV/Sales multiple in August 2013, with reference to Chart 8, was largely a result of the lower net financial debt reported in the financial year ended 30 June 2013 earnings release.

We have also compared, in Charts 10 and 11, the LTM EV/EBITDA multiple implied by the Offer Price (based on the Company's LTM EBITDA as of 31 December 2013) to the Company's LTM EV/EBITDA multiple (based on its trailing 12-month EBITDA for the applicable time periods) over the LTM prior to the Offer Announcement Date.

**Chart 10. Historical LTM EV/EBITDA**



**Chart 11. Summary of Historical LTM EV/EBITDA Multiples**

<b>A</b>	<b>Implied by Offer Price</b>	<b>11.4x</b>
<b>Pre-Offer (12 months up to 12 March 2014)</b>		
<b>B</b>	<b>LTM Mean</b>	<b>10.2x</b>
	LTM Maximum <sup>1</sup>	11.6x
	LTM Minimum	9.1x

**Source:** Company Filings on the SGX-ST and FactSet as of the Last Trading Day

**Notes**

1 On 13 May 2013, the Company closed at S\$1.815

Based on Chart 11, we note that the LTM EV/EBITDA multiple implied by the Offer Price (based on its trailing 12-month EBITDA) of 11.4 times is within the range of LTM EV/EBITDA multiples (based on trailing 12-month EBITDA) of 9.1 times to 11.6 times over the LTM prior to the Offer Announcement Date. We also note that the capital structure of the Company has changed over the LTM prior to the Offer Announcement Date, for reasons similar to those outlined in respect of Chart 8.

We have also compared, in Charts 12 and 13, the LTM P/E multiple implied by the Offer Price (based on the Company's LTM net income as of 31 December 2013) to the Company's LTM P/E multiple (based on its trailing 12-month net income for the applicable time periods) over the LTM prior to the Offer Announcement Date.

**Chart 12. Historical LTM P/E**



**Chart 13. Summary of Historical LTM P/E Multiples**

<b>A</b>	<b>Implied by Offer Price</b>	<b>16.3x</b>
<b>Pre-Offer (12 months up to 12 March 2014)</b>		
<b>B</b>	<b>LTM Mean</b>	<b>10.5x</b>
	LTM Maximum <sup>1</sup>	14.3x
	LTM Minimum	9.1x

**Source:** Company Filings on the SGX-ST and FactSet as of the Last Trading Day

**Notes**

<sup>1</sup> On 12 March 2014, the Company closed at S\$1.995

Based on Chart 13, we note that the LTM P/E multiple implied by the Offer Price (based on the trailing 12-month net income) of 16.3 times is above the range of LTM P/E multiples (based on trailing 12-month net income) of 9.1 times to 14.3 times over the LTM prior to the Offer Announcement Date.

We have also compared, in Charts 14 and 15, the historical latest (“**Latest**”) P/BV multiple implied by the Offer Price (based on the Company’s latest book value as of 31 December 2013) to the Company’s Latest P/BV multiple (based on its latest book value for the applicable time periods) over the LTM prior to the Offer Announcement Date.

**Chart 14. Historical Latest P/BV**



**Chart 15. Summary of Historical Latest P/BV Multiples**

<b>A</b>	<b>Implied by Offer Price</b>	<b>1.5x</b>
<b>Pre-Offer (12 months up to 12 March 2014)</b>		
<b>B</b>	<b>LTM Mean</b>	<b>1.1x</b>
	LTM Maximum <sup>1</sup>	1.3x
	LTM Minimum	0.9x

**Source:** Company Filings on the SGX-ST and FactSet as of the Last Trading Day

**Notes**

1 On 12 March 2014, the Company closed at S\$1.995

Based on Chart 15, we note that the Latest P/BV multiple implied by the Offer Price (based on its latest book value) of 1.5 times is above the range of Latest P/BV multiples (based on historical latest book values) of 0.9 times to 1.3 times over the LTM prior to the Offer Announcement Date.



We have also compared, in Charts 16 and 17, the Latest P/NTA multiple implied by the Offer Price (based on the Company's latest NTA as of 31 December 2013) to the Company's Latest P/NTA multiple (based on the Company's latest NTA for the applicable time periods) over the LTM prior to the Offer Announcement Date.

**Chart 16. Historical Latest P/NTA**



**Chart 17. Summary of Historical Latest P/NTA Multiples**

<b>A</b>	<b>Implied by Offer Price</b>	<b>1.8x</b>
<b>Pre-Offer (12 months up to 12 March 2014)</b>		
<b>B</b>	<b>LTM Mean</b>	<b>1.3x</b>
	LTM Maximum <sup>1</sup>	1.6x
	LTM Minimum	1.1x

**Source:** Company Filings on the SGX-ST and FactSet as of the Last Trading Day

**Notes**

1 On 12 March 2014, the Company closed at S\$1.995

Based on Chart 17, we note that the Latest P/NTA multiple implied by the Offer Price (based on its latest NTA) of 1.8 times is above the range of Latest P/NTA multiples (based on historical latest NTAs) of 1.1 times to 1.6 times over the LTM prior to the Offer Announcement Date.

**We wish to highlight that the historical trading patterns or performance of the Shares should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and market conditions and sentiments.**

#### 8.4. Trading Comparable Analysis

We have considered selected agricultural-commodity (“**Agri**”) companies listed in Singapore and globally as trading comparables for the Company. The companies which we have selected as trading comparables in the list below are a representative sample of companies in the Agri industry globally (“**Comparable Companies**”). They are companies of scale who participate in the global trade flows of agricultural commodities, in most cases sourcing from and selling to multiple geographies, across several Agri product categories.

In evaluating these companies, we have used the following ratios:

- Enterprise Value/Sales (EV/Sales);
- Enterprise Value/Earnings Before Interest, Tax, Depreciation and Amortisation (EV/EBITDA);
- Price/Earnings (P/E);
- Price/Book Value (P/BV); and
- Price/Net Tangible Assets (P/NTA)

Brief descriptions of the Comparable Companies are set out below.

**Table 1 — Comparable Companies Overview**

Company Name	Market Cap <sup>1</sup>	Description
<b>Singapore</b>		
Wilmar International Ltd.	S\$22,144m	<ul style="list-style-type: none"> <li>▪ Wilmar International Ltd. is an investment holding company, which engages in the processing, merchandising, and distribution of agricultural products</li> <li>▪ It is also involved in the management and operation of oil mills and plantations. It operates through the business segments of Palm and Laurics, Oilseeds and Grains, Consumer Products, Plantations and Palm Oil Mills, Sugar, as well as Others</li> <li>▪ The company was founded by Kuok Khoon Hong and Martua Sitorus in 1991 and is headquartered in Singapore</li> </ul>
Noble Group Ltd.	S\$8,218m	<ul style="list-style-type: none"> <li>▪ Noble Group Ltd. operates as an investment holding company which engages in the global supply chain of agricultural and energy products, metals and minerals</li> <li>▪ It also manages a diversified portfolio of essential raw materials, integrating the sourcing, marketing, processing, financing and transportation of those materials. It operates through the business segments of Agriculture, Energy and Metals, Minerals and Ores</li> <li>▪ Noble Group Ltd.’s Agriculture segment contributed approximately 16 per cent. of the company’s revenue in 2013</li> <li>▪ On 2 April 2014, the company announced the sale of a majority stake in its Agriculture segment to China National Cereals, Oils and Foodstuffs Corporation (“<b>COFCO</b>”)</li> <li>▪ Noble Group Ltd. was founded by Richard Samuel Elman in 1987 and is headquartered in Hong Kong</li> </ul>

Company Name	Market Cap <sup>1</sup>	Description
Golden Agri-Resources Ltd.	S\$7,638m	<ul style="list-style-type: none"> <li>Golden Agri-Resources Ltd. is an investment holding company, which engages in the production of palm-based edible oils</li> <li>The company's activities include cultivating and harvesting of oil palm trees, processing of fresh fruit bunches into crude palm oil ("CPO") and palm kernel oil and refining CPO into value added products such as cooking oils, margarine and shortening</li> <li>It also produces refined branded products, such as cooking oil, margarine, butter oil substitute, shortening and fats for end-customers</li> <li>The company operates through two segments, namely Indonesia Agri-Business and China Agri-Business. The Indonesia Agri-Business segment engages in the ownership and cultivation of oil palm plantation, ownership and operation of mills and refineries and the manufacture of consumer cooking oil and margarine in Indonesia. The China Agri-Business segment engages in the ownership and operation of ports, oilseed storage, crushing and refineries and is a producer of refined edible oil and food products in China</li> <li>The company was founded on 15 October 1996 and is headquartered in Singapore</li> </ul>
<b>Rest of World</b>		
Glencore Xstrata plc	S\$87,498m	<ul style="list-style-type: none"> <li>Glencore Xstrata Plc is a holding company which engages in the production and marketing of commodities</li> <li>It operates through the business segments of Metals and Minerals, Energy Products as well as Agricultural Products</li> <li>Glencore Xstrata Plc's Agricultural Products division contributed approximately 13 per cent. of the company's 2013 total sales</li> <li>The company was founded in 1974 and is headquartered in Baar, Switzerland</li> </ul>
Archer-Daniels-Midland Company	S\$36,765m	<ul style="list-style-type: none"> <li>Archer Daniels Midland Co. engages in the processing of agricultural commodities and manufacturing of various value-added food and feed ingredients. The company also has a grain elevator and transportation network to procure, store, clean and transport agricultural commodities</li> <li>The company operates through the business segments of Oilseeds Processing, Corn Processing as well as Agricultural Services</li> <li>The company was founded in 1923 and is headquartered in Decatur, Illinois, United States</li> </ul>
Bunge Ltd.	S\$14,815m	<ul style="list-style-type: none"> <li>Bunge Ltd. is a global agribusiness and food company, with integrated operations that stretch from the farm field to consumer foods</li> <li>The company conducts its operations in the business segments of Agribusiness, Sugar &amp; Bioenergy, Edible Oil Products, Milling Products as well as Fertiliser</li> <li>The company was founded by Johann Peter Gottlieb Bunge in 1818 and is headquartered in White Plains, New York, United States</li> </ul>

Company Name	Market Cap <sup>1</sup>	Description
Barry Callebaut AG	S\$9,024m	<ul style="list-style-type: none"> <li>Barry Callebaut AG manufactures and markets cocoa and chocolate products</li> <li>The company's business consists of chocolate production relating to Food Manufacturers and Gourmet &amp; Specialties, and focuses on products for artisans and professional users of chocolate as well as products for vending machines</li> <li>The company was founded by Klaus Johann Jacobs in 1996 and is headquartered in Zurich, Switzerland</li> </ul>
Ingredion, Inc.	S\$6,416m	<ul style="list-style-type: none"> <li>Ingredion, Inc. is a global ingredients solutions provider specialising in nature-based sweeteners, starches and nutrition ingredients</li> <li>The company's operations are classified into the business segments of North America, South America, Asia Pacific and Europe, Middle East &amp; Africa</li> <li>The company was founded in 1906 and is headquartered in Westchester, Illinois, United States</li> </ul>
China Agri-Industries Holdings Ltd.	S\$2,739m	<ul style="list-style-type: none"> <li>China Agri-Industries Holdings Ltd. is an investment holding company which engages in the production, processing and distribution of agricultural products</li> <li>The company operates through the business segments of Oilseeds Processing, Biochemical and Biofuel, Rice Processing and Trading, Wheat Processing, Brewing Materials as well as Corporate and Others</li> <li>COFCO has a 58 per cent. stake in the company</li> <li>The company was founded on November 18, 2006 and is headquartered in Hong Kong</li> </ul>
GrainCorp Ltd.	S\$2,396m	<ul style="list-style-type: none"> <li>GrainCorp Ltd. engages in the storage, handling and marketing of grain and bulk commodities globally</li> <li>The group is organised into the business segments of Storage &amp; Logistics, Marketing, Malt as well as Oils</li> <li>GrainCorp Ltd. was founded in 1916 and is headquartered in Sydney, Australia</li> </ul>

**Source:** Company description based on publicly available information, including annual reports and company websites. Market capitalisation based on Company Filings and FactSet

#### Notes

- 1 Market capitalisation is calculated based on share prices and exchange rates from FactSet as at the Latest Practicable Date. Market capitalisation is calculated on a fully-diluted basis assuming the treasury stock method

Chart 18 sets out the trading multiples for the Comparable Companies:

Chart 18. Comparable Trading Multiples											
Company	Note	Local currency (LC)	Share price (LC)	Market cap. <sup>1</sup>		Enterprise value <sup>2</sup> (\$m)	Enterprise value / LTM			Price / Latest	
				(LCm)	(\$m)		Sales	EBITDA <sup>3</sup>	LTM P/E <sup>3</sup>	BV	NTA
<b>Singapore-listed Global Agri-Commodity Supply Chain</b>											
Wilmar International Ltd.	4	SGD	3.46	22,144	22,144	40,977	0.7x	14.0x	13.9x	1.2x	1.7x
Noble Group Ltd.	5	SGD	1.24	8,218	8,218	14,579	0.1x	12.5x	21.6x	1.3x	1.5x
Golden Agri-Resources Ltd.	6	SGD	0.60	7,638	7,638	10,231	1.2x	12.5x	19.6x	0.7x	0.7x
<b>Rest of World Global Agri-Commodity Supply Chain</b>											
Glencore Xstrata plc	7	GBP	3.14	41,779	87,498	156,777	0.5x	9.6x	15.3x	1.4x	1.7x
Archer-Daniels-Midland Company	8	USD	44.17	29,448	36,765	40,952	0.4x	9.4x	19.5x	1.5x	1.5x
Bunge Ltd.	9	USD	79.40	11,866	14,815	20,253	0.3x	8.7x	17.0x	1.3x	1.4x
Barry Callebaut AG	10	CHF	1,156.00	6,341	9,024	11,200	1.5x	16.5x	27.0x	3.6x	7.2x
Ingredion, Inc.	11	USD	67.50	5,139	6,416	7,990	1.0x	7.9x	13.0x	2.1x	3.3x
China Agri-Industries Holdings Ltd.	12	HKD	3.24	17,010	2,739	6,569	0.5x	10.6x	12.7x	0.6x	0.6x
GrainCorp Ltd.	13	AUD	8.87	2,038	2,396	3,075	0.6x	6.6x	12.3x	1.2x	1.6x
Overall mean							0.7x	10.8x	17.2x	1.5x	2.1x
Overall median							0.6x	10.1x	16.2x	1.3x	1.6x
Olam (Offer Price)		SGD	2.23	5,618	5,618	13,637	0.7x	11.4x	16.3x	1.5x	1.8x

Source: Company Filings and FactSet as of the Latest Practicable Date

#### Notes

- 1 Market capitalisation is calculated based on share prices and exchange rates from FactSet as at the Latest Practicable Date. Market capitalisation is calculated on a fully-diluted basis assuming the treasury stock method
- 2 Enterprise value is calculated as market capitalisation plus net financial debt plus minority interest plus preference equity
- 3 EBITDA and net income attributable to equity holders of the company are inclusive of share of associates' and joint ventures' income, and are adjusted for one-off and exceptional items as per footnotes below
- 4 Financial information reflects data for the LTM ended 31 December 2013. EBITDA and net income figures have been adjusted for exceptional items including impairment provision on available-for-sale financial assets, gain on disposal of associates, gain on re-measuring investment retained in a former subsidiary at fair value upon loss of control, loss on disposal of property, plant and equipment, gain on disposal/liquidation of subsidiaries, gain on disposal of available-for-sale financial assets and gain on disposal of financial assets held for trading; 17.0 per cent. statutory tax rate of Singapore applied to net income adjustments
- 5 Financial information reflects data for the LTM ended 31 December 2013. EBITDA and net income figures have been adjusted for exceptional items including loss on supply chain assets, losses/(gains) on disposal of long term investments and losses on disposal of property, plant and equipment; 16.5 per cent. statutory tax rate of Hong Kong applied to net income adjustments
- 6 Financial information reflects data for the LTM ended 31 December 2013. EBITDA and net income figures have been adjusted for exceptional items including gain/(loss) on disposal of property, plant and equipment and property, plant and equipment written off; 17.0 per cent. statutory tax rate of Singapore applied to net income adjustments
- 7 Financial information reflects data for the LTM ended 31 December 2013. EBITDA and net income figures have been adjusted for exceptional items including Xstrata acquisition goodwill impairment, revaluation of previously held interests in newly-acquired businesses and losses on sale of investments in associates, and transaction costs directly associated with the acquisition. EBITDA and net income figures are pro forma for Xstrata's pre-acquisition earnings on a consolidated basis, and the adjusted figures before significant items are taken as reported by Glencore Xstrata in page 201 of its 2013 annual report
- 8 Financial information reflects data for the LTM ended 31 December 2013. EBITDA and net income figures have been adjusted for exceptional items including asset impairment, exit, and restructuring costs, gain/(losses) on the potential acquisition of GrainCorp and gain on sale of assets; 35.0 per cent. statutory tax rate of the United States of America applied to net income adjustments
- 9 Financial information reflects data for the LTM ended 31 December 2013. Financials exclude discontinued operations, namely the Brazilian fertiliser business. EBITDA and net income figures have been adjusted for exceptional items including gains on sales of investments in affiliates, goodwill and other impairment charges and gain on sales of property, plant and equipment. Net income figure has been further adjusted for exceptional full tax valuation allowance of US\$464m related to Brazilian sugar operations and discrete income tax charges of US\$98m; 35.0 per cent. statutory tax rate of the United States of America applied to all net income adjustments except tax

- 10 Balance sheet information reflects data for the LTM ended 31 August 2013 while income statement information reflects data for the LTM ended 28 February 2014. EBITDA and net income figures have been adjusted for exceptional items including gains/(losses) on disposal of property, plant and equipment, gains/(losses) on sale of subsidiary, restructuring costs, impairment on property, plant and equipment and other intangibles; 18.0 per cent. statutory tax rate of Switzerland applied to net income adjustments
- 11 Financial information reflects data for the LTM ended 31 December 2013
- 12 Financial information reflects data for the LTM ended 30 June 2013. EBITDA and net income figures have been adjusted for exceptional items including gains/(losses) on disposal of raw materials, by-products and scrap items, gains/(losses) on disposal of items of property, plant and equipment, gain on bargain purchase and reversal of impairment of receivables; 16.5 per cent. statutory tax rate of Hong Kong applied to net income adjustments
- 13 Financial information reflects data for the LTM ended 30 September 2013. EBITDA and net income figures have been adjusted for exceptional items including takeover response costs, GrainCorp Oils acquisition and integration costs and GrainCorp Malt acquisition trade tax and associated income; 30.0 per cent. statutory tax rate of Australia applied to net income adjustments

Based on Chart 18, we note that at the Offer Price:

- The implied multiples of the Company are above the range of the Singapore-listed Comparable Companies across Latest P/BV (**0.7 times to 1.3 times**) and Latest P/NTA (**0.7 times to 1.7 times**), within the range across LTM EV/Sales (**0.1 times to 1.2 times**) and LTM P/E (**13.9 times to 21.6 times**) and below the range on an LTM EV/EBITDA basis (**12.5 times to 14.0 times**);
- The implied multiples of the Company are within the range of the Rest of World Comparable Companies across LTM EV/Sales (**0.3 times to 1.5 times**), LTM EV/EBITDA (**6.6 times to 16.5 times**), LTM P/E (**12.3 times to 27.0 times**), Latest P/BV (**0.6 times to 3.6 times**) and Latest P/NTA (**0.6 times to 7.2 times**); and
- The implied multiples of the Company are above the range of the overall mean and median for LTM EV/EBITDA (**10.1 times to 10.8 times**) and within the range across LTM EV/Sales (**0.6 times to 0.7 times**), LTM P/E (**16.2 times to 17.2 times**), Latest P/BV (**1.3 times to 1.5 times**) and Latest P/NTA (**1.6 times to 2.1 times**)

**The above comparison with the Comparable Companies is for illustrative purposes only. We wish to highlight that the Comparable Companies universe used for this analysis is not exhaustive. The Comparable Companies may not be directly comparable with the Company and may vary with respect to, amongst others, the geographical spread of activities, business mix and model within the Agri industry, size of the addressable market for their products, scale of operations, asset intensity, financial leverage, accounting policies, risk profile, tax factors, and track record and future prospects. Accordingly, the Comparable Companies may not provide a meaningful basis for valuation comparison and any comparison made is necessarily limited.**

**The underlying financial data used to calculate the LTM EV/Sales, LTM EV/EBITDA, LTM P/E, Latest P/BV and Latest P/NTA in our analysis have been extracted from the relevant companies' financials and FactSet as at the Latest Practicable Date. Rothschild makes no representations or warranties, express or implied, as to the accuracy, completeness or sufficiency of such information.**

## 8.5. Precedent Transaction Analysis

We have reviewed selected transactions between 2006 and the Latest Practicable Date, involving the acquisitions of equity interests in Agri globally, and for which information is publicly available (“**Selected Global Agri Precedent Transactions**”). We have excluded transactions where the implied enterprise value is less than S\$750m for the purposes of collating a list of representative transactions.

A brief description of the companies selected for our analysis is set out below.

**Table 2 — Companies Underlying Selected Global Agri Precedent Transactions**

Target	Date of Announcement	Stake Acquired (per cent.)	Description (at time of acquisition)
<b>Selected majority-stake transactions in the global agri-commodity space</b>			
Noble Agri Limited	2-April-14	51	<ul style="list-style-type: none"> <li>Noble Group Limited operates as an investment holding company which engages in the global supply chain of agricultural and energy products, metals and minerals</li> <li>Noble Agri Limited, a wholly-owned subsidiary of Noble Group Ltd., consists of three distinct divisions, namely Grains and Oilseeds, Softs Trading, and Sugar Milling. Noble Agri Limited's asset footprint comprises over 45 assets with more than 13,000 employees in over 60 locations</li> </ul>
GrainCorp Ltd.	26-Apr-13	80	<ul style="list-style-type: none"> <li>GrainCorp Ltd. engages in the storage, handling and marketing of grain and bulk commodities globally</li> <li>The group is organised into the business segments of Storage &amp; Logistics, Marketing, Malt and Oils</li> <li>GrainCorp Ltd. was founded in 1916 and is headquartered in Sydney, Australia</li> </ul>
Petra Foods Ltd. (Cocoa Ingredients division)	12-Dec-12	100	<ul style="list-style-type: none"> <li>Petra Foods Ltd. operates as an investment holding company, which engages in the manufacturing and marketing of cocoa ingredients and consumer chocolate confectionery products</li> <li>Petra Foods (Cocoa Ingredients Division) is one of the world's major manufacturers and suppliers of premium cocoa ingredients, namely cocoa liquor, cocoa butter and cocoa powder, which form the basis for the chocolate products consumed by millions each day</li> <li>Petra Foods was founded by Chuang Tiong Choon John in August 1984 and is headquartered in Singapore</li> </ul>
Gavilon Holdings LLC	29-May-12	100	<ul style="list-style-type: none"> <li>Gavilon LLC is engaged in the provision of physical distribution, merchandising and trading services. It provides origination, storage and handling, transportation and logistics, marketing and distribution, and risk management services</li> <li>The company was founded in 2008 and is headquartered in Omaha, Nebraska, United States</li> </ul>



Target	Date of Announcement	Stake Acquired (per cent.)	Description (at time of acquisition)
Viterra Inc.	20-Mar-12	100	<ul style="list-style-type: none"> <li>▪ Viterra, Inc. is a vertically integrated global agri-business company, providing premium quality ingredients to global food manufacturers</li> <li>▪ The company operates through three business segments, namely Grain Handling and Marketing, Agri-Products, and Processing</li> <li>▪ The Grain Handling and Marketing segment operations accumulate, store, transport and market grains, oilseeds and special crops</li> <li>▪ The Agri-Products segment is involved in the sale of seeds, crop protection products, fertiliser and equipment to producers, as well as the operation of a wool brokering and export business</li> <li>▪ The Processing segment extends the company's pipeline by producing food ingredients for consumer products companies and food processors around the world</li> <li>▪ The company was founded on 25 March 1924 and is headquartered in Regina, Canada</li> </ul>
Multigrain AG	9-May-11	54	<ul style="list-style-type: none"> <li>▪ Multigrain AG is engaged in the origination, processing, export and marketing of soybeans, corn and cotton, and the import of wheat through its wholly owned subsidiary in Brazil, Multigrain S.A.</li> <li>▪ Multigrain AG is also engaged in the growing of soybeans, corn, cotton, and production of ginning cotton in Brazil through its wholly owned subsidiary, Xingu AG</li> </ul>
Commodity Management Business of AWB Ltd.	15-Dec-10	100	<ul style="list-style-type: none"> <li>▪ AWB Ltd. exports wheat and other related agricultural products. The company provides pool management services, rural services, landmark &amp; harvest financial services, commodity management and supply chain investments</li> <li>▪ AWB Ltd. was founded in 1939 and is headquartered in Melbourne, Australia</li> <li>▪ The Commodity Management Business of AWB Ltd. includes AWB Ltd.'s grain marketing and pool operations, international grain trading businesses, grain distribution and storage assets as well as other international operations</li> </ul>
AWB Ltd.	15-Aug-10	100	<ul style="list-style-type: none"> <li>▪ AWB Ltd. exports wheat and other related agricultural products. The company provides pool management services, rural services, landmark &amp; harvest financial services, commodity management and supply chain investments</li> <li>▪ AWB Ltd. was founded in 1939 and is headquartered in Melbourne, Australia</li> </ul>
Sucrogen Ltd.	5-Jul-10	100	<ul style="list-style-type: none"> <li>▪ Sucrogen Ltd. is the largest raw sugar producer and refiner in Australia and the eighth largest producer globally</li> <li>▪ The company is a major player in sugar and renewable energy, and is also invested in cane growing, sugar refining and ethanol</li> </ul>

Target	Date of Announcement	Stake Acquired (per cent.)	Description (at time of acquisition)
United Malt Holdings	6-Oct-09	100	<ul style="list-style-type: none"> <li>United Malt Holdings (“<b>UMH</b>”) is a leading global malt manufacturer, with operations in Australia, the United States, Canada and the United Kingdom. UMH supplies a number of the world’s largest brewers and distillers with malt. UMH is the fourth largest independent malt producer globally</li> <li>UMH currently operates 14 malt facilities which are located in, or with good access to, the world’s key barley growing and trading regions</li> <li>UMH operates in three geographic segments as four operating companies. Each of the four operating companies operates independently with the corporate head office function located in Omaha, Nebraska, United States</li> </ul>
ABB Grain Ltd.	19-May-09	100	<ul style="list-style-type: none"> <li>ABB Grain Ltd. (“<b>ABB</b>”) is a leading Australian agribusiness with a multi-faceted operation and an international focus</li> <li>ABB’s diversified operations stretch across the entire supply chain. The company’s core business divisions include national supply chain, grain marketing, malt and rural services</li> <li>ABB employs, 1,100 staff across its divisions throughout Australia and its international operations</li> </ul>
ConAgra Trade Group (Gavilon LLC)	27-Mar-08	100	<ul style="list-style-type: none"> <li>Gavilon LLC is engaged in the provision of physical distribution, merchandising and trading services. It provides origination, storage and handling, transportation and logistics, marketing and distribution, and risk management services</li> <li>The company was founded in 2008 and is headquartered in Omaha, Nebraska, United States</li> </ul>
Agricore United	28-Nov-06	100	<ul style="list-style-type: none"> <li>Agricore United Ltd. supplies crop nutrition and protection products in Canada. The firm provides farmers and end-users with a pipeline of products &amp; services and markets agricultural commodities domestically and internationally</li> <li>It also provides integrated grain, oilseeds, livestock and special crops marketing, and handling services through a prairie-wide network of elevators and specialised processing plants</li> <li>The company was founded in November, 2001 and is headquartered in Winnipeg, Canada</li> </ul>
<b>Selected minority-stake transactions in the global agri-commodity space</b>			
Shree Renuka Sugars Ltd.	20-Feb-14	28	<ul style="list-style-type: none"> <li>Shree Renuka Sugars Ltd. is a transnational agribusiness and bio-energy company. It manufactures and markets sugar and ethanol and also engages in the power generation business</li> <li>Shree Renuka Sugars Ltd. was founded by Vidya Madhusudan Murkumbi and Narendra Madhusudan Murkumbi in October 1995 and is headquartered in Mumbai, India</li> </ul>

Target	Date of Announcement	Stake Acquired (per cent.)	Description (at time of acquisition)
Noble Group Ltd.	21-Sep-09	15	<ul style="list-style-type: none"> <li>Noble Group Ltd. operates as an investment holding company which engages in the global supply chain of agricultural and energy products, metals and minerals</li> <li>It also manages a diversified portfolio of essential raw materials, integrating the sourcing, marketing, processing, financing and transportation of those materials. It operates through the following business segments: Agriculture, Energy as well as Metal, Minerals and Ores</li> <li>Noble Group was founded by Richard Samuel Elman in 1987 and is headquartered in Hong Kong</li> </ul>
Olam International Limited	1-Jun-09	14	<ul style="list-style-type: none"> <li>Olam is a leading agri-business operating from seed to shelf in 65 countries, supplying food and industrial raw materials to over 13,600 customers worldwide</li> <li>The Company has built a leadership position in many businesses including cocoa, coffee, cashew, rice and cotton</li> <li>Olam's heritage lies in the origination and traditional supply chain segment, sourcing products for its global customers</li> <li>Olam was listed on the Main Board of the Singapore Exchange in February 2005</li> </ul>

Source: Company Filings, Factiva and FactSet

Chart 19 sets out the implied transaction multiples for the Selected Global Agri Precedent Transactions:

Chart 19. Comparable Transaction Multiples											
Ann. Date	Acquiror	Target	Target Count	Note	% Stake	Enterprise value <sup>1</sup> (\$m)	Enterprise value / LTM Sales	Enterprise value / LTM EBITDA <sup>2</sup>	LTM P/E <sup>2</sup>	Price / Latest BV	Price / Latest NTA
Selected Majority-Stake Transactions in the Global Agri-Commodity Space											
2-Apr-14	COFCO Corporation	Noble Agri Limited	Singapore	3	51%	6,865	0.4x	NA	NA	1.1x	NA
26-Apr-13	Archer-Daniels-Midland Company	GrainCorp Ltd.	Australia	4	80%	5,003	1.0x	9.7x	16.0x	1.6x	2.3x
12-Dec-12	Barry Callebaut AG	Petra Foods Ltd. (Cocoa Ingredients division)	Singapore	5	100%	1,160	0.9x	18.3x	NA	NA	NA
29-May-12	Marubeni Corporation	Gavilon Holdings LLC	US	6	100%	NA	NA	NA	NA	1.9x	NA
20-Mar-12	Glencore International Plc	Viterra Inc.	Canada	7	100%	9,487	0.6x	10.9x	23.6x	1.5x	2.0x
9-May-11	Mitsui & Co Ltd.	Multigrain AG	Switzerland	8	54%	NA	NA	NA	NA	1.0x	NA
15-Dec-10	Cargill, Inc.	Commodity Management Business of AWB Ltd.	Australia	9	100%	1,132	NA	7.4x	NA	NA	NA
15-Aug-10	Agrium Inc.	AWB Ltd.	Australia	10	100%	2,423	0.3x	12.1x	21.1x	1.0x	1.5x
5-Jul-10	Wilmar International Ltd.	Sucrogen Ltd.	Australia	11	100%	2,044	1.0x	9.3x	17.0x	NA	2.3x
6-Oct-09	GrainCorp Ltd.	United Malt Holdings	Australia	12	100%	944	0.7x	5.7x	NA	NA	NA
19-May-09	Viterra Inc.	ABB Grain Ltd.	Australia	13	100%	2,465	1.0x	14.5x	32.3x	1.4x	2.2x
27-Mar-08	Investor Group	ConAgra Trade Group (Gavilon LLC)	US	14	100%	3,793	1.3x	4.2x	NA	NA	NA
28-Nov-06	Saskatchewan Wheat Pool	Agricore United	Canada	15	100%	2,506	0.5x	10.7x	29.0x	2.1x	2.3x
Selected Minority-Stake Transactions in the Global Agri-Commodity Space											
20-Feb-14	Wilmar International Ltd.	Shree Renuka Sugars Ltd.	India	16	28%	1,931	0.9x	7.4x	NM	0.9x	3.0x
21-Sep-09	China Investment Corporation (CIC)	Noble Group	Singapore	17	15%	10,443	0.3x	10.1x	11.7x	2.1x	2.1x
1-Jun-09	Temasek Holdings (Private) Limited	Olam International Ltd.	Singapore	18	14%	5,523	0.6x	12.8x	13.9x	2.5x	2.9x
Overall mean							0.7x	10.2x	20.6x	1.6x	2.3x
Overall median							0.7x	10.1x	19.0x	1.5x	2.3x
Olam (Offer)							0.7x	11.4x	16.3x	1.5x	1.8x

Source: Company Filings, Company presentations, Company press releases, FactSet and Mergermarket

#### Notes

- Market capitalisation is calculated on a fully-diluted basis assuming the treasury stock method. Enterprise value is calculated as market capitalisation plus net financial debt plus minority interest plus preference equity. Enterprise value is converted from local currency to S\$ using the exchange rate at the time of the transaction announcement, from FactSet

- 2 EBITDA and net income attributable to equity holders of the company are inclusive of share of associates' and joint ventures' income, and are adjusted for one-off and exceptional items as per footnotes below
- 3 COFCO (Hong Kong) Limited will make an initial payment of US\$1.5 billion which will be adjusted after completion so that the final consideration will be equal to 1.15 times of 51 per cent. of the audited book value of Noble Agri Limited for the financial year ending 31 December 2014. As at 31 December 2013, Noble Agri Limited had an audited book value of approximately US\$2.8 billion and net debt of approximately US\$2.5 billion as per Noble Group press release on 2 April 2014
- 4 Archer-Daniels-Midland Company's proposed acquisition of GrainCorp Ltd. was ultimately blocked by the Australian government in November 2013. Transaction details and outstanding shares are as per the Takeover Bid Implementation Deed filed with the SEC on 25 April 2013 (US timezone). Enterprise value adjusted for the A\$1 per share dividend as per Takeover Bid Implementation Deed but not including the planned A\$0.035 additional dividend per share for each month between 1 October 2013 until approvals are received for the completion of the deal. Balance sheet figures as of Graincorp 1H 31 March 2013 financial statements. Financial information reflects LTM 31 March 2013 figures adjusted for exceptional items including GrainCorp Oils acquisition and integration costs, Gardner Smith and Integro Foods acquisition related costs, share of associate results - Allied Mills insurance claim, takeover response costs, GrainCorp Malt acquisition trade tax and associated income and defined benefit plan adjustment; 30 per cent. Australia statutory tax rate applied to net income adjustments
- 5 Transaction details including enterprise value of US\$950 million as per Petra Foods Ltd. 12 December 2012 press release. Financial information reflects LTM 30 September 2012 figures as per Petra Foods 3Q 30 September 2012 and FY 31 December 2011 investor presentations
- 6 Transaction details as per Marubeni company press release on 29 May 2012 and company presentation dated 30 May 2012. Equity valuation of approximately US\$3.6 billion was disclosed but net debt and enterprise valuation were not disclosed, nor were any profit figures due to a confidentiality agreement. On 6 July 2013, Marubeni announced that it had completed the acquisition of all the assets and businesses of Gavilon for approximately US\$2.7 billion due to a final purchase price adjustment and the exclusion of Gavilon's energy business
- 7 LTM financials to 31 January 2012. EBITDA and net income figures have been adjusted for exceptional items such as gain/(loss) on disposal of assets, integration expenses and goodwill impairment; 26 per cent. Canadian statutory tax rate applied to net income adjustments. Note: Related to the transaction, Glencore entered into back-to-back agreements with (1) Agrium for the majority of the retail agri-product business of Viterra; and (2) Richardson International for 23 per cent. of the Canadian grain handling assets and certain agri-centres and processing facilities in North America
- 8 Transaction details as per Mitsui company press release on 9 May 2011. 100 per cent. equity valuation of approximately US\$508 million based on 53.9 per cent. stake acquisition value of US\$274 million. Net debt and enterprise valuation were not disclosed, nor were any profit figures
- 9 Transaction details as per Agrium press release on 15 December 2010. Transaction value calculated on a net asset value basis plus premium. A\$870 million enterprise value assuming net asset value as at 30 September 2010 as per Agrium press release, inclusive of A\$240 million of net indebtedness. Note that the transaction value did not include certain assets within the commodities business that Agrium proposed to sell separately. EBITDA for AWB's commodity management division represents the latest available LTM period to 30 September 2009. EBITDA figures are before significant non-recurring items as presented in the Independent Expert's Report in relation to the Agrium / AWB takeover dated 5 October 2010. EBITDA for the AWB commodity management division is calculated as the sum of the EBITDAs of the grain marketing, logistics and other investments, pool management and harvest finance and international commodity management divisions. Note that EBITDA excludes associate income and corporate overheads as these line items have not been allocated between the commodity management division and the rural services division
- 10 Transaction details, including outstanding shares, as per Agrium 15 August 2010 stock exchange announcement. Balance sheet figures as of AWB 2Q 30 March 2010 financial statements. Financial information reflects LTM 30 September 2009 figures. EBITDA and net income figures are before significant non-recurring items as presented in the Independent Expert's Report dated 5 October 2010 and include intercompany write-offs, restructuring costs, strategic project costs, impact of revaluation of employee share loans, legacy issues, provision for Standard Chartered Bank litigation and realised gains/(losses) on strategic investments; 30 per cent. Australia statutory tax rate applied to net income adjustments
- 11 Transaction details as per Wilmar 5 July 2010 press release. Deal multiples as per Wilmar 6 July 2010 investor presentation and represent LTM financials to 31 March 2010
- 12 Transaction details and LTM 30 June 2009 financials of United Malt Holdings obtained from Graincorp 6 October 2009 investor presentation. United Malt Holdings LTM EBITDA excludes unrealised mark to market derivatives adjustments
- 13 The offer consideration involved three alternatives. The offer price assumed in this analysis is A\$9.11 per share which represents the maximum cash consideration. Financials are LTM to 30 September 2008 and are sourced from the Independent Expert's Report dated 24 July 2009

- 14 Investor Group includes the Ospraie Special Opportunities Fund and other investors. Transaction details as per ConAgra Foods 23 June 2008 stock exchange announcement. Financial information reflects the LTM financials for ConAgra Trading and Merchandising operations to 28 February 2008 as per ConAgra's financial reports. Note that quarterly depreciation was not reported and therefore full-year depreciation to May 2007 has been assumed as LTM depreciation. Note that the division achieved significantly higher profitability in the LTM to February 2008 as a result of higher gross profits in its fertiliser, agricultural merchandising, energy trading and agricultural trading operations due to increasing commodity prices as a result of robust demand
- 15 C\$20.5 per share offer for Limited Voting Shares and C\$24 per share for Series A Convertible Preference Shares, based on final revised offer on 9 May 2007. Capital structure as of 30 April 2007 consolidated balance sheet. Financial information reflects the LTM financials to 30 April 2007. EBITDA and net income figures have been adjusted for exceptional items including gain/(loss) on disposal of assets, loss on settlement of swap and takeover bid response costs; 26 per cent. Canadian statutory tax rate applied to net income adjustments
- 16 Transaction details as per Wilmar press release dated 20 February 2014. Enterprise value, equity value and deal multiples are calculated on a pre-money basis. Price per share of preferential allotment of INR20.08. Subsequent to the initial investment by Wilmar there will also be an open offer for up to 26 per cent. of the expanded equity, followed by a rights issue. Financial information reflects financial year ended 31 Mar 2013 figures adjusted for exceptional items as reported by Shree Renuka in its accounts; 34 per cent. Indian statutory tax rate applied to net income adjustments. Balance sheet figures as at 31 March 2013. Quarterly reports do not disclose consolidated financials. Note that the LTM P/E ratio is "NM" as Shree Renuka has a negative adjusted net income
- 17 Transaction details obtained from Noble Group 24 September 2009 stock exchange announcement. Balance sheet details obtained from Noble Group 1H 30 June 2009 financial statements, with the implied enterprise value, equity values and deal multiples calculated on a pre-money basis. Stake acquired presented on a post-money basis. Financial information reflects LTM 30 June 2009. EBITDA and net income figures have been adjusted for exceptional items including arrangement fee income, gain on disposal of partial interest in a subsidiary, net loss/(gain) on disposal of property, plant and equipment, gain on disposal of long term investments, gain on repurchase of senior notes, impairment of long term investments, impairment of goodwill, gain on disposal of subsidiary, negative goodwill on acquisition of pre-existing interest in an acquired subsidiary at fair value and revaluation of pre-existing interest in an acquired subsidiary to fair value; 16.5 per cent. Hong Kong statutory tax rate applied to net income adjustments
- 18 Transaction details as per Olam International 1 June 2009 stock exchange announcement. Outstanding shares and balance sheet figures as per Olam International 3Q 31 March 2009 financial statements, with the implied enterprise value, equity value and deal multiples calculated on a pre-money basis. Stake acquired presented on a post-money basis. Financial information reflects LTM 31 March 2009 figures adjusted for exceptional items including (gain)/loss on disposal of property, plant and equipment, gain on convertible bonds buy back and negative goodwill arising from acquisitions; 18 per cent. Singapore statutory tax rate applied to net income adjustments

**The Independent Directors should note that the level of premium (if any) an acquirer would normally pay in a general offer, merger or take-over transaction varies in different circumstances depending on, inter alia, the attractiveness of the underlying business to be acquired, the synergies (if any) to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company, the form of consideration offered by an acquirer, the extent of control the acquirer already has in the target company and prevailing market conditions and expectations.**

**The Independent Directors should also note that the comparison is made without taking into consideration the relative efficiency of information or the underlying liquidity of the shares of the relevant companies, the performance of the shares of the companies or the quality of earnings prior to the relevant announcements and the market conditions, sentiments and expectations when the announcements were made.**

**The Selected Global Agri Precedent Transactions are provided for illustrative purposes only. The Selected Global Agri Precedent Transactions and the acquired companies may not be directly comparable with the Offer and the Company and may vary with respect to, amongst others, the acquisition of minority versus controlling stakes in the transactions, the liquidity of the underlying shares in the acquired companies and the prevailing market conditions at the time of the transactions, as well as the geographical spread of activities, business mix and model within the Agri industry, size of the addressable market for their products, scale of operations, asset intensity, financial leverage, accounting policies, risk profile, tax factors, track record and future prospects of the acquired companies. Accordingly, the Selected Global Agri Precedent Transactions may not provide a meaningful basis for comparison.**

We further wish to highlight that the underlying financial data used to calculate the LTM EV/Sales, LTM EV/EBITDA, LTM P/E, Latest P/BV and Latest P/NTA in our analysis have been extracted from the relevant companies' financials and filings, Mergermarket and FactSet as at the Latest Practicable Date. Rothschild makes no representations or warranties, express or implied, on the accuracy, completeness or sufficiency of such information.

Based on Chart 19, we note that at the Offer Price:

- The implied multiples of the Company are within the range of the majority-stake Selected Global Agri Precedent Transactions across LTM EV/Sales (**0.3 times to 1.3 times**), LTM EV/EBITDA (**4.2 times to 18.3 times**), LTM P/E (**16.0 times to 32.3 times**), Latest P/BV (**1.0 times to 2.1 times**) and Latest P/NTA (**1.5 times to 2.3 times**);
- The implied multiples of the Company are above the range of the minority-stake Selected Global Agri Precedent Transactions on LTM P/E (**11.7 times to 13.9 times**), within the range across LTM EV/Sales (**0.3 times to 0.9 times**), LTM EV/EBITDA (**7.4 times to 12.8 times**) and Latest P/BV (**0.9 times to 2.5 times**) and below the range on Latest P/NTA (**2.1 times to 3.0 times**); and
- The implied multiples of the Company are above the range of the overall mean and median on LTM EV/EBITDA (**10.1 times to 10.2 times**), within the range across LTM EV/Sales (**0.7 times to 0.7 times**) and Latest P/BV (**1.5 times to 1.6 times**), and below the range across LTM P/E (**19.0 times to 20.6 times**) and Latest P/NTA (**2.3 times to 2.3 times**).

We would also note in respect of the transaction that occurred on 1 June 2009, in which Temasek Holdings (Private) Limited acquired a 14% stake in the Company ("Original Transaction"), the Company's business and capital structure at the time were significantly different to the present day. To provide an indication of the difference in scale, the enterprise value implied by the Original Transaction was S\$5,523 million which compares to S\$13,637 million implied by the Offer Price. Therefore, we note that whilst the Original Transaction is a relevant reference point in the Selected Global Agri Precedent Transactions, it should not be viewed in isolation.



## 8.6. Precedent Take-overs Analysis

We have looked at completed general offers in Singapore between 1 January 2009 and the Latest Practicable Date, where the transaction size implied by the respective offer is greater than S\$100 million (“**Precedent Take-overs in Singapore**”).

Chart 20 sets out the premium/discount implied by the various transaction prices compared to the closing prices of each target 1-day prior, as well as the VWAP for the 1-month, 3-month, 6-month and 12-month periods prior, to the reference dates for the respective transactions.

**Chart 20. Precedent Take-overs in Singapore**

Ann. Date <sup>1</sup>	Target	Note	Premium / (discount) of the offer price over / to relevant prices prior to announcement				
			Closing 1-day <sup>2</sup> (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)
19-Oct-13	People's Food Holdings Ltd	3	2.6%	4.2%	10.0%	(6.4%)	(1.9%)
2-Sep-13	China Minzhong Food Corp Ltd	4	10.3%	5.5%	6.9%	2.2%	18.5%
1-Aug-13	Viz Branz Ltd	5	14.0%	17.9%	17.4%	17.4%	14.8%
21-Jun-13	Guthrie GTS Ltd	6	21.4%	21.9%	19.7%	20.2%	25.9%
9-May-13	WBL Corp Ltd	7	28.9%	27.6%	25.5%	28.9%	37.2%
18-Jan-13	Fraser & Neave Ltd	8	20.9%	31.7%	38.8%	41.5%	51.8%
5-Dec-12	SC Global Developments Ltd	9	49.4%	57.2%	58.0%	62.9%	71.1%
27-Aug-12	Sakari Resources Ltd	10	27.5%	33.8%	38.7%	22.6%	7.3%
17-Aug-12	Asia Pacific Breweries Ltd	11	52.8%	53.6%	55.2%	64.4%	85.5%
10-May-12	Wing Tai Holdings Ltd	12	18.3%	14.3%	9.6%	20.9%	13.6%
2-Apr-12	Adampak Ltd	13	21.7%	33.8%	38.2%	50.5%	50.5%
28-Dec-11	SMB United Ltd	14	33.3%	45.5%	50.9%	52.7%	56.3%
7-Oct-11	Heng Long International Ltd	15	76.5%	98.7%	106.9%	104.8%	91.1%
23-Aug-11	Asia Environment Holdings Ltd	16	33.3%	24.0%	21.0%	24.0%	35.1%
1-Aug-11	C&O Pharmaceutical Technology (Holdings) Ltd	17	11.1%	16.8%	20.2%	22.6%	4.8%
13-Jul-11	Portek International Ltd	18	97.2%	96.9%	122.9%	136.1%	170.3%
23-May-11	Allgreen Properties Ltd	19	39.1%	40.6%	45.3%	42.6%	43.1%
5-Mar-11	Sinomem Technology Ltd	20	28.4%	33.9%	34.5%	36.6%	31.0%
6-Jan-11	Kim Eng Holdings Ltd	21	55.8%	62.6%	67.9%	79.2%	74.5%
29-Oct-10	Thomson Medical Centre Ltd	22	62.0%	71.7%	90.2%	106.4%	124.9%
16-Aug-10	Pine AgriTech Ltd	23	11.1%	7.1%	18.6%	50.4%	29.7%
23-Jul-10	RSH Ltd	24	41.7%	NA	NA	32.8%	25.0%
27-May-10	Parkway Holdings Ltd	25	30.8%	20.4%	23.1%	29.1%	68.1%
18-Jan-10	Hongguo International Holdings Ltd	26	37.2%	31.4%	35.5%	36.8%	69.5%
15-Dec-09	Furama Ltd	27	37.0%	38.2%	42.6%	49.6%	64.5%
24-Aug-09	Sihuan Pharmaceutical Holdings Group Ltd	28	27.5%	24.4%	33.2%	36.4%	46.4%
24-May-09	Singapore Petroleum Co Ltd	29	24.0%	52.0%	90.0%	121.0%	54.0%
Mean			33.8%	37.1%	43.1%	47.6%	50.5%
Median			28.9%	32.8%	36.8%	36.8%	46.4%
Maximum			97.2%	98.7%	122.9%	136.1%	170.3%
Minimum			2.6%	4.2%	6.9%	(6.4%)	(1.9%)
14-Mar-14	Olam (Offer)		11.8%	24.3%	33.0%	39.9%	35.9%

**Source:** Thomson, Bloomberg, Company Filings on SGX-ST. Includes Singapore general offer transactions above S\$100m in value announced and completed since 1 January 2009 and excludes schemes of arrangement and voluntary de-listings

### Notes

- 1 Date on which the relevant offer was announced. If offer price was revised, then the date of the announcement of the final revision is taken
- 2 Premium calculated based on the last traded price on the respective reference dates
- 3 On 19 October 2013 New Oceana Ltd (“NOL”) announced a voluntary conditional offer for all the issued and paid-up ordinary shares in the capital of People's Food Holdings Ltd (“PFHL”). The market premia are calculated based on the offer price of S\$1.20 per share. The time reference for calculation of premia is 17 October 2013, being the last trading day on which the shares were traded on the SGX-ST prior to the trading halt on 18 October 2013



- 4 On 2 September 2013, PT Indofood Sukses Makmur Tbk ("ISM") announced a mandatory conditional cash offer for all the shares, other than those shares held as treasury shares and those shares owned, controlled or agreed to be acquired, directly or indirectly, by ISM in the capital of China Minzhong Food Corporation Ltd ("ISM Offer"). The market premia are calculated based on the offer price of S\$1.12 per share. The time reference for calculation of premia is 23 August 2013, being the last full market day on which shares were traded on the SGX-ST prior to the announcement of the ISM Offer
- 5 On 5 July 2013, Pluto Rising Pte. Ltd. ("PRPL") announced a mandatory unconditional cash offer for all shares, other than those already owned, controlled or agreed to be acquired by PRPL or persons acting in concert and treasury shares of Viz Branz Ltd at an offer price of S\$0.78 per share ("PRPL Offer"). On 1 August 2013, PRPL announced an increase in the offer price to S\$0.815 per share ("Revised PRPL Offer Price"). The market premia is calculated based on the Revised PRPL Offer Price. The time reference for calculation of premia is 4 July 2013, being the last day on which shares on the SGX-ST prior to the announcement of the PRPL Offer
- 6 On 21 June 2013, United SM Holdings Pte. Ltd. announced a voluntary unconditional cash offer for all the issued and paid-up ordinary shares in the capital of Guthrie GTS Ltd ("USMHPL Offer"). The market premium is calculated based on the offer price of S\$0.880 per share. The time reference for calculation of premia is 19 June 2013, being the last market day on which the shares were traded on the SGX-ST prior to the announcement of the USMHPL Offer
- 7 On 26 November 2012, Straits Trading Company Ltd announced a possible mandatory conditional offer ("STC Offer") for all stock units of WBL Corporation ("WBL"). On 30 January 2013, UE Centennial Venture Pte. Ltd. ("UECV"), a wholly owned subsidiary of United Engineers Ltd, announced a pre-conditional voluntary offer for all stock units in WBL Corp ("UE Pre-conditional Offer"). On 4 March 2013, the lapse of the STC Offer was announced. On 9 May 2013, UECV announced the revision of the offer price to S\$4.50 per share ("Revised UECV Offer Price"). The market premia are calculated based on the Revised UECV Offer Price. The time reference for calculation of premia is 23 November 2012, being the last full market day prior to the date of announcement of the STC Offer on which the shares were traded on the SGX-ST
- 8 On 16 July 2012, Oversea-Chinese Banking Corporation Ltd and Great Eastern Holdings Ltd announced that they had been approached with an offer to purchase their combined stakes in Fraser and Neave Ltd ("F&N") (the "OCBC and GE Offer Announcement regarding F&N"). On 13 September 2012, TCC Assets Ltd ("TCC") announced a mandatory conditional cash offer for all the shares of F&N other than those shares held as treasury shares and those shares which are owned, controlled or agreed to be acquired, directly or indirectly, by TCC and International Beverage Holdings Ltd ("TCC Offer"). On 18 January 2013, TCC announced the revision of the offer price for the TCC Offer from S\$8.88 per share to S\$9.55 per share ("Revised Offer Price"). The market premia are calculated based on the Revised TCC Offer Price. The time reference for calculation of premia is 16 July 2012, being the date of the OCBC GE Offer Announcement regarding F&N
- 9 On 5 December 2012, MYK Holdings Pte. Ltd. announced a voluntary unconditional cash offer for all the issued ordinary shares in the capital of SC Global Developments Ltd ("MYKH Offer"). The market premia are calculated based on the offer price of S\$1.80 per share. The time reference for calculation of premia is 30 November 2012, being the last trading day of the shares on the SGX-ST preceding the announcement of the MYKH Offer
- 10 On 27 August 2012, PTT Mining Ltd ("PTTML"), a wholly owned subsidiary of PTT International Company Ltd, announced a mandatory conditional cash offer for all the ordinary shares in the capital of Sakari Resources Ltd other than those already owned, controlled or agreed to be acquired by PTTML ("PTTML Offer"). The market premia are calculated based on the offer price (pre-dividend) of S\$1.90 per share. The time reference for calculation of premia is 24 August 2012, being the last trading day of the shares on the SGX-ST prior to the announcement of the PTTML Offer
- 11 On 16 July 2012, Oversea-Chinese Banking Corporation Ltd and Great Eastern Holdings Ltd announced that they had been approached with an offer to purchase their combined stakes in Asia Pacific Breweries Ltd ("APB") ("OCBC and GEH Announcement regarding APB"). On 17 August 2012, Heineken International B.V. ("Heineken") announced a pre-conditional mandatory cash offer for the acquisition of all APB shares other than those already owned, controlled or agreed to be acquired by Heineken or parties acting in concert. The market premia are calculated based on the offer price of S\$53.0 per share. The time reference for calculation of premia is 16 July 2012, being the date of the OCBC and GEH Announcement regarding APB
- 12 On 10 May 2012, Ascend Capital Ltd ("Ascend Capital") announced a voluntary conditional cash partial offer for 15 per cent of the issued and paid-up ordinary shares, other than the shares held in treasury and those already owned, controlled or agreed to be acquired by Ascend Capital and persons acting in concert, in the share capital of Wing Tai Holdings Ltd ("Ascend Capital Offer"). The market premia is calculated based on the offer price of S\$1.39 per share. The time reference for calculation of premia is 9 May 2012, being the last trading day prior to the announcement of the Ascend Capital Offer
- 13 On 2 April 2012, Safe Label Group Pte. Ltd. ("Safe Label") announced a voluntary conditional cash offer to acquire all of the issued and paid-up ordinary shares, other than the shares already owned or controlled by Safe Label and parties acting in concert, in the capital of Adampak Ltd ("Safe Label Offer"). The market premia are calculated based on the offer price of S\$0.42 per share. The time reference for calculation of premia is 29 March 2012, being the last full trading day of the shares on the SGX-ST prior to the announcement of the Safe Label Offer

- 14 On 31 October 2011, Profit Sea Holdings Ltd ("Profit Sea"), an indirect wholly-owned subsidiary of Boer Power Holdings Ltd, announced a voluntary conditional cash offer to acquire all the issued and fully paid-up ordinary shares, other than those already owned, controlled or agreed to be acquired by Profit Sea, in the capital of SMB United Ltd ("SMB United") at an offer price of S\$0.32 per share ("Profit Sea Offer"). On 28 December 2011, Osaki Electric Co., Ltd. announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of SMB United at an offer price of S\$0.40 per share ("Osaki Offer Price"). On 17 January 2012, the withdrawal of the Profit Sea Offer was announced. The market premia are calculated based on the Osaki Offer Price. The time reference for calculation of premia is 31 October 2011, being the last day on which the shares were traded on the SGX-ST prior to the announcement of the Profit Sea Offer
- 15 On 6 May 2011, Heng Long International Ltd ("Heng Long") announced that its substantial shareholders have been approached with a non-binding expression of interest in a possible transaction involving the shares or business of Heng Long ("Heng Long Holding Announcement"). On 7 October 2011, HLI Holding Pte. Ltd. announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Heng Long. The market premia are calculated based on the offer price of S\$0.60 per share. The time reference for calculation of premia is 5 May 2011, being the last full trading day of the shares on the SGX-ST prior to the Heng Long Holding Announcement
- 16 On 23 August 2011, Ciena Enterprises Ltd ("Ciena") announced a voluntary conditional offer to acquire all the issued and paid-up ordinary shares in the capital of Asia Environment Holdings Ltd. ("Asia Environment") at an offer price of S\$0.30 per share ("Ciena Offer"). On 29 August 2011, Ciena increased its stake in Asia Environment through open market purchases and resulted in the voluntary conditional offer being converted to a mandatory conditional offer. The market premia are calculated based on the offer price as stated in the Ciena Offer. The time reference for calculation of premia is 18 August 2011, being the last full trading day prior to the announcement of the Ciena Offer
- 17 On 1 August 2011, Shionogi & Co., Ltd. ("Shionogi") announced a possible mandatory unconditional cash offer to acquire all the ordinary shares in the capital of C&O Pharmaceutical Technology (Holdings) Ltd other than those already owned by Shionogi, its related corporations and their respective nominees ("Possible Shionogi Offer"). On 17 August 2011, the conditions that were set out in the Possible Shionogi Offer were fulfilled and consequently Shionogi announced a mandatory unconditional cash offer at an offer price of S\$0.50 per share ("Shionogi Offer Price"). The market premia are calculated based on the Shionogi Offer Price. The time reference for calculation of premia is 28 July 2011, being the last full trading day prior to the announcement of the Possible Shionogi Offer
- 18 On 1 June 2011, ICTSI Far East Pte. Ltd. ("ICTSI") announced a voluntary conditional cash offer to acquire all of the issued and paid-up ordinary shares in the capital of Portek International Ltd ("Portek") other than those already owned, controlled or agreed to be acquired by ICTSI and parties acting in concert with ICTSI at an offer price of S\$1.20 per share ("ICTSI Offer"). On 13 July 2011, Mitsui & Co., Ltd. ("Mitsui") announced a voluntary conditional cash offer to acquire all of the issued and paid-up ordinary shares in the capital of Portek other than those already owned, controlled or agreed to be acquired by Mitsui and parties acting in concert with Mitsui at an offer price of S\$1.40 per share ("Mitsui Offer Price"). On 1 August 2011, the ICTSI Offer was withdrawn. The market premia are calculated based on the Mitsui Offer Price. The time reference for calculation of premia is 31 May 2011, being the last full trading day prior to the announcement of the ICTSI Offer
- 19 On 23 May 2011, Brookvale Investments Pte. Ltd. announced a voluntary conditional cash offer to acquire all the issued ordinary shares in the capital of Allgreen Properties Ltd ("Brookvale Offer"). The market premia are calculated based on the offer price of S\$1.60 per share. The time reference for calculation of premia is 20 May 2011, being the last trading day prior to the announcement of the Brookvale Offer
- 20 On 5 March 2011, Clean Water Investment Ltd announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Sinomem Technology Ltd ("Clean Water Offer"). The market premia are calculated based on the offer price of S\$0.70 per share. The time reference for calculation of premia is 1 March 2011, being the last trading day prior to the announcement of the Clean Water Offer
- 21 On 17 December 2010, Kim Eng Holdings Ltd ("Kim Eng") announced that it had received approaches from potential interested parties in relation to a possible acquisition of shares in the capital of Kim Eng ("Kim Eng Holding Announcement"). On 6 January 2011, Mayban IB Holdings Sdn. Bhd. (formerly known as Aseam Credit Sdn. Bhd.), a wholly-owned subsidiary of Malayan Banking Berhad ("Maybank"), announced that it intended to make a mandatory conditional cash offer for all the ordinary shares, other than those shares already owned by Maybank or its related corporations or their respective nominees, in the capital of Kim Eng subject to the satisfaction of certain pre-conditions ("Possible Maybank Offer Announcement"). On 5 May 2011, the pre-conditions that were set out in the Possible Maybank Offer Announcement were fulfilled and Maybank announced a mandatory unconditional cash offer. The market premia are calculated based on the offer price of S\$3.10 per share. The time reference for calculation of premia is 16 December 2010, being the last full trading day of the shares on the SGX-ST prior to the Kim Eng Holding Announcement
- 22 On 29 October 2010, Sasteria Pte. Ltd. ("Sasteria") announced a mandatory conditional cash offer for all issued shares, other than those already owned, controlled or agreed to be acquired directly or indirectly by Sasteria, in Thomson Medical Centre Ltd. ("Sasteria Offer"). The market premia are calculated based on the offer price of S\$1.75 per share. The time reference for calculating the premia is 28 October 2010, being the last market day on which the shares were traded on the SGX-ST prior to the announcement of the Sasteria Offer
- 23 On 16 August 2010, Link Crest Ltd. ("LC") announced a mandatory conditional offer to acquire all the issued and paid-up ordinary shares in the capital of Pine Agritech Ltd. ("LC Offer"). The market premia are calculated based on the offer price of S\$0.20 per share. The time reference for calculation of premia is 12 August 2010, being the last trading day on which the shares were traded on the SGX-ST prior to the announcement of the LC Offer

- 24 On 23 July 2010, Peak Retail Investments Pte. Ltd. ("PRI") announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of RSH Ltd. ("PRI Offer"). The market premia are calculated based on the offer price of S\$0.85 per share. The time reference for calculation of premia is 23 March 2010, being the last trading day on which the shares were traded on the SGX-ST prior to the announcement of the PRI Offer
- 25 On 27 May 2010, Integrated Healthcare Holdings Ltd. ("IHH"), an indirect wholly-owned subsidiary of Khazanah Nasional Berhad, announced a voluntary conditional cash partial offer to acquire an approximate 27.5 per cent. stake in the capital of Parkway Holdings Ltd. for an offer price of S\$3.78 per share ("IHH Partial Offer"). On 26 July 2010, the IHH Partial Offer was converted into a voluntary conditional cash general offer ("IHH Offer") at an offer price of S\$3.95 per share ("IHH Offer Price"). The market premia are calculated based on the IHH Offer Price. The time reference for calculation of premia is 26 May 2010, being the market day on which the shares were traded on the SGX-ST immediately prior to the announcement of the IHH Partial Offer
- 26 On 18 January 2010, Info Giants Investments Ltd. ("IGI") announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Hongguo International Holdings Ltd. ("IGI Offer"). The market premia are calculated based on the offer price of S\$0.439 per share. The time reference for calculation of premia is 17 January 2010, being the last trading day on which the shares were traded on the SGX-ST prior to the announcement of the IGI Offer
- 27 On 15 December 2009, Samta Hotels Pte. Ltd. ("Samta") announced a voluntary unconditional cash offer to acquire all the issued ordinary shares, other than those already owned, controlled or agreed to be acquired by Samta, in the capital of Furama Ltd. ("Furama"). The market premium is calculated based on the offer price of S\$2.00 per share. The time reference for calculation of premia is 14 December 2009, being the last trading day prior to the announcement of the Samta Offer
- 28 On 24 August 2009, China Pharma Ltd. announced a voluntary conditional cash offer to acquire all the issued and paid-up ordinary shares in the capital of Sihuan Pharmaceutical Holdings Group Ltd. ("CP Offer"). The market premium is calculated based on the offer price of S\$0.975 per share. The time reference for calculation of premia is 23 August 2009, being the last full market day prior to the announcement of the CP Offer
- 29 On 24 May 2009, Petrochina International (Singapore) Pte. Ltd. ("Petrochina") announced a pre-conditional mandatory cash offer to acquire all of the issued ordinary shares in the capital of Singapore Petroleum Company Ltd. at an offer price of S\$6.25 per share ("Petrochina Offer"). On 21 June 2009, the pre-conditions set out in Petrochina Offer were fulfilled and Petrochina announced a mandatory unconditional cash offer. The market premium is calculated based on the offer price of the Petrochina Offer. The time reference for calculation of premia is 22 May 2009, being the last full market day before the announcement of the Petrochina Offer

Based on Chart 20, we note that:

- The implied premia of the Offer Price are within the range of the Precedent Take-overs in Singapore for Closing 1-day (**2.6 per cent. to 97.2 per cent.**), 1-month (**4.2 per cent. to 98.7 per cent.**), 3-month (**6.9 per cent. to 122.9 per cent.**), 6-month (**negative 6.4 per cent. to 136.1 per cent.**) and 12-month VWAPs (**negative 1.9 per cent. to 170.3 per cent.**); and
- The implied premia of the Offer Price are within the range of the overall mean and median of the Precedent Take-overs in Singapore for 6-month VWAP (**36.8 per cent. to 47.6 per cent.**), and below the range of the overall mean and median for Closing 1-day (**28.9 per cent. and 33.8 per cent.**), 1-month (**32.8 per cent. to 37.1 per cent.**), 3-month (**36.8 per cent. to 43.1 per cent.**) and 12-month VWAP (**46.4 per cent. to 50.5 per cent.**).

We also note that the mean and median premia for the Precedent Take-overs in Singapore from 1 January 2013 to the Latest Practicable Date are lower than the overall mean and median in Chart 20. For the purposes of comparison, the mean and median 1-month, 3-month, 6-month and 12-month take-over premia for the Precedent Take-overs in Singapore from 1 January 2013 to the Latest Practicable Date are 18.1 per cent. and 19.9 per cent., 19.7 per cent. and 18.6 per cent., 17.3 per cent. and 18.8 per cent. and 24.2 per cent. and 22.2 per cent. respectively.

The Independent Directors should note that the level of premium (if any) an acquirer would normally pay in a general offer, merger or take-over transaction varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies (if any) to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target

company, the form of consideration offered by an acquirer, the extent of control the acquirer already has in the target company and the prevailing market conditions and expectations.

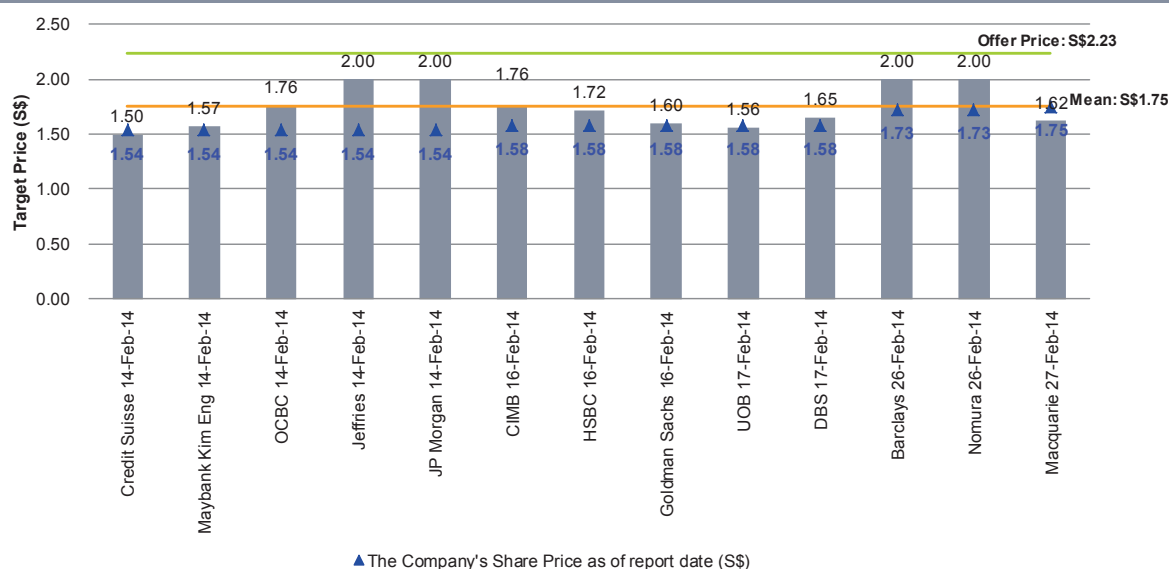
The Independent Directors should also note that the comparison is made without taking into consideration the underlying liquidity of the shares of the relevant companies, the performance of the shares of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made or the desire or relative need for control leading to compulsory acquisition. Moreover, as the Company is not necessarily in the same industry and does not conduct the same businesses as the other target companies in Chart 20, it may not, therefore, be directly comparable to the target companies in terms of geographical spread of activities, composition of business activities, product lines, size of addressable market, scale of operations, asset intensity, financial leverage, risk profile, client base, accounting policies, track record, prospects and other relevant criteria. Accordingly, the Precedent Take-overs in Singapore may not provide a meaningful basis for comparison.

## 8.7. Broker Research Price Targets for the Shares

We have reviewed the price targets for the Shares estimated by broker research as set out in Bloomberg in Charts 21 and 22.

The Company is covered by 19 brokerage houses according to Bloomberg. Between 14 February 2014, being the release of the Company's results for the second quarter and six months ended 31 December 2013, and the Offer Announcement Date, 13 brokerage houses issued research reports with a price target on the Company, according to Bloomberg data.

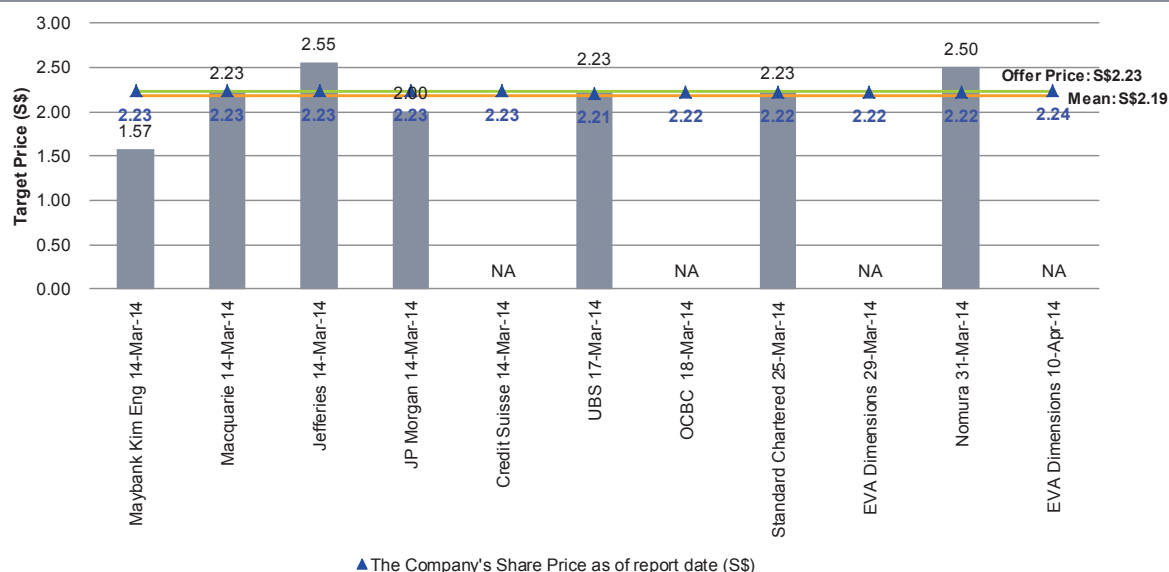
**Chart 21. Broker Price Targets (pre-Offer Announcement Date)**



Source: Bloomberg

From the Offer Announcement Date to the Latest Practicable Date, 11 brokerage houses issued updated research reports on the Company, according to Bloomberg data.

**Chart 22. Broker Price Targets (post-Offer Announcement Date)**



Source: Bloomberg

Based on Charts 21 and 22, we note that:

- The Offer Price is at a premium of 27.5 per cent. over the mean pre-Offer Announcement broker price target of S\$1.75 and 11.5 per cent. over the maximum pre-Offer Announcement broker price target of S\$2.00; and
- The Offer Price is at a premium of 2.0 per cent. over the mean post-Offer Announcement broker price target of S\$2.19 and a discount of 12.5 per cent. to the maximum post-Offer Announcement broker price target of S\$2.55.

We wish to highlight that the above broker research report universe may not be exhaustive and price targets for the Shares and other statements and opinions contained in the reports within the universe used represent the individual views of the broker research analyst based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the Company) prevailing at the date of the publication of the respective broker research reports. The opinions of the brokers may change over time as a result of, among other things, changes in market conditions, the Company's market development and the emergence of new information relevant to the Company. As such, the above price targets may not be an accurate prediction of future market prices of the Shares.

Any opinions or price targets expressed in such broker research reports represent the individual views of the respective brokers and not of Rothschild.

## 8.8. Summary of Analyses set out in Sections 8.3 to 8.7

We have set out in Chart 23 below a summary of how the Offer Price compares to the analyses set out in Sections 8.3 to 8.7.

Chart 23. Summary of Analyses <sup>1</sup>							
Analysis	Max <sup>2</sup>	Min <sup>2</sup>	Mean <sup>2</sup>	Median <sup>2</sup>	Company <sup>3</sup>	Offer Relative To:	
						Max-Min Range <sup>4</sup>	Mean-Median Range <sup>4</sup>
<b>Historical Trading Performance Analysis of the Company (x)</b>							
Historical LTM EV/Sales	0.66	0.52	0.58	0.61	0.68	Above	Above
Historical LTM EV/EBITDA	11.6	9.1	10.2	10.2	11.4	Within	Above
Historical LTM P/E	14.3	9.1	10.5	10.3	16.3	Above	Above
Historical Latest P/BV	1.3	0.9	1.1	1.1	1.5	Above	Above
Historical Latest P/NTA	1.6	1.1	1.3	1.3	1.8	Above	Above
<b>Trading Comparables Analysis (x)</b>							
LTM EV/Sales	1.5	0.1	0.7	0.6	0.7	Within	Within
LTM EV/EBITDA	16.5	6.6	10.8	10.1	11.4	Within	Above
LTM P/E	27.0	12.3	17.2	16.2	16.3	Within	Within
Latest P/BV	3.6	0.6	1.5	1.3	1.5	Within	Within
Latest P/NTA	7.2	0.6	2.1	1.6	1.8	Within	Within
<b>Precedent Transactions Analysis (x)</b>							
LTM EV/Sales	1.3	0.3	0.7	0.7	0.7	Within	Within
LTM EV/EBITDA	18.3	4.2	10.2	10.1	11.4	Within	Above
LTM P/E	32.3	11.7	20.6	19.0	16.3	Within	Below
Latest P/BV	2.5	0.9	1.6	1.5	1.5	Within	Within
Latest P/NTA	3.0	1.5	2.3	2.3	1.8	Within	Below
<b>Precedent Take-overs Analysis (%)</b>							
Premium to Closing 1-day	97.2	2.6	33.8	28.9	11.8	Within	Below
Premium to 1-month VWAP	98.7	4.2	37.1	32.8	24.3	Within	Below
Premium to 3-month VWAP	122.9	6.9	43.1	36.8	33.0	Within	Below
Premium to 6-month VWAP	136.1	(6.4)	47.6	36.8	39.9	Within	Within
Premium to 12-month VWAP	170.3	(1.9)	50.5	46.4	35.9	Within	Below
<b>Broker Research Price Targets for the Shares (\$\$)</b>							
Pre-Offer Announcement Date	2.00	1.50	1.75	1.72	2.23	Above	Above
Post-Offer Announcement Date	2.55	1.57	2.19	2.23	2.23	Within	Within

### Notes

- Summary of analyses set out in Section 8.3 to 8.7
- Maximum, minimum, mean and median of the respective benchmarks
- Implied by the Offer Price
- Parameters implied by the Offer Price relative to the minimum and maximum, and mean and median range of the respective benchmarks

Based on Chart 23, we note that the metrics implied by the Offer Price are either above or within the maximum and minimum, mean and median range implied by all analyses set out in Chart 23, with the exception of the LTM P/E and Latest P/NTA mean and median range of the Precedent Transactions Analysis; and the Premium to Closing 1-day, and 1-month, 3-month and 12-month VWAPs mean and median ranges of the Precedent Take-overs Analysis.



## 8.9 The Company's Strategy Review

On 25 April 2013, the Company announced the outcome of its annual strategy review and strategic plan for the three-year period from financial year ending 30 June 2014 to financial year ending 30 June 2016 ("**Company's Strategy Review**"). As outlined by the Company, the Company's Strategy Review was an intensive process that was based on a clear understanding of the evolving market context and its resulting impact on the Company's strategic options and performance targets. The Company's Strategy Review was particularly broad in its considerations as the Company actively consulted and considered feedback from both internal and external sources, and various stakeholders. The process also reviewed past strategies and their impact, including the previous 2009 plan that was updated in 2011.

As part of the Company's Strategy Review, the Company established four key priorities, summarised as follows:

- 1) Acceleration of free cash flow generation
- 2) Reduction of gearing
- 3) Reduction of complexity
- 4) Promotion of better understanding of the Company's business

In addition, six pathways were established to realise these four priorities:

- 1) Recalibration of pace of investments
- 2) Optimisation of balance sheet
- 3) Pursuit of opportunities for unlocking intrinsic value
- 4) Reshaping of portfolio and reduction of complexity
- 5) Improvement of operating efficiencies
- 6) Enhancement of stakeholder communication

As a result of the Company's Strategy Review, the Company has described its intention to explore a wide array of strategic options to unlock value for Shareholders in the Company's announcement and subsequent presentation made by management dated 25 April 2013. An extract from the Company's Strategy Review presentation is reproduced in italics below:

*"Olam has built several valuable businesses such as the Packaged Foods, Palm and Rubber businesses where there is significant potential to release cash and unlock value, and to enable the business to grow to its full potential. This will be achieved through selective joint ventures, strategic alliances, equity carve-outs and de-consolidations. In addition, Olam will continue to review its portfolio and divest any non-core assets, as it did recently with the sale of its Basmati rice milling facility in India."*

As reported in the Company's results briefing for the second quarter ended 31 December 2013, the Company has highlighted progress made on the execution of its strategic plan, including: the moderated pace of capital expenditure investments, which decreased to S\$262.4 million in the six months ended 31 December 2013 from S\$469.6 million in the previous period; significant improvement across all cash flow metrics; lower net gearing of 2.06 times as of 31 December 2013 compared to 2.21 times as of 31 December 2012; and the announcement of ten initiatives expected to release cash of approximately S\$445 million, generate a profit and loss gain of approximately S\$76 million, and add a further S\$16 million to capital reserves.

In addition, the Company, in a stock exchange announcement on the Update on Gabon Fertiliser Project dated 28 March 2014, reiterated its intention to reduce its final equity stake in the Gabon Fertiliser Project to below 50 per cent. On the same day, the Company announced that the Republic of Gabon will increase its stakes in Olam Palm Gabon and Olam Rubber Gabon, in line with the Company's strategic plan to unlock value by seeking strategic partners to share investments in capital intensive and long gestation projects.

In this context, the Directors have indicated to us that certain parts of the Company's business may be included in such future initiatives to unlock value. We further understand the Company will seek to make appropriate disclosures on any transactions as and when any such initiative becomes sufficiently certain so as to be discloseable under relevant regulations. Based on our discussion with



the Directors, they have indicated that as of the Latest Practicable Date, while various exploratory discussions are underway, they are not aware of any potential transactions that are imminent, material and discloseable which should be specifically highlighted to shareholders and these discussions may or may not result in an actual transaction in the future.

#### **8.10. Commentary on Specific Company Assets and Investments**

In our analysis, we have applied the various analyses as set out in Section 6 to the Company as a whole. We have not considered the Company on a “sum-of-the-parts” basis due to the inherent difficulties in applying such an approach which include limited financial disclosure on the Company’s individual business units, in addition to a limited set of comparable companies for each specific business unit, some or all of which may not be identical to the Company’s respective business units.

At the same time, we note that there are certain activities the Company is invested in that are in early or immature stages of development and are therefore not presently contributing to the consolidated sales or earnings of the Company, although a value is attributed by the carrying value of the relevant assets and investments on the consolidated balance sheet. We have also considered to what extent the Company has material investments that may not be contributing to the consolidated sales or earnings of the Company at present, but could still be of material value to the Company on the whole.

In our review of the Company, we have identified the following specific assets and investments that we believe merit individual consideration: PureCircle Ltd., the Packaged Food Business, the Gabon Fertiliser Complex, and a group of various other development projects announced by the Company. We comment on each of these below.

##### **8.10.1 PureCircle Ltd. (“PCL”)**

We note that the Company has an 18.6 per cent. equity interest in PCL, a leading provider of natural, zero-calorie, high-intensity sweeteners from the stevia plant. PCL is listed on London’s Alternative Investment Market (“AIM”). We consider the history of the Company’s investment in PCL below, alongside a multiples analysis of the Company based on the Offer including and excluding the market value of its PCL stake.

##### **A. History of the Company’s Investment in PCL**

On 1 July 2008, the Company announced a 50:50 joint venture with Wilmar International Ltd. (“**Wilmar**”) named Olam Wilmar Investment Holdings (“**OWIH**”) to acquire a 20 per cent. interest in PCL from existing shareholders for an aggregate consideration of US\$106.2 million (implying a purchase consideration of £2.01 per share for 26.54 million shares in PCL (“**PCL Shares**”)).

In November 2009, PCL raised £40 million through the placement of 20 million new PCL Shares at an issue price of £2.00 each. The Company subscribed to 20 per cent. of the placing.

On 16 December 2009, the Company announced the acquisition of Wilmar’s entire ownership of PCL for an aggregate consideration of £33.18 million (implying a purchase consideration of £2.50 per share). Following the acquisition of Wilmar’s stake, the Company became the largest shareholder in PCL at that time, holding 30,544,609 PCL Shares, or approximately 20 per cent. of PCL’s share capital.

On 8 August 2012, PCL completed a £20 million share placement to Wang Tak Company Ltd., as a result of which the Company’s shareholding in PCL was reduced to 18.6 per cent.

On 18 March 2014, PCL announced the resignation of the Company’s Chief Executive Officer, Mr. Sunny Verghese from the board of PCL as a result of increasing business commitments.

As of the Latest Practicable Date, the Company currently holds 30,544,609 PCL Shares or an 18.6 per cent. stake in PCL. The closing price of PCL Shares, as of the Latest Practicable Date, was £6.225 per share, implying a market valuation of the Company’s stake of S\$398.2 million based on an exchange rate of £1 to S\$2.09 as of the Latest Practicable Date. According to the Company, the

weighted average acquisition price per share of the Company's stake in PCL is £2.22.

## B. Re-classification of and adjustment for PCL Investment

The value of the Company's investment in PCL is recorded at cost plus accumulated share in net losses on its consolidated balance sheet. Further to our discussions with the Company's management, we understand that as a result of the resignation of the Company's Chief Executive Officer from the board of PCL, announced on 18 March 2014, and the fact that the Company's equity interest in PCL is less than 20 per cent., the Company's stake in PCL shall be accounted for as an investment held for sale, rather than as a holding in an associated company, in the Company's third quarter and nine months results ending 31 March 2014 scheduled to be released in May 2014. This change in accounting treatment will require the Company to mark its PCL shareholding to market which is expected to result in an exceptional gain ("**PCL Expected Gain**") in the Company's profit & loss account.

In respect of the PCL Expected Gain, we note that this is an exceptional and non-recurring event unrelated to the fundamental operations of the Company's business. Given the above, we have not specifically ascribed an individual value to the Company's stake in PCL, on a standalone basis, into our analysis. However, as set out in Chart 24, we have considered how the multiples implied by the Offer for the Company would adjust if it were assumed the Offeror was implying full value for the Company's PCL stake in line with PCL's market price as at the Latest Practicable Date.

Chart 24. Implied Multiples of the Company under the Offer <sup>1</sup>				
Equity and enterprise value calculations of PCL (\$m)			Note	
Equity value (basic)			2	2,146
<b>Equity value (diluted)</b>			<b>3</b>	<b>2,229</b>
Enterprise value (basic)			4	2,253
<b>Enterprise value (diluted)</b>			<b>5</b>	<b>2,335</b>
Implied multiples of the Company under the Offer	Note	Including PCL	Note	Excluding PCL
LTM EV/EBITDA	6	11.4x	7	11.0x
LTM P/E	6	16.3x	7	15.1x

Source: Company Filings and FactSet as of the Latest Practicable Date

### Notes

- Assuming an exchange rate of US\$1:S\$1.25 and £1:S\$2.09 extracted from FactSet as of the Latest Practicable Date
- Calculated by taking PCL's share price as of the Latest Practicable Date and multiplying by PCL's basic number of shares issued and outstanding of 164.6 million as at 31 December 2013 as reported in PCL's half year results
- Adding the dilutive effects of the stock options to the basic equity value based on the treasury stock method
- Enterprise value (basic) is the sum of equity value (basic) plus net financial debt plus minority interests
- Enterprise value (diluted) is the sum of equity value (diluted) plus net financial debt plus minority interests
- As per implied multiples of the Offer Price. There is no material change in the LTM EV/Sales, Latest P/BV and Latest P/NTA multiples for the Company under the Offer Price whether the PCL stake is included or excluded
- Implied multiples of the Company excluding PCL calculated by deducting the implied equity value (basic) of the Company's 18.6 per cent. stake in PCL (\$\$398.2 million) from the implied fully-diluted equity value and fully-diluted enterprise value implied by the Offer Price to obtain \$5,219.4 million and \$13,238.6 million respectively. the Company's reported LTM EBITDA and net income have also been correspondingly adjusted by excluding the Company's share in the LTM net losses of PCL

With respect to Chart 24, we note that the LTM EV/EBITDA and LTM P/E multiples implied by the Offer Price, excluding the Company's PCL stake, are **11.0 times** and **15.1 times** respectively which compare to the multiples including the Company's PCL stake of **11.4 times** and **16.3 times** respectively. The LTM EV/Sales, Latest P/BV and Latest P/NTA multiples are not materially different whether the Company's PLC stake is included in the calculation or not.

We further wish to highlight that the price of the PCL Shares is and will continue to be affected to varying extents by changes in, *inter alia*, market, economic, political, industry, monetary and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical prices of the PCL Shares should not be relied upon as a promise of its future trading performance.

#### 8.10.2 Packaged Food Business (“PFB”)

We note that the Company operates a leading branded food business in several West African markets through PFB. We outline some of the key aspects of PFB below which is sourced from the Company’s Investor Day presentation dated 30 September 2013:

- Seven core markets: Nigeria, Ghana, Mali, Burkina Faso, Niger, Togo and Benin;
- Eight key product categories: tomato paste, MSG seasonings, milk powder, biscuits, candies, juice, dairy beverages and instant noodles;
- Top two player in four categories;
- Sales of approximately US\$350 million;
- Sales growth rate of approximately 79 per cent. from FY2011 to FY2013; and
- Organic sales growth rate of approximately 36 per cent. from FY2011 to FY2013

Consequent to the Strategic Review, the Company has publicly stated it would like to explore the divestment of a minority stake to a strategic investor or an equity carve out to grow and unlock value from the PFB platform. Based on our discussion with the Directors, they have indicated that as of the Latest Practicable Date, while various exploratory discussions are underway, they are not aware of any potential transactions that are imminent, material and discloseable which should be specifically highlighted to shareholders and these discussions may or may not result in an actual transaction in the future.

Although part of the food value chain, PFB’s business is different in nature to the Company’s core agricultural supply chain management business as it focuses on the manufacturing and marketing of end-consumer branded products. As such, there is arguably a different group of comparable companies to which PFB could be benchmarked and valued on a standalone basis.

We note however, that there has been no disclosure by the Company of the financials of PFB, with the exception of the approximate sales figure of US\$350 million which was made available to the public in the Company’s Investor Day presentation dated 30 September 2013. We believe attempting to ascribe any standalone value on the basis of this one data point, without any broader disclosure or understanding of the historical sales and earnings of PFB, is not possible. In addition, we note that many of the Comparable Companies described in Table 1 also have a down-stream, end-consumer element to their business, in addition to their core mid-stream supply chain operations. **For the foregoing reasons, we are not able to ascribe any specific value to PFB.**

#### 8.10.3 Gestating Assets

We note that the Company has grown significantly since its Initial Public Offering (“IPO”) in 2005. From the financial year 2005 to the financial year 2013, the Company recorded a sales and reported net income CAGR of 25.6 per cent. and 23.5 per cent. respectively. We also note that growth has slowed in the most recent years with the Company recording a sales and reported net income CAGR of 14.7 per cent. and negative 8.2 per cent. respectively from the financial year 2011 to the financial year 2013.

We note that the shift in the Company’s growth profile has been, in part, due to an expanded capital expenditure program in various business segments, together with selected entry into new business areas. We note that these moves have involved, in some cases, interests in projects and investments that are currently in immature or development phases and hence, do not yet contribute materially to the Company’s consolidated profit & loss statement (“**Gestating Assets**”). Based on our discussions with the Directors, we understand the most material Gestating Asset is the Gabon Fertiliser Complex which we comment on over the page together with an overview of other Gestating Assets.

## A. Gabon Fertiliser Complex (“GFC”)

On 13 November 2010, the Company announced a joint venture with the Republic of Gabon (“**RoG**”) to set-up a port-based ammonia-urea fertiliser complex in Gabon for a total investment of US\$1.3 billion. Concurrently, the Company signed a 25-year competitive natural gas fixed-price contract with the RoG to secure a guaranteed quantity and quality of gas as feedstock for the urea plant. The investment was intended to be financed according to a debt:equity ratio of 65:35, with the debt portion estimated to comprise US\$845 million of non-recourse debt financing and the Company’s share of the equity investment (80 per cent. of the total equity) estimated at US\$364 million, to be phased over the three-year development and construction period. The investment rationale behind the investment in GFC, as communicated by the Company in its press release on 13 November 2010, is summarised in italics:

*“Key industry trends in the agri-commodity sector indicate an increasing global demand-supply imbalance going forward. This trend is driven by rapidly increasing demand for agricultural commodities due to i) rising population, ii) increasing food consumption (with higher disposable incomes), iii) shift in dietary habits to a more protein and fats-based diet that requires more feed grains, and iv) growing use of biofuels, a new source of demand for agricultural raw materials. The supply side is constrained by i) decreasing arable land, ii) impact of urbanisation on arable land availability; iii) shortage of water resources, iv) impact of climate change on crop production; v) logistics and infrastructure constraints; and vi) environmental constraints. Fertiliser will be a key yield lever to alleviate this global agri demand-supply imbalance. Urea demand in particular is expected to grow at a CAGR of 3% going forward.*

*The Fertiliser business has strong linkages with Olam’s core business. Olam is a focused agri-business company with a well balanced and diversified portfolio of 20 agricultural commodities. The Company has over 1.5 million direct grower relationships and privileged access to large state owned commodity boards that directly source fertilisers for onward supply to their grower base. Olam also has existing physical presence in critical fertiliser end-markets including the US, Latin America, West Africa and India which would be key markets for the proposed urea project. Participation in fertilisers will also cater to the Company’s captive in-house demand from its growing participation in upstream plantation and farming businesses.*

*The key determinants of profitability for urea are access to i) low-cost natural gas (main feedstock), ii) economies of scale, iii) favourable plant location for logistics cost efficiencies and iv) ease of market access. This proposed urea project in Gabon scores favourably on all the above key success factors.*

*Through this partnership with RoG, Olam will be able to access guaranteed long term supply of low-cost natural gas and operate a large scale production facility, leading to economies of scale. A favourable port location granted by Gabon for building the urea complex reduces freight costs and provides the flexibility to readily ship either ammonia or urea based on market dynamics. Gabon’s relative proximity, compared to the other main urea exporters to key markets (mainly US, Brazil and West Africa) also contributes to lower freight costs. The urea complex will benefit from these advantages to become one of the lowest cost production facility for urea globally, ensuring sizeable excess returns with a significant margin of safety.”*

On 11 April 2011, the Company announced that Tata Chemicals Limited (“**TCL**”), a part of the Tata Group of Companies, would invest US\$290 million to acquire a 25.1 per cent. equity stake in GFC from the Company and the RoG. The investment by TCL represented an enterprise valuation of US\$2 billion for GFC or a 54 per cent. premium over its book value and a 154 per cent. premium over the book value of its equity at the time. Following TCL’s acquisition of its 25.1 per cent. stake, the Company’s and the RoG’s shareholding in GFC would reduce from 80.0 per cent. to 62.9 per cent. and from 20.0 per cent. to 12.0 per cent. respectively. Correspondingly, the Company’s share of the total equity investment in GFC would reduce from US\$364 million to US\$146 million.

On 28 March 2014, Tata announced that it did not complete its acquisition of a 25.1 per cent. equity stake in GFC for strategic reasons, and as at the Latest Practicable Date, the Company still retains an 80.0 per cent. stake in GFC.

During the financial year ending 30 June 2012, the Company completed the Front End Engineering Design (“FEED”) with Technip France and received Environmental Impact Assessment (“EIA”) clearance from the Government of Gabon. As of 30 June 2012, the Company’s invested capital in GFC was S\$59.9 million as per the Company’s annual report for the year ending 30 June 2013.

During the financial year ending 30 June 2013, the Company initiated the land development work for GFC and completed the dredging and site preparation for further civil works to commence. As of 30 June 2013, the Company’s invested capital in GFC was S\$106.0 million as per the Company’s annual report for the year ending 30 June 2013.

Based on the latest publicly available information, as of 31 December 2013, the Company’s invested capital in GFC was S\$158.4 million as per the Company’s results presentation for the six months ended 31 December 2013. We further note that this invested capital is included within the consolidated financial statements inclusive the consolidated balance sheet of the Company, and is therefore considered in the implied Latest P/BV and Latest P/NTA multiples of the Offer Price.

Consequent to the Strategic Review, the Company has publicly stated that it would like to sell down its stake in GFC to below 50 per cent. Based on our discussion with the Directors, they have indicated that as of the Latest Practicable Date, while various exploratory discussions are underway, they are not aware of any potential transactions that are imminent, material and discloseable which should be specifically highlighted to shareholders and these discussions may or may not result in an actual transaction in the future.

We also note that GFC currently does not contribute materially to the Company’s consolidated earnings, as it is still in construction phase. Further, as at the Latest Practicable Date, the exact project timeline, required investment and potential returns remain uncertain.

**Given the above, we have not ascribed any specific value to the Company’s stake in GFC in our analysis, beyond the value ascribed to this project by the Company in its consolidated balance sheet.**

## **B. Other Gestating Assets**

In addition to GFC, the Company has various other Gestating Assets including, *inter alia*:

### **(i) Olam Palm Gabon (“OPG”)**

On 13 November 2010, the Company announced that it had entered into a joint venture agreement with the RoG to initially develop, in Phase 1, 50,000 hectares of palm plantations in Gabon. The Company was to hold a 70 per cent. interest in the joint venture company with the remaining 30 per cent. held by the RoG. As part of the agreement, the RoG committed to the joint venture a land bank of 300,000 hectares for palm and rubber plantation development in multiple phases. Planting was expected to commence in early 2012 and to be completed by 2016. The investment rationale behind the investment in OPG, as communicated by the Company in its press release on 13 November 2010, is summarised in italics below:

*“Land availability and suitability: Access to 300,000 hectares of sizeable, contiguous land in suitable agro-climatic conditions (soil and rainfall) for growing palm, with minimal threat from local community or land rights issues. The soil conditions and the rainfall pattern are capable of yielding up to 26 metric tonnes of FFB per hectare. Given that palm can only be grown within 6 to 8 degrees of the equator, and large tracts of land suitable for greenfield palm development in the traditional growing regions are becoming increasingly scarce, Olam’s access to prime land in suitable soil and agro-climatic condition in Gabon is very valuable.*

*Cost competitiveness: The project is expected to be competitive factoring in development and operating costs as well as freight advantages to the destination markets of Africa and Europe. In addition, Gabon is expected to enjoy less inflationary pressures compared to Southeast Asian palm producing nations. The project will also benefit from government incentives on taxes and duties given*



*Gabon's efforts to promote palm as a key lever of economic development. Olam will also benefit from synergies in overheads through existing presence in Gabon and other upstream investments.*

*Environmental sustainability: The Gabon palm project is envisaged to be fully RSPO compliant. This would provide superior market access, especially in the EU, as more and more major end users are demanding RSPO compliant oil. This advantage is especially salient as just approximately 7% of global CPO production is currently certified RSPO compliant.*

*Plantation management expertise: Olam has accumulated internal expertise in managing upstream plantation and farming activities through its various investments including almonds, coffee, cotton and peanuts. Specific to this investment, Olam is assembling a world-class palm team and is being advised by renowned industry experts."*

As at the end of February 2014, OPG has planted 12,710 hectares and the Company stated that it was on course to complete Phase 1 planting of 50,000 hectares by 2017. In addition, Environmental and Social Impact Assessment ("ESIA") due-diligence based on recognised international standards and Roundtable on Sustainable Palm Oil ("RSPO") New Planting Procedures have been completed and approved by external certification agencies, as well as local regulatory authorities.

On 28 March 2014, the Company announced that it would reduce its equity stake in OPG from 70 per cent. to 60 per cent. with the RoG increasing its stake from 30 per cent. to 40 per cent.

(ii) Olam Rubber Gabon ("**ORG**")

On 19 March 2012, the Company announced that it had entered into a joint venture agreement with the RoG to initially develop, in Phase 1, 28,000 hectares of rubber plantations in Gabon. The Company was to hold an 80 per cent. interest in the joint venture company with the remaining 20 per cent. held by the RoG. Planting was expected to commence by FY2013 and be completed by FY2019. The Company's investment rationale behind the investment in ORG was similar to the investment rationale behind its investment in OPG outlined above.

As at the end of February 2014, ORG has planted 2,019 hectares as part of the Phase 1 development of 28,000 hectares. In the absence of an established industry environmental and social standard for rubber, ORG initiated its own benchmark standards based on its learnings from its operations within RSPO & Forest Stewardship Council ("**FSC**") principles and criteria, which include the Free, Prior and Informed Consent ("**FPIC**") of communities and protection of High Conservation Value ("**HCV**") areas.

On 28 March 2014, the Company announced that it would reduce its equity stake in ORG from 80 per cent. to 60 per cent. with the RoG increasing its stake from 20 per cent. to 40 per cent. The reduction in the Company's stake in ORG is in line with its strategic plan to unlock value by seeking strategic partners to share investments in capital intensive and long gestation projects. The Company expects this transaction, together with the reduction in its stake in OPG, to release cash of approximately US\$30.0 million which will result in a gain of US\$14.5 million that will be credited to capital reserves. The RoG is investing a combined US\$56.8 million towards additional equity in both OPG and ORG.

- (iii) Other assets including, *inter alia*:
- Ivory Coast cocoa processing; and
  - Cameroon and Senegal flour milling.

We note that there is limited disclosure regarding the status of each of the Company's Gestating Assets, in particular the financials in respect of such Gestating Assets. We further note that in the case of OPG and ORG above, further investment and time will be required before these investments contribute materially to the Company's consolidated sales and earnings.

**Given the above, we have not ascribed any specific value to the Gestating Assets in our analysis, beyond the value ascribed by the Company in its consolidated balance sheet.**

## 9. EVALUATION OF THE CONVERTIBLE BONDS OFFER

In the course of our evaluation of the Convertible Bonds Offer, we have given due consideration to, *inter alia*, the following factors:

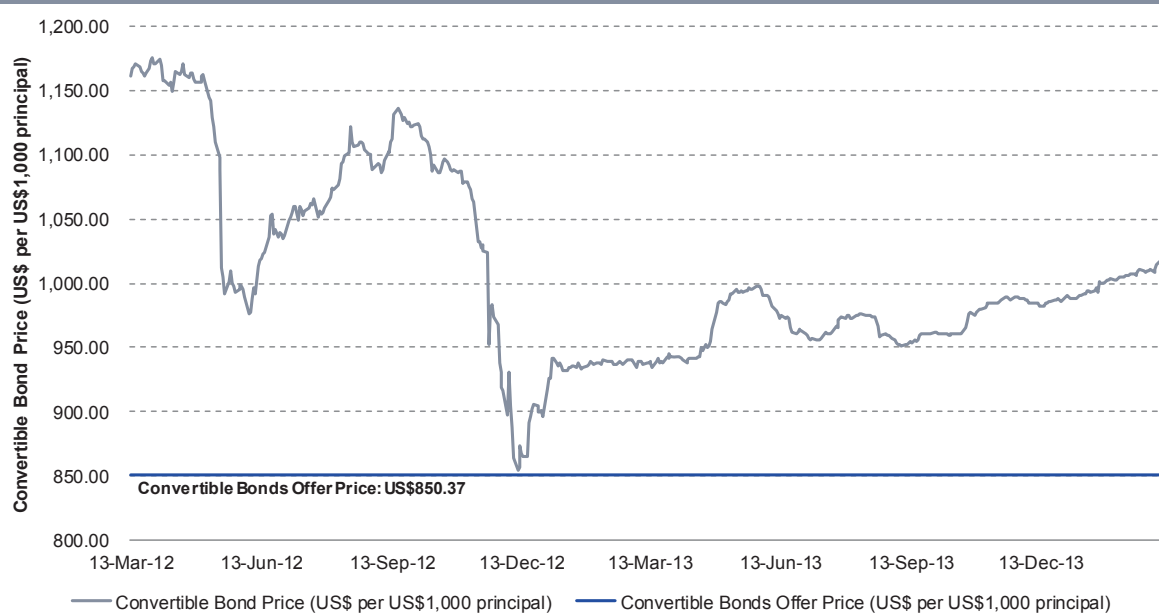
- (i) Historical Price and Trading Analysis of the Convertible Bonds;
- (ii) Convertible Bonds Offer Price and Conversion Price (as defined herein);
- (iii) Other Valuation Methodologies;
- (iv) Conditionality of the Convertible Bonds Offer; and
- (v) Redemption of the Convertible Bonds and Change of Control.

### 9.1 Historical Price and Trading Analysis of the Convertible Bonds

We have compared the Convertible Bonds Offer Price to the historical and current price performance of the Convertible Bonds over different observation periods in Charts 25 to 27.

We set out in Chart 25 the daily prices of the Convertible Bonds for the period from 13 March 2012 to the Last Trading Day.

**Chart 25. Convertible Bond Price Performance until the Last Trading Day<sup>1,2</sup>**



**Source:** Bloomberg as of the Last Trading Day

#### Notes

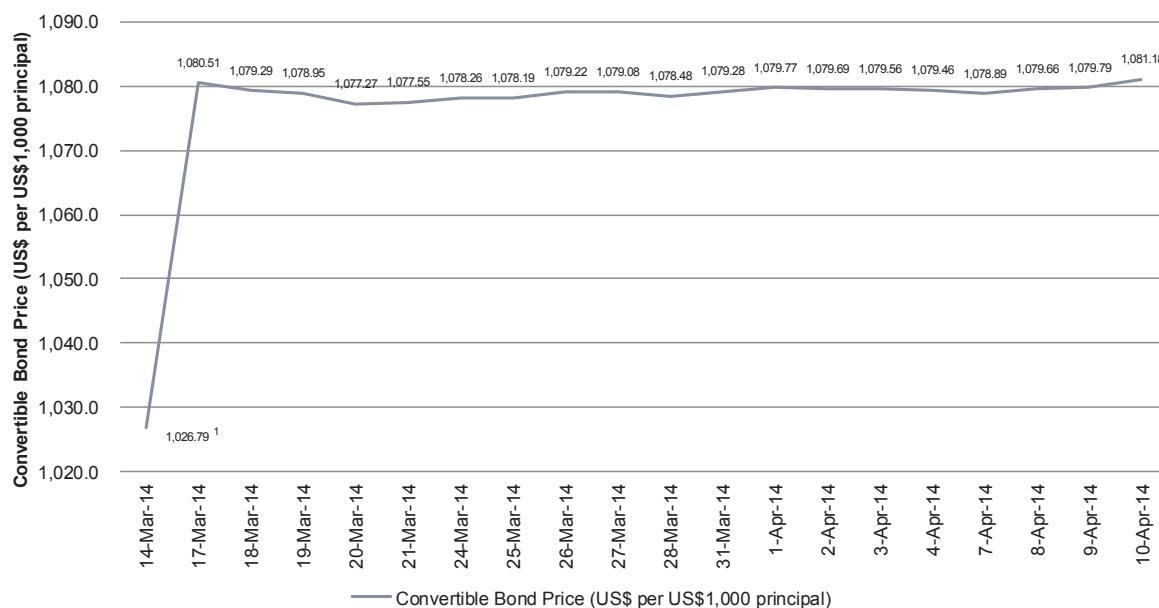
- 1 Trading in the Convertible Bonds was halted on 13 March 2014 and resumed after the Offer Announcement on 14 March 2014
- 2 For the period from 13 March 2012 to the Last Trading Day

Based on Chart 25, we note that over the period from 13 March 2012 to the Last Trading Day, the price of the Convertible Bonds decreased by 11.6 per cent., based on closing prices of US\$1,161.90 and US\$1,027.62 per US\$1,000 principal respectively.



We set out in Chart 26 the daily closing prices of the Convertible Bonds from the Offer Announcement Date to the Latest Practicable Date.

**Chart 26. Post-Announcement Convertible Bond Price Performance**



**Source:** Bloomberg as of the Latest Practicable Date

#### Notes

<sup>1</sup> Last quoted price as per Bloomberg at 11:00AM SGT

Based on Chart 26, we note that, from the Offer Announcement Date to the Latest Practicable Date, the closing prices of the Convertible Bonds ranged between US\$1,026.79 and US\$1,081.18 per US\$1,000 principal.

We set out in Chart 27 the premia implied by the Convertible Bonds Offer Price over the average prices of the Convertible Bonds for the 1-week, 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Day. Chart 27 also sets out the premia/discounts implied by the Convertible Bonds Offer Price over the closing price of the Convertible Bonds on the Latest Practicable Date, one trading day following the Offer Announcement Date and on the Last Trading Day.

**Chart 27. Analysis of Convertible Bond Price Performance**

	Price Basis	Price US\$	Offer Price % Premium / (Discount)
Latest Practicable Date (10 April 2014)	Closing Price	1,081.18	(21.3%)
1 Trading Day Post Offer Announcement Date (17 March 2014)	Closing Price	1,080.51	(21.3%)
<b>Convertible Bonds Offer Price (14 March 2014)<sup>1</sup></b>		<b>850.37</b>	
Last Trading Day (12 March 2014)	Closing Price	1,027.62	(17.2%)
<b>Calendar Period Average Price Prior to Offer Announcement Date<sup>2</sup></b>			
1 Week Period up to Last Trading Day	Average <sup>3</sup>	1,020.69	(16.7%)
1 Month Period up to Last Trading Day	Average <sup>3</sup>	1,011.96	(16.0%)
3 Month Period up to Last Trading Day	Average <sup>3</sup>	999.42	(14.9%)
6 Month Period up to Last Trading Day	Average <sup>3</sup>	986.59	(13.8%)
12 Month Period up to Last Trading Day	Average <sup>3</sup>	975.86	(12.9%)

**Source:** Offer Document and Bloomberg as of the Latest Practicable Date

#### Notes

- 1 Convertible Bonds Offer Price of S\$1,077.58 per US\$1,000 principal converted to US\$850.37 based on the LTD FX Rate, and subject to a further US\$30 adjustment for the Interest Payment (as defined below) payable on 15 April 2014
- 2 Periods analysed are as follows - 1 week up to the Last Trading Day: 6 March 2014 to 12 March 2014, 1 month up to the Last Trading Day: 13 February 2014 to 12 March 2014, 3 months up to the Last Trading Day: 13 December 2013 to 12 March 2014, 6 months up to the Last Trading Day: 13 September 2013 to 12 March 2014 and 12 months up to the Last Trading Day: 13 March 2013 to 12 March 2014
- 3 Simple average of daily prices for the relevant periods

Based on Chart 27, we note the following:

- The Convertible Bonds Offer Price represents a discount of approximately 21.3 per cent. over the closing price of the Convertible Bonds of US\$1,081.18 on the Latest Practicable Date and a discount of 21.3 per cent. over the closing price of the Convertible Bonds of US\$1,080.51 one trading day after the Offer Announcement Date;
- The closing price of the Convertible Bonds on the Latest Practicable Date of US\$1,081.18 represents an increase of approximately 5.2 per cent. over the closing price of US\$1,027.62 on the Last Trading Day;
- The Convertible Bonds Offer Price represents a discount of approximately 17.2 per cent. over the closing price of the Convertible Bonds of US\$1,027.62 on the Last Trading Day; and
- The Convertible Bonds Offer Price represents discounts of approximately 16.7 per cent., 16.0 per cent., 14.9 per cent., 13.8 per cent. and 12.9 per cent., respectively, over the average prices of the Convertible Bonds in the 1-week, 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Day.

**We note that an interest payment is due to be paid to the Bondholders on 15 April 2014 (the "Interest Payment"), and pursuant to the terms and conditions of the Convertible Bonds, the books closure date to determine the Bondholders entitled to the Interest Payment is 31 March**

2014. As the Offeror will not be entitled to receive the Interest Payment in respect of any of the Convertible Bonds tendered in acceptance of the Convertible Bonds Offer, an amount equivalent to the Interest Payment due will be deducted from the Convertible Bonds Offer Price payable to accepting Bondholders. The Interest Payment due on each US\$1,000 principal amount of Convertible Bonds is US\$30. Accordingly, accepting Bondholders will receive US\$820.37 for every US\$1,000 principal amount of Convertible Bonds tendered in acceptance of the Convertible Bonds Offer, being the Convertible Bonds Offer Price of US\$850.37 for every US\$1,000 principal amount of Convertible Bonds less the Interest Payment of US\$30 due on each US\$1,000 principal amount of Convertible Bonds.

We also note that there is no assurance that the price of the Convertible Bonds will remain at current levels. In addition, the past price performance of the Convertible Bonds is not indicative of the future price performance of the Convertible Bonds. Finally, we note there is also no guarantee the Convertible Bonds will, if unconverted at the time of maturity, be capable of redemption at 100 per cent. of their principal amount, together with unpaid accrued interest (if any).

## 9.2 Convertible Bonds Offer Price and Conversion Price

In accordance with Note 1(a) on Rule 19 of the Code, the Convertible Bonds Offer Price is the “see-through” price, i.e. the Offer Price multiplied by the number of conversion Shares into which the principal amount of such Convertible Bonds tendered towards the Convertible Bonds Offer may otherwise be converted (rounded down to the nearest Conversion Share).

As an example, for every US\$1,000 principal amount of outstanding Convertible Bonds, a cash sum of US\$850.37 will be offered as part of the Convertible Bonds Offer, calculated as follows:

- US\$1,000 multiplied by the fixed exchange rate (“**Bonds FER**”) of S\$1.44 to US\$1.00 = S\$1,440
- S\$1,440 divided by the conversion price (“**Convertible Bonds Conversion Price**”) of S\$2.98 = 483.22 new conversion Shares
- 483.22 new conversion Shares multiplied by the Offer Price of S\$2.23 = S\$1,077.58
- S\$1,077.58 divided by the LTD FX Rate = US\$850.37

The Bonds FER, which is a fixed, not a floating exchange rate, is in accordance with the terms of the Convertible Bonds offering circular dated 13 October 2009 (“**CB Offering Circular**”) and the Convertible Bonds Conversion Price is as reported in the Company’s financial year ended 30 June 2013 annual report on page 196.

According to the example provided above, for every US\$1,000 principal amount of outstanding Convertible Bonds, a cash sum of US\$850.37 would be offered as part of the Convertible Bonds Offer. The Convertible Bonds Offer Price therefore equates to a discount of 15.0 per cent. to the principal amount. We note that this discount arises from the fact that the Convertible Bonds Conversion Price of S\$2.98 is higher than the Offer price of S\$2.23.

In addition, we note as per the Offer Document, the Convertible Bonds Offer Price will be subject to a US\$30 adjustment for the Interest Payment payable on 15 April 2014. Accordingly, accepting Bondholders will receive US\$820.37 for every US\$1,000 principal amount of Convertible Bonds tendered in acceptance of the Convertible Bonds Offer or a discount of 18.0 per cent. to the principal amount.

Finally, we note that as the Convertible Bonds Offer Price is calculated on the basis of a “see-through” price, the consideration a Bondholder would receive from accepting the Convertible Bonds Offer would be the same as if the Bondholder were to convert the Convertible Bonds held to Shares and accept the Offer Price.

### 9.3 Other Valuation Methodologies

We note that, in addition to the “see-through” price methodology prescribed by the Code, there exist other fundamental valuation methodologies, such as binomial and trinomial models, through which the Convertible Bonds may be priced. The outputs from such models are driven by a number of input variables, which, depending on the specific assumptions adopted, can lead to higher or lower prices for the Convertible Bonds relative to the “see-through” price methodology.

These variables include, *inter alia*: the volatility estimation, the credit spread and the stock-borrow cost. It should be noted that the theoretical value of the Convertible Bonds using these other methodologies may not reflect the actual price of the Convertible Bonds to be transacted in the market, and there can be no assurance that an active trading of the Convertible Bonds will ensue or will trade at close to the theoretical value as suggested by these other methodologies.

### 9.4 Conditionality of the Convertible Bonds Offer

We note that the Convertible Bonds Offer is subject to and conditional upon the Offer Price becoming or being declared unconditional in all respects in accordance with its terms. If the Offer lapses, the Convertible Bonds Offer shall lapse accordingly. The Offer Price and the Convertible Bonds Offer are separate and are mutually exclusive, such that the Convertible Bonds Offer does not form part of the Offer Price and vice versa.

### 9.5 Redemption of Convertible Bonds and Change of Control

We note that Bondholders have the option to hold their Convertible Bonds until the maturity date on 15 October 2016, as stipulated in the CB Offering Circular, at which point the Convertible Bonds may be redeemed for 100 per cent. of their principal amount, together with unpaid accrued interest (if any) on the maturity date.

As stated in the CB Offering Circular, under the terms and conditions of the Convertible Bonds (“**CB Terms and Conditions**”), following the occurrence of a Relevant Event (as defined in the CB Offering Circular) each Bondholder will have the right (the “**Redemption Right**”), at such Bondholder’s option, to require the Company to redeem all or some only of such Bondholder’s Convertible Bonds at a redemption price equal to 100 per cent. of their principal amount together with accrued, but unpaid, interest (calculated up to, but excluding, the date fixed for redemption).

As defined in the CB Offering Circular, a Relevant Event occurs upon:

- (a) the Shares ceasing to be listed or admitted to trading or suspended for a period equal to or exceeding 30 days on the SGX-ST or, if applicable, the Alternative Stock Exchange (as defined therein); or
- (b) the occurrence of a Change of Control (as defined in the CB Offering Circular) with respect to the Company.

We note, however, the Offeror’s preference, according to the Offer Document, to keep the Company listed, although it has no obligation to do so.

The Company has also received advice from English counsel that, based on the terms of the Consortium Agreement and the description of the terms and conditions of the Convertible Bonds in the CB Offering Circular, the entry by the Offeror and the Consortium Members (as defined herein) into the Consortium Agreement (as defined herein) does not, by itself, result in a Change of Control in respect of the Company which would trigger the Redemption Right.

In connection with the Offer for Securities, a Change of Control could arise if:

- (i) the Offeror or the Offeror and any other Person(s) (as defined in the CB Offering Circular) acting together acquires Control of the Company, if the Offeror and/or such other Person(s) does not or do not have, and would not be deemed to have, Control of the Company on 15 October 2009 (being the Closing Date (as defined in the CB Offering Circular)); or
- (ii) the Offeror and/or one or more other Persons (other than any Person referred to in subparagraph (i) above) acquires the legal or beneficial ownership of all or substantially all of the issued share capital of the Company.

For the avoidance of doubt, if the Offeror acquires or controls more than 50 per cent. of the voting rights in relation to the Shares pursuant to the Offer or otherwise, this will constitute a Change of Control which would trigger the Redemption Right.

For the purposes of the CB Offering Circular:

**"Control"** means the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Company's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

#### **9.6 Change of Control Conversion Period**

In addition, the CB Terms and Conditions provide for a period where there is an adjustment to the Convertible Bonds Conversion Price (as defined in the CB Offering Circular) upon conversion of the Convertible Bonds in accordance with Section 6E of the CB Offering Circular following a Change of Control (the **"Change of Control Conversion Period"**). Bondholders are encouraged to refer to Section 6E of the CB Offering Circular for further detail on the specific adjustment mechanism and period of the Change of Control Conversion Period.

## 10. EVALUATION OF THE WARRANTS OFFER

In the course of our evaluation of the Warrants Offer, we have given due consideration to, *inter alia*, the following factors:

- (i) Historical price and trading analysis of the Warrants
- (ii) Warrants Offer Price and Exercise Price;
- (iii) Warrants Exercise Period and Expiration Date (as defined herein);
- (iv) Other valuation methodologies;
- (v) Conditionality of the Warrants Offer; and
- (vi) Implications of delisting or suspension for Warrantholders (see Section 11.5).

### 10.1 Historical Price and Trading Analysis of the Warrants

We have considered the historical trading volume of the Warrants for the 1-week, 1-month, 3-month, 6-month and 12-month periods leading up to the Latest Practicable Date, as well as the period from the Offer Announcement Date to the Latest Practicable Date, as set out in Chart 28.

Chart 28. Historical Trading Volume <sup>1</sup>					
Calendar period up to the Latest Practicable Date <sup>1</sup>	VWAP <sup>2</sup> (US\$)	Total Volume Traded ('000)	Avg. Daily Trading Value (US\$'000)	Avg. Daily Trading Volume ('000)	Avg. Daily Trading Volume / Free Float <sup>3</sup> (%)
12-month	0.387	68,251.000	112.461	290.430	0.14%
6-month	0.433	44,188.000	167.669	387.614	0.19%
3-month	0.468	37,109.000	289.431	618.483	0.30%
1-month	0.506	30,789.000	707.749	1,399.500	0.69%
1-week	0.508	1,635.000	166.153	327.000	0.16%
From Offer Announcement Date to the Latest Practicable Date	0.515	29,199.000	752.441	1,459.950	0.72%

**Source:** Offer Document and Bloomberg as of the Latest Practicable Date

#### Notes

- 1 Periods analysed are as follows - 12 months up to the Latest Practicable Date: 11 April 2013 to 10 April 2014, 6 months up to the Latest Practicable Date: 11 October 2013 to 10 April 2014, 3 months up to the Latest Practicable Date: 11 January 2014 to 10 April 2014, 1 month up to the Latest Practicable Date: 11 March 2014 to 10 April 2014 and 1 week up to the Latest Practicable Date: 4 April 2014 to 10 April 2014. Only trading days have been included in the analysis
- 2 VWAP calculated as the average daily trading value / average daily trading volume for the relevant period
- 3 Free float amount excludes the Warrants held by the Offeror and Concert Parties as of the Latest Practicable Date

Based on Chart 28, for the 12-month period shown ending on the Latest Practicable Date, the average daily trading value has been approximately US\$112,461. We note that the analysis of the historical trading volume of the Warrants includes the period from the Offer Announcement Date to the Latest Practicable Date, and announcements related to the Offer may have had an impact on the trading volume of the Warrants during this period. In particular, we note that for the 1-month period shown ending on the Latest Practicable Date, the average daily trading value and volume increased significantly to US\$707,749 and 1,399,500 Warrants respectively. This compares with the 3-month average daily trading value and volume of US\$289,431 and 618,483 Warrants respectively.

We have compared the Warrants Offer Price to the historical and current price performance of the

Warrants over different observation periods in Charts 29 to 31.

We set out in Chart 29 the daily prices of the Warrants and daily trading volumes for the period from 31 January 2013, being the listing date of the Warrants ("**Warrants Listing Date**"), to the Last Trading Day.

**Chart 29. Warrant Price Performance and Trading Volume until the Last Trading Day<sup>1,2</sup>**



**Source:** Bloomberg as of the Last Trading Day

#### Notes

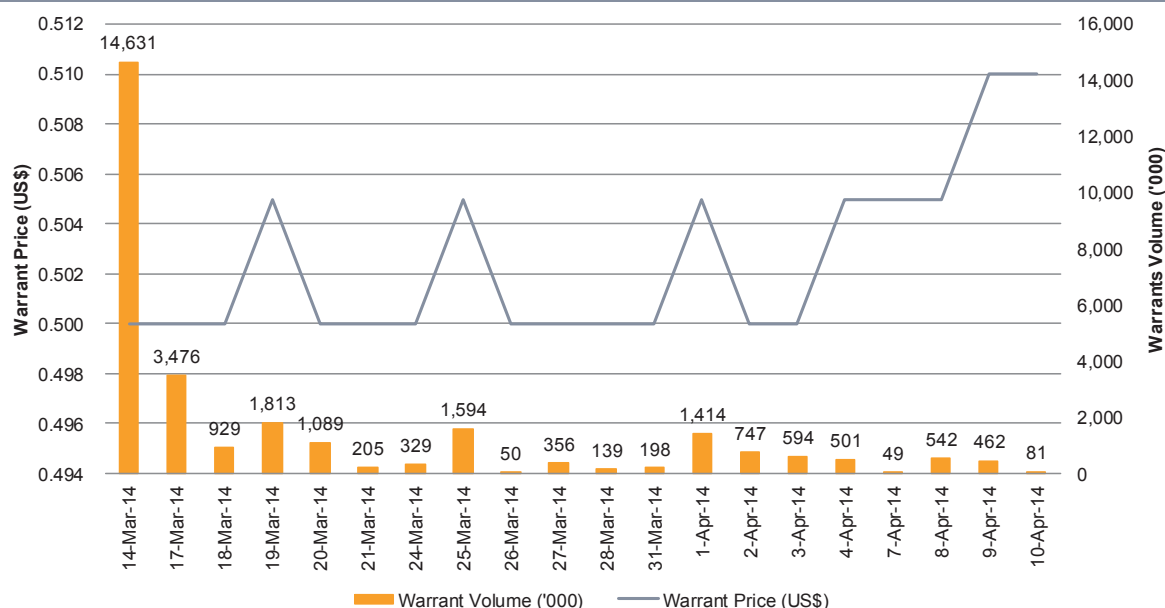
- 1 Trading in the Warrants was halted on 13 March 2014 and resumed after the Offer Announcement on 14 March 2014
- 2 For the period from the Warrants Listing Date to the Last Trading Day

Based on Chart 29, we note that over the period from 31 January 2013 to the Last Trading Day, the price of the Warrants increased by 52.3 per cent., based on closing prices of US\$0.22 and US\$0.34 respectively.



We set out in Chart 30 the daily closing prices of the Warrants and total volume of Warrants traded from the Offer Announcement Date to the Latest Practicable Date.

**Chart 30. Post-Announcement Warrant Price Performance and Trading Volume**



**Source:** Bloomberg as of the Latest Practicable Date

Based on Chart 30, we note that, from the Offer Announcement Date to the Latest Practicable Date, the closing prices of the Warrants ranged between US\$0.500 and US\$0.510 and the total volume of Warrants traded was approximately 29,199,000 Warrants, representing approximately 7.3 per cent. of the Company's total outstanding Warrants as at the Latest Practicable Date.

We set out in Chart 31 the premia implied by the Warrants Offer Price over the VWAP of the Warrants for the 1-week, 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Day. Chart 31 also sets out the premia implied by the Warrants Offer Price over the closing price of the Warrants on the Latest Practicable Date, one trading day following the Offer Announcement Date and on the Last Trading Day.

**Chart 31. Analysis of Warrant Price Performance**

	Price Basis	Price US\$	Offer Price % Premium / (Discount)
Latest Practicable Date (10 April 2014)	Closing Price	0.510	(0.0%)
1 Trading Day Post Offer Announcement Date (17 March 2014)	Closing Price	0.500	2.0%
<b>Warrants Offer Price (14 March 2014)<sup>1</sup></b>		<b>0.510</b>	
Last Trading Day (12 March 2014)	Closing Price	0.335	52.2%
<b>Calendar Period VWAP Prior to Offer Announcement Date<sup>2</sup></b>			
1 Week Period up to Last Trading Day	VWAP <sup>3</sup>	0.320	59.2%
1 Month Period up to Last Trading Day	VWAP <sup>3</sup>	0.301	69.5%
3 Month Period up to Last Trading Day	VWAP <sup>3</sup>	0.287	77.4%
6 Month Period up to Last Trading Day	VWAP <sup>3</sup>	0.261	95.0%
12 Month Period up to Last Trading Day	VWAP <sup>3</sup>	0.300	70.2%

**Source:** Offer Document and Bloomberg as of the Latest Practicable Date

## Notes

- 1 Warrants Offer Price of S\$0.646 converted to US\$0.510 based on the LTD FX Rate
- 2 Periods analysed are as follows - 1 week up to the Last Trading Day: 6 March 2014 to 12 March 2014, 1 month up to the Last Trading Day: 13 February 2014 to 12 March 2014, 3 months up to the Last Trading Day: 13 December 2013 to 12 March 2014, 6 months up to the Last Trading Day: 13 September 2013 to 12 March 2014 and 12 months up to the Last Trading Day: 13 March 2013 to 12 March 2014
- 3 VWAP calculated as the average daily trading value / average daily trading volume for the relevant period

Based on Chart 31, we note the following:

- The Warrants Offer Price represents a discount of approximately 0.0 per cent. over the closing price of the Warrants of US\$0.510 on the Latest Practicable Date and a premium of 2.0 per cent. over the closing price of the Warrants of US\$0.500 one trading day after the Offer Announcement Date;
- The closing price of the Warrants on the Latest Practicable Date of US\$0.510 represents an increase of approximately 52.2 per cent. over the closing price of US\$0.335 on the Last Trading Day;
- The Warrants Offer Price represents a premium of approximately 52.2 per cent. over the closing price of the Warrants of US\$0.335 on the Last Trading Day; and
- The Warrants Offer Price represents premia of approximately 59.2 per cent., 69.5 per cent., 77.4 per cent., 95.0 per cent. and 70.2 per cent., respectively, over the VWAP of the Warrants in the 1-week, 1-month, 3-month, 6-month and 12-month periods up to the Last Trading Day.

**We note there is no assurance that the price of the Warrants will remain at current levels. In addition, the past price performance of the Warrants is not indicative of the future price performance of the Warrants.**

## 10.2 Warrants Offer Price and Conversion Price

In accordance with Note 1(a) on Rule 19 of the Code, the Warrants Offer Price is the “see-through” price, i.e. the excess of the Offer Price for the Shares over the Warrants Exercise Price. For the purposes of illustration, the Warrants Offer Price of S\$0.646 is calculated as follows:

- Warrants Exercise Price of US\$1.25 for each new Share multiplied by the LTD FX Rate
- Offer Price of S\$2.23 less S\$1.584 = S\$0.646
- S\$0.646 divided by the LTD FX Rate = US\$0.510

We note that the Warrants Offer Price is calculated on the basis of a “see-through” price. This means that the consideration a Warrantholder would receive from accepting the Warrants Offer would be the same price, in theory<sup>1</sup>, as if the Warrantholder were to convert the Warrants held to Shares and accept the Offer Price. Accordingly, in the absence of a distribution of dividends to Shareholders between the Offer Announcement Date to the Latest Practicable Date, our conclusion in relation to the Warrants Offer would be the same as our conclusion in relation to the Offer Price.

In addition, we note that the exchange rate which is applied to the Warrants Exercise Price is not fixed and is determined by the exchange rate on the day of conversion of the Warrants. The exchange rate assumed in the Offer Document is the LTD FX Rate. To the extent that the Singapore Dollar/United States Dollar exchange rate fluctuates, the Warrants Exercise Price in Singapore Dollar

<sup>1</sup> We note that, in practice, a Warrantholder would not, under the terms of the Bonds and Warrants OIS (as defined herein), be able to convert the Warrants during the Offer Period as they are not exercisable prior to 29 January 2016

terms will fluctuate which will in turn influence the intrinsic value of the Warrants.

Finally, we note that according to Section 5 of the Offer Information Statement dated 2 January 2013 (“**Bonds and Warrants OIS**”), the Warrants Exercise Price and the number of Warrants held by each Warrantholder is subject to future adjustments based on the occurrence of certain events, including any distribution of assets in specie and any dividend, including cash or scrip, or distribution of any kind by the Company for any financial period. Warrantholders are encouraged to refer to Section 5, Part II, Appendix A of the Bonds and Warrants OIS for further detail on the specific adjustment mechanisms.

### 10.3 Warrants Exercise Period and Expiration Date

According to the Bonds and Warrants OIS, the Warrants may be exercised commencing at any time during the period (“**Exercise Period**”) commencing on and including the date falling 36 months after the date of the issue of the Warrants and expiring at 5.00 p.m. on the date falling 60 months after the date of the issue of the Warrants (“**Expiration Date**”). Any Warrant which has not been exercised by the Expiration Date shall lapse and cease to be valid for any purpose. We note that the date of issue of the Warrants was 29 January 2013.

As such, we note that the Warrantholders may not exercise their Warrants prior to 29 January 2016 and, if not exercised, their Warrants shall lapse by 28 January 2018. Accordingly, and without prejudice to the above, we note that the Warrants Offer allows Warrantholders the opportunity to realise a value for their Warrants now, should they choose to do so, instead of waiting until the Exercise Period at which point the Warrants may or may not be “in-the-money.”

We further note that by accepting the Warrants Offer today, Warrantholders forgo the future option value of the warrants to purchase new Shares in the Company at the Warrants Exercise Price in the future. Therefore, we note that Warrantholders who believe:

- That the current market price of the Warrants and/or Shares may increase; and/or
- That the Singapore Dollar/United States Dollar exchange rate may fluctuate favourably in the future,

that such Warrantholders may wish to consider retaining a portion or all of their Warrants.

### 10.4 Other Valuation Methodologies

We note that, in addition to the “see-through” price methodology prescribed by the Code, there exist other fundamental valuation methodologies, such as the Black-Scholes model, through which the Warrants may be priced. The outputs from such models are driven by a number of input variables, which, depending on the specific assumptions adopted, can lead to higher or lower prices for the Warrants relative to the “see-through” price methodology, including with certain assumptions, prices in excess of the “see-through” Warrants Offer Price being offered by the Offeror.

These variables include, *inter alia*: the volatility estimation, the risk-free rate and the stock-borrow cost. It should be noted that the theoretical value of the Warrants using these other methodologies may not reflect the actual price of the Warrants to be transacted on the SGX-ST, and there can be no assurance that an active trading of the Warrants will ensue or will trade at close to the theoretical value as suggested by these other methodologies.

### 10.5 Conditionality of the Warrants Offer

We note that the Warrants Offer is subject to and conditional upon the Offer Price becoming or being declared unconditional in all respects in accordance with its terms. If the Offer lapses, the Warrants Offer shall lapse accordingly. The Offer Price and the Warrants Offer are separate and are mutually exclusive, such that the Warrants Offer does not form part of the Offer Price and vice versa.

## 11. OTHER CONSIDERATIONS

### 11.1 Rationale for the Offer

As stated in the Offer Document, the Offeror is a long-term shareholder of the Company and continues to believe in the prospects of the Company. Through the Offer, the Offeror wishes to increase its shareholding and provide the Company with a stronger long term shareholder base to support the Company's strategy and growth plans over the medium to long term.

With the Offer, Shareholders have the flexibility to tender all, part or none of their Shares in acceptance of the Offer. By tendering part of their Shares, Shareholders may create a balance between monetisation and continued participation in the Company's potential growth over the long term.

We further note that, according to the Offer Document, it is the Offeror's preference, as stated in the Offer Document, to keep the Company listed, although it has no obligation to do so. Pursuant to Rule 1105 of the Listing Manual of the SGX-ST ("**Listing Manual**"), in the event that the Offeror and its Concert Parties (as defined in the Circular) should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total issued Shares (excluding treasury shares), the SGX-ST may suspend the listing of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the issued Shares are held by at least 500 Shareholders who are members of the public.

In addition, pursuant to Rule 723 of the Listing Manual, the Company must ensure that at least 10 per cent. of its total issued Shares (excluding treasury shares) are at all times in public hands. Pursuant to Rule 724(1) of the Listing Manual, if the percentage of the issued Shares held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Pursuant to Rule 724(2) of the Listing Manual, the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the proportion of the issued Shares held by members of the public to be raised to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.

The implications of any delisting or suspension of the Shares for the Securityholders are set out in Section 11.5.

### 11.2 Irrevocable Undertakings and Consortium Agreement

We note that Kewalram Singapore Limited ("**KSL**"), a controlling shareholder of the Company, and certain members of the executive committee of the Company as outlined in Appendix 7 of the Offer Document have given irrevocable undertakings (the "**Irrevocable Undertakings**") to accept the Offer in respect of part of their existing shareholdings in the Company, representing approximately 5.6 per cent. of the issued Shares as at the Offer Announcement Date.

We further note that KSL and ten members of the executive committee of the Company (including the Chief Executive Officer) (the "**Key Management**" and collectively with KSL, the "**Consortium Members**") have on 13 March 2014, entered into a consortium agreement ("**Consortium Agreement**") with the Offeror to act in concert in relation to the Offer. Pursuant to the terms of the Consortium Agreement, the Consortium Members have agreed, *inter alia*, that:

- (i) Each of the Consortium Members will not tender all or any of its Shares, convertible securities, or derivatives in respect of the Shares ("**Consortium Member Securities**") in acceptance of any other offer (as defined under the Code) for the Company, from the date of the Consortium Agreement until six months after the close of the Offer (the "**Relevant Period**");
- (ii) Each of the Consortium Members will not directly or indirectly transfer or dispose of all or

any of their interest in the Consortium Member Securities, other than pursuant to the Irrevocable Undertakings and Management Shares (as defined herein), until the expiry of the Relevant Period; and

- (iii) After the Relevant Period, if a Consortium Member intends to dispose of all or any of the Consortium Member Securities held as at the date of the Consortium Agreement (including new Shares issued pursuant to the exercise or conversion of such Consortium Member Securities), such Consortium Member must first offer such Consortium Member Securities to the Offeror except in certain limited circumstances as specified in Section 14 of the Offer Document. The rights of preemption granted to the Offeror are for a period of up to ten years from the date of the Consortium Agreement.

### **11.3 Control of the Company**

According to the dealings disclosure dated 11 April 2014, we note that the Offeror and the Concert Parties hold, in aggregate, approximately 53.4 per cent. of the Company's total issued Shares and approximately 46.9 per cent. of the Company's maximum potential share capital (as defined in Section 2.5(a) of the Circular) as of the Latest Practicable Date.

If the Offeror and the Concert Parties hold more than 50 per cent. of the Shares in the Company as at close of the Offer, the Offeror and the Concert Parties would be in a position to influence, amongst other things, the board composition, management and strategy of the Company.

If the Offeror and the Concert Parties hold more than 50 per cent. of the Shares in the Company:

- (a) The Offeror and the Concert Parties will also have the voting right to pass ordinary resolutions of the Company in respect of matters which are not Interested Person Transactions (as defined in the Listing Manual) at general meetings of Shareholders; and
- (b) In respect of any resolution of the Company required under the Listing Manual to approve an Interested Person Transaction involving the Offeror, the Concert Parties and/or their associates (as such term is defined in the Listing Manual), any one or more Shareholders who together hold more than half of the Shares other than those held by the Offeror, the Concert Parties and their associates will have the decisive vote.

We note that the Offeror's intentions in relation to the Company are set out in Section 11 of the Offer Document.

### **11.4 No Compulsory Acquisition**

In addition to the Shares which are the subject of the Irrevocable Undertakings (as set out in Appendix 7 of the Offer Document), the Offeror has consented to permitting the Key Management (excluding the Chief Executive Officer of the Company) to tender, if they so elect, another 67,011,956 Shares held by such Key Management (the "**Management Shares**") in acceptance of the Offer (as set out in Section 14.1 of the Offer Document).

As the Consortium Members have given an undertaking not to dispose of their Shares during the Offer (except pursuant to the Irrevocable Undertakings and the Management Shares as set out in Section 14.1 and Appendix 7 of the Offer Document), the Offeror will not acquire a right of compulsory acquisition to acquire any remaining Shares under the Offer.

### **11.5 Implications of Delisting or Suspension**

Shareholders and Warrantholders who do not accept the Offer and the Warrants Offer should note the following implications or consequences which may arise as a result of any suspension in, and/or delisting of the Shares:

- (i) Shares of unquoted companies are generally valued at a discount to the shares of comparable

listed companies as a result of lack of marketability. This will have a direct impact on the intrinsic value of the Shares and Warrants;

(ii) It is likely to be difficult for Shareholders and Warrantholders to sell their Shares and Warrants in the absence of a public market for the Shares. If the Company is delisted, even if such Shareholders and Warrantholders were subsequently able to sell their Shares and Warrants, they may receive a lower price than the Offer Price and Warrants Offer Price;

(iii) As an unlisted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 of the Listing Manual and Appendices 7.1 to 7.4 to the Listing Manual. As such, Shareholders and Warrantholders will no longer enjoy the same level of protection, transparency and accountability afforded by the Listing Manual.

Bondholders who do not accept the Convertible Bonds Offer should note that any suspension in, and/or delisting of the Shares, as per Section 9.5, constitutes a Relevant Event in which Bondholders can exercise their Redemption Right as per the CB Terms and Conditions.

**Whilst a delisting of the Company is a possibility, we do note the Offeror's preference, according to the Offer Document, to keep the Company listed, although it has no obligation to do so.**

#### **11.6 Offer Conditions**

The Offer for Securities is subject to conditions which are set out in Section 3 of this letter.

#### **11.7 Third Party Proposals**

Rothschild has been informed by the Directors that from the Offer Announcement Date up to the Latest Practicable Date, the Directors and the Company have not been approached by any person with an offer competing with the Offer, or an enhancement or revision of the Offer.

#### **11.8 Material Litigation**

With reference to Appendix II Section 7 of the Circular, as at the Latest Practicable Date, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company and any of its subsidiaries, taken as a whole. Nonetheless, the Directors have indicated it is not unusual for the Company or any of its subsidiaries to be addressing issues arising from litigation, claims or proceedings from time to time and in the ordinary course of its business.

#### **11.9 Dividend**

We note that the Company has paid a dividend of S\$0.05, S\$0.04 and S\$0.04 per Share for the financial years ended 30 June 2011, 30 June 2012 and 30 June 2013 respectively. Based on the Offer Price, this implies a yield of 2.24 per cent., 1.79 per cent. and 1.79 per cent. respectively. Warrantholders should note that as set out in Section 10.2, the Warrants Exercise Price and number of Warrants are subject to future adjustment for certain events including any dividend, including cash or scrip, paid by the Company.

Shareholders and Warrantholders should note that the past dividend payouts by the Company should not in any way be relied upon as an indication or a promise of its future dividend payouts. The Directors have confirmed that the Company does not have a fixed dividend policy and that they had recommended the past dividends payouts after taking into consideration, *inter alia*, the Company's cash and financial position, working capital requirements and future expansion.



## 12. CONCLUSION

In arriving at our opinion to the Independent Directors, we have taken into consideration and relied upon, *inter alia*, the following key factors which should be read in conjunction with, and interpreted, in the full context of this letter:

- (a) The Offer is a general offer (and not a partial offer) for all of the Shares in the Company, including new shares unconditionally issued or to be issued pursuant to the valid conversion of outstanding Convertible Bonds and Options. If the Offer is declared to be unconditional in all respects, the Offeror and the Concert Parties would hold a controlling interest in the Company. The Shareholders would receive the Offer Price of S\$2.23 for all Shares tendered if the Offer is declared to be unconditional in all respects;
- (b) The Offeror is a long-term shareholder of the Company and continues to believe in the prospects of the Company. Through the Offer, the Offeror wishes to increase its shareholding and provide the Company with a long term shareholder base to support the Company's strategy and growth plans over the medium to long term;
- (c) With reference to the Offer Document<sup>2</sup>, we note that the Offeror has specifically outlined its preference to keep the Company listed, therefore giving Shareholders the choice to tender all, part or none of their Shares in acceptance of the Offer. However, if the free float requirement is not satisfied at the close of the Offer, the Offeror will evaluate its options at that time and may decide to delist the Company;
- (d) As Kewalram Singapore Limited (KSL) and ten members of the executive committee of the Company (the Key Management, and collectively with KSL, the Consortium Members) have given an undertaking not to dispose of their Shares during the Offer (except pursuant to the Irrevocable Undertakings and the Management Shares as set out in Section 14.1 and Appendix 7 of the Offer Document), the Offeror will not acquire a right of compulsory acquisition to acquire any remaining Shares under the Offer;
- (e) The Shares have adequate liquidity and broker research coverage. The historical Share prices of the Company provide a reasonable basis against which to compare the Offer Price. However, the liquidity of the Shares may be impacted by the outcome of the Offer, and there is no assurance that the liquidity of the Shares will remain at current levels;
- (f) The closing prices of the Shares have traded between S\$1.395 and S\$2.38 over the 24-month period prior to the Offer Announcement Date;
- (g) Subsequent to the Offer Announcement Date and up to the Latest Practicable Date, the closing and intraday prices of the Shares have traded between S\$2.21 and S\$2.24;
- (h) As at the Latest Practicable Date, the Shares are trading above the Offer Price. The Offer Price of S\$2.23 represents a discount of approximately 0.4% to the closing price of the Shares of S\$2.24 as at the Latest Practicable Date;
- (i) The Offer Price represents a premium of approximately 24.3%, 33.0%, 39.9%, and 35.9% respectively over the VWAP of the Shares in the 1-month, 3-month, 6-month and 12-month periods preceding the Offer Announcement Date;
- (j) The Offer Price represents a premium of approximately 11.8% to the closing price of S\$1.995 on the Last Trading Day;

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<sup>2</sup> Source: Offer Document, page (iii), paragraph 4



- (k) The implied last twelve months (LTM) EV/Sales, LTM EV/EBITDA, LTM P/E, historical latest (Latest) P/BV and Latest P/NTA multiples are above the Company's mean multiples for the 12-month period prior to the Offer Announcement Date and the implied LTM EV/Sales, LTM P/E, Latest P/BV and Latest P/NTA multiples are above the high end of the Company's multiple range during that period;
- (l) The implied multiples of the Company are above the range of the overall mean and median of the Comparable Companies for LTM EV/EBITDA (10.1 times to 10.8 times) and within the range across LTM EV/Sales (0.6 times to 0.7 times), LTM P/E (16.2 times to 17.2 times), Latest P/BV (1.3 times to 1.5 times) and Latest P/NTA (1.6 times to 2.1 times);
- (m) The implied multiples of the Company are above the range of the overall mean and median of the Selected Global Agri Precedent Transactions for LTM EV/EBITDA (10.1 times to 10.2 times), within range across LTM EV/Sales (0.7 times to 0.7 times) and Latest P/BV (1.5 times to 1.6 times), and below the range across LTM P/E (19.0 times to 20.6 times), and Latest P/NTA (2.3 times to 2.3 times);
- (n) The implied premia of the Offer Price are within the range of the Selected Precedent Take-overs in Singapore for Closing 1-day (2.6 per cent. to 97.2 per cent.), 1-month (4.2 per cent. to 98.7 per cent.), 3-month (6.9 per cent. to 122.9 per cent.), 6-month (negative 6.4 per cent. to 136.1 per cent.) and 12-month VWAPs (negative 1.9 per cent. to 170.3 per cent.);
- (o) The implied premium of the Offer Price is above the overall median of the Selected Precedent Take-overs in Singapore for 6-month VWAPs (36.8 per cent.) and within the range of the overall mean and median 6-month VWAPs (36.8 per cent. to 47.6 per cent.);
- (p) Broker research price targets range from S\$1.50 to S\$2.00 for reports from 14 February 2014 (being the date of the release of the Group's unaudited financial statements for the three month period ended 31 December 2013) to the Offer Announcement Date. The Offer Price represents a premium of approximately 27.5 per cent. to the mean broker research price target of S\$1.75 over that period, according to Bloomberg;
- (q) Broker research price targets range from S\$1.57 to S\$2.55 for reports from the Offer Announcement Date to the Latest Practicable Date, according to Bloomberg. The Offer Price represents a premium of approximately 2.0 per cent. to the mean broker research price target of S\$2.19 over that period, according to Bloomberg;
- (r) We note that the Company announced the results of the Company's Strategy Review on 25 April 2013. As part of this review, the Company has described its intention to explore a wide array of strategic options to unlock value for Shareholders. In this context, the Directors have indicated to us that certain parts of the Company's business may be included in such future initiatives to unlock value including but not limited to the Packaged Food Business (PFB), Gestating Assets (see point (s) below) and PureCircle Ltd. (PCL) (see point (t) below). We further understand the Company will seek to make appropriate disclosures on any transactions as and when any such initiative becomes sufficiently certain so as to be discloseable under relevant regulations. Based on our discussion with the Directors, they have indicated that as of the Latest Practicable Date, while various exploratory discussions are underway, they are not aware of any potential transactions that are imminent, material and discloseable which should be specifically highlighted to shareholders and these discussions may or may not result in an actual transaction in the future;
- (s) The Company has a number of Gestating Assets including Gabon Fertiliser Complex (GFC), Olam Palm Gabon (OPG), Olam Rubber Gabon (ORG), Ivory Coast cocoa processing, and Cameroon and Senegal flour milling. We note that these Gestating Assets are at a development phase and do not presently contribute materially to the Company's consolidated profit & loss statement. Given this, we have not ascribed any specific value to the Gestating Assets in our

analysis beyond the value ascribed by the Company in its consolidated balance sheet;

- (t) The Company is a significant shareholder in PCL with an 18.6 per cent. stake. With respect to the Company's stake in PCL, if it were assumed the Offeror was implying full value for this stake in line with the market price of PCL's shares as at the Latest Practicable Date, the LTM EV/EBITDA and LTM P/E multiples implied by the Offer Price for the Company, excluding its stake in PCL, would reduce to 11.0x and 15.1x respectively. The implied LTM EV/Sales, Latest P/BV and Latest P/NTA multiples would not differ materially. In addition, further to our discussions with the Company's management, we understand that due to a change in accounting treatment, the Company is required to mark its PCL shareholding to market which is expected to result in an exceptional gain (PCL Expected Gain) in the Company's profit & loss account for the third quarter and nine months results ending 31 March 2014, scheduled to be released in May 2014. We note that the PCL Expected Gain is an exceptional and non-recurring event un-related to the fundamental operations of the Company's business;
- (u) With respect to the Convertible Bonds Offer, as the Convertible Bonds Offer Price is calculated on the basis of a "see-through" price, the consideration a Bondholder would receive from accepting the Convertible Bonds Offer would be the same as if the Bondholder were to convert the Bonds held to Shares in the Company and accept the Offer Price;
- (v) The Convertible Bonds Conversion Price of S\$2.98 is higher than the Offer Price of S\$2.23;
- (w) The Convertible Bonds Offer Price of US\$850.37 for every US\$1,000 principal amount of Convertible Bonds represents a discount of 17.2 per cent. to the Convertible Bonds closing price of US\$1,027.62 on the Last Trading Day and a discount of 21.3 per cent. to the Convertible Bonds closing price of US\$1,081.18 on the Latest Practicable Date;
- (x) The Convertible Bonds Offer Price of US\$850.37 is subject to a US\$30 adjustment for the Interest Payment payable on 15 April 2014. Accordingly, accepting Bondholders will receive US\$820.37 for every US\$1,000 principal amount of Convertible Bonds tendered in acceptance of the Convertible Bonds Offer or a discount of 18.0 per cent. to the principal amount;
- (y) Bondholders have the option to hold their Convertible Bonds until the maturity date on 15 October 2016, as stipulated in the CB Offering Circular, at which point the Convertible Bonds may be redeemed for 100 per cent. of their principal amount, together with unpaid accrued interest (if any) on the maturity date;
- (z) If the Offer is declared unconditional and Breedens Investments Pte. Ltd. (the Offeror) acquires or controls more than 50 per cent. of the voting rights in relation to the Shares pursuant to the Offer or otherwise, each holder of Convertible Bonds (the Bondholder) will have the right, at such Bondholders' option, to require the Company to redeem all or some only of such Bondholder's Convertible Bonds at 100 per cent. of their principal amount together with accrued, but unpaid, interest (calculated up to, but excluding, the date fixed for redemption);
- (aa) With respect to the Warrants Offer, as the Warrants Offer Price is calculated on the basis of a "see-through" price, the consideration a Warrantholder would receive from accepting the Warrants Offer would be the same as if the Warrantholder were to convert the Warrants held to Shares in the Company and accept the Offer Price<sup>3</sup>;
- (bb) The Warrants have adequate liquidity and the historical Warrant prices of the Company provide a reasonable basis against which to compare the Warrants Offer Price. However, the liquidity of the Warrants may be impacted by the outcome of the Offer, and there is no assurance that the

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<sup>3</sup> We note that, in practice, a Warrantholder would not, under the terms of the Bonds and Warrants OIS, be able to convert the Warrants during the Offer Period as they are not exercisable prior to 29 January 2016

liquidity of the Warrants will remain at current levels;

(cc) The Warrants Offer Price represents a premium of approximately 69.5 per cent., 77.4 per cent., 95.0 per cent., and 70.2 per cent. respectively over the VWAP of the Warrants in the 1-month, 3-month, 6-month and 12-month periods preceding the Offer Announcement Date; and

(dd) The Warrants Offer Price represents a premium of approximately 52.2 per cent. to the Warrants closing price of US\$0.335 on the Last Trading Day.

**For the purposes of providing this letter and our evaluation of the Offer for Securities from a financial point of view, we have not received or relied on any financial projections or forecasts in respect of the Company or the Group. We are not required to express, and we do not express, an opinion on the future growth prospects and earnings potential of the Company. We are therefore not expressing any opinion herein as to the price at which the Shares, Convertible Bonds and Warrants may trade whether or not the Offer is declared unconditional in all respects or on the future financial performance of the Company.**

**In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situations, risk profiles, tax positions or particular needs or constraints of any specific Securityholder and we neither assume any responsibility for, nor hold ourselves out as advisers to any person other than the Independent Directors.**

**Our opinion is only based on a financial analysis and does not incorporate any assessment of commercial, legal, tax, regulatory or other matters. Our opinion also does not incorporate an assessment of the price at which the Shares, Convertible Bonds or Warrants may trade following the success or failure of the Offer. Such factors are beyond the ambit of our review and do not fall within our terms of reference in connection with the Offer for Securities.**

**Based upon and subject to the foregoing, we are of the opinion that, as at the Latest Practicable Date:**

**(a) The terms of the Offer from a financial point of view are fair and reasonable so far as the Shareholders are concerned.**

**We note that the Independent Directors may wish to consider advising Shareholders who:**

- **Wish to realise their investments in the Company at this time but are unable to sell their Shares in the open market at a price (after deduction of related expenses) higher than the Offer Price; and/or**
- **Believe that the current market price of the Shares may decrease; and/or**
- **Believe that even if the Company remains listed, trading liquidity may reduce materially; and/or**
- **Believe that a higher offer may not be made; and/or**
- **Are uncertain of the longer term performance and prospects of the Company, either on a status quo basis or under the stewardship of the Offeror,**

**that such Shareholders may wish to consider selling a portion or all of their Shares in the open market or tendering Shares pursuant to the Offer. If the Independent Directors make a recommendation to Shareholders to tender Shares in acceptance of the Offer, the Independent Directors may also wish to consider highlighting that there is no certainty that the Offer will become unconditional in all respects, there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.**

**The Independent Directors may also wish to consider advising Shareholders who:**

- **Do not currently wish to realise their investments in the Company; and/or**

- Believe that the current market price of the Shares may increase; and/or
- Believe that a higher offer may be made; and/or
- Believe that there may be material incremental value to be realised in the future as a result of initiatives being executed pursuant to the Company's Strategy Review and/or the development of PFB, Gestating Assets, PCL and/or other events; and/or
- Hold a favourable view of the Company's prospects, either on a status quo basis or under the stewardship of the Offeror, and believe that they will be able to realise greater value from continuing to own their Shares,

that such Shareholders may wish to consider retaining a portion or all of their Shares. If the Independent Directors make a recommendation to Shareholders to retain their Shares, the Independent Directors may also wish to consider highlighting that there is no certainty that the Offer will become unconditional in all respects, there is no assurance that the prices of the Shares will remain at current levels after the close or lapse of the Offer; and the current price performance of the Shares is not indicative of the future price performance levels of the Shares, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.

Furthermore, the Independent Directors may wish to consider advising Shareholders who are considering retaining a portion or all of their Shares, that in the event the Company is delisted, such Shareholders would hold Shares in an unquoted company with the related implications as outlined in Section 11.5 above. We note, however, the Offeror's preference, as according to the Offer Document, to keep the Company listed, although it has no obligation to do so.

- (b) The terms of the Convertible Bonds Offer from a financial point of view on a "see-through" price basis are not fair and not reasonable so far as the Bondholders are concerned. On this basis, we advise the Independent Directors to recommend to the Bondholders to REJECT the Convertible Bonds Offer.

Our assessment of the terms of the Convertible Bonds Offer with respect to the Bondholders is predicated on the fact that the Convertible Bonds Conversion Price is higher than the Offer Price, and therefore the implied "see-through" price which the Convertible Bonds Offer Price is based on, would result in Bondholders receiving less than the Convertible Bonds' principal amount, should they choose to accept the Convertible Bonds Offer.

- (c) The terms of the Warrants Offer from a financial point of view on a "see-through" price basis are fair and reasonable so far as the Warrantholders are concerned.

We note that the Independent Directors may wish to consider advising Warrantholders who:

- Wish to realise their investments in the Company at this time but are unable to sell their Warrants in the open market at a price (after deduction of related expenses) higher than the Warrants Offer Price; and/or
- Believe that the current market price of the Warrants and/or Shares may decrease; and/or
- Believe that the Singapore Dollar/United States Dollar exchange rate may fluctuate unfavourably; and/or
- Believe that even if the Company remains listed, trading liquidity of the Warrants may reduce materially; and/or
- Believe that a higher offer may not be made; and/or
- Are uncertain of the longer term performance and prospects of the Company, either on a status quo basis or under the stewardship of the Offeror,

that such Warrantholders may wish to consider selling a portion or all of their Warrants in the open market or tendering Warrants pursuant to the Warrants Offer. If the Independent Directors make a recommendation to Warrantholders to tender Warrants in acceptance of the Warrants Offer, the Independent Directors may also wish to consider highlighting that there

is no certainty that the Warrants Offer will become unconditional in all respects, there is no assurance that the price of the Warrants will remain at current levels after the close or lapse of the Warrants Offer; and the current price performance of the Warrants is not indicative of the future price performance levels of the Warrants, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.

The Independent Directors may also wish to consider advising Warrantholders who:

- Do not currently wish to realise their investments in the Company; and/or
- Believe that the current market price of the Warrants and/or Shares may increase; and/or
- Believe that the Singapore Dollar/United States Dollar exchange rate may fluctuate favourably; and/or
- Believe that a higher offer may be made; and/or
- Believe that there may be material incremental value to be realised in the future as a result of initiatives being executed pursuant to the Company's Strategy Review and/or the development of PFB, Gestating Assets, PCL and/or other events; and/or
- Hold a favourable view of the Company's prospects, either on a status quo basis or under the stewardship of the Offeror, and believe that they will be able to realise greater value from continuing to own their Warrants,

that such Warrantholders may wish to consider retaining a portion or all of their Warrants. If the Independent Directors make a recommendation to Warrantholders to retain their Warrants, the Independent Directors may also wish to consider highlighting that there is no certainty that the Warrants Offer will become unconditional in all respects, there is no assurance that the prices of the Warrants will remain at current levels after the close or lapse of the Warrants Offer; and the current price performance of the Warrants is not indicative of the future price performance levels of the Warrants, which will be governed by factors such as, *inter alia*, the performance and prospects of the Company, prevailing and future economic conditions and outlook and market conditions and sentiments.

Furthermore, the Independent Directors may wish to consider advising Warrantholders who are considering retaining a portion or all of their Warrants, that in the event the Company is delisted, such Warrantholders would hold Warrants in an unquoted company with the related implications as outlined in Section 11.5 above. We note, however, the Offeror's preference, according to the Offer Document, to keep the Company listed, although it has no obligation to do so.

We wish to emphasise that we have been appointed to render our opinion as of the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company. This letter is addressed to the Independent Directors solely for their benefit in connection with the Offer for Securities and should not be relied on by any other party or for any other purpose. This opinion does not constitute and should not be relied on, as advice or a recommendation to, or confer any rights or remedies upon, any Shareholder, Bondholder or Warrantholder. Nothing herein shall confer or be deemed or is intended to confer any right or benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore shall not apply. The recommendations made by the Independent Directors to the Shareholders, Bondholders and Warrantholders in relation to, respectively, the Offer, the Convertible Bonds Offer and the Warrants Offer, remain the sole responsibility of the Independent Directors.

This letter is governed by, and construed in accordance with the laws and courts of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter. No other person may use, reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner except with Rothschild's prior written consent in each specific case.

Yours faithfully,

For and on behalf of  
**ROTHSCHILD (SINGAPORE) LIMITED**

Rohit Elhence  
Managing Director



## ADDITIONAL GENERAL INFORMATION

### 1. DIRECTORS

The names, addresses and appointments of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Appointment on the Board
Mr. R. Jayachandran	3 Grange Garden #09-01 The Grange Singapore 249633	Non-Executive Chairman and Non-Executive Director
Mr. Narain Girdhar Chanrai	9 Ardmore Park #14-02 Ardmore Park Singapore 259955	Non-Executive Director
Mr. Michael Lim Choo San	11 Caldecott Close Caldecott Hill Estate Singapore 299120	Non-Executive and Lead Independent Director
Mr. Mark Haynes Daniell	34 Draycott Drive #03-03 J C Draycott Singapore 259426	Non-Executive and Independent Director
Mr. Robert Michael Tomlin	22 Saunders Road Singapore 228266	Non-Executive and Independent Director
Mr. Jean-Paul Pinard	60 Bayshore Road #30-01 Bayshore Park Singapore 469982	Non-Executive and Independent Director
Mr. Wong Heng Tew	79 Highgate Crescent Singapore 598857	Non-Executive and Independent Director
Mr. Sanjiv Misra	27 East Sussex Lane Singapore 279813	Non-Executive and Independent Director
Mr. Sunny George Verghese	61 Grange Road #14-04 Beverly Hill Singapore 249570	Group Managing Director & CEO/Executive Director
Mr. Shekhar Anantharaman	754 Mountbatten Road Singapore 437856	Executive Director

### 2. HISTORY AND PRINCIPAL ACTIVITIES

The Company is incorporated in Singapore on 4 July 1995 and listed on the Mainboard of the SGX-ST on 11 February 2005.

The Company is a leading agri-business operating in 65 countries, supplying food and industrial raw materials across 16 platforms to over 13,600 customers worldwide.



The Company focuses on a single commodity asset class in the agri-sector and organises its products and services into five (5) segments:

- Edible Nuts, Spices & Beans
- Confectionery & Beverage Ingredients
- Food Staples & Packaged Foods
- Industrial Raw Materials
- Commodity Financial Services

### **3. SHARE CAPITAL**

#### **3.1 ISSUED SHARE CAPITAL**

The issued and paid-up share capital of the Company as at the Latest Practicable Date is S\$2,148,690,224.065 comprising 2,390,213,869 issued Shares (excluding 52,196,000 treasury Shares).

#### **3.2 Capital, Dividends and Voting Rights**

The rights of Shareholders in respect of capital, dividends and voting are contained in the Articles, which are available for inspection at the Company's registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The relevant provisions in the Articles relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted and reproduced in Appendix IV of this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Articles and/or the Companies Act.

#### **3.3 Number of Shares Issued since the End of the Last Financial Year**

As at the Latest Practicable Date, no new Shares have been issued since the end of FY2013, being the last financial year of the Company.

### 3.4 Options and Convertible Instruments

As at the Latest Practicable Date, there is an aggregate of US\$500,000,000 of Convertible Bonds outstanding.<sup>3</sup> The Convertible Bonds are convertible into 241,610,738 new Shares at the prevailing conversion price of S\$2.98<sup>4</sup> per new Share, such conversion price being subject to adjustments in accordance with the terms and conditions of the Convertible Bonds. The Convertible Bonds, if converted at the prevailing conversion price, would represent 8.9% of the maximum potential share capital of the Company.

As at the Latest Practicable Date, there are 397,826,160 outstanding Warrants in issue, each of which carry the right to subscribe for one (1) new Share at an adjusted exercise price of US\$1.25 for each new Share.<sup>5</sup> Pursuant to the terms and conditions of the Warrants, the exercise period for the Warrants commences from 29 January 2016 and ends on 28 January 2018. As the Warrants are not exercisable into Shares during the Offer period, the Warrants will not be taken into account for determining the maximum potential share capital of the Company for the purposes of the Offer.

As at the Latest Practicable Date, there are 128,150,000 outstanding Options in issue.<sup>6</sup>

Save as disclosed above, there are no other outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares, as at the Latest Practicable Date.

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<sup>3</sup> As stated in the offering circular dated 13 October 2009 issued by the Company in relation to the Convertible Bonds ("**CB Offering Circular**"), under the terms and conditions of the Convertible Bonds, following the occurrence of a Relevant Event (as defined in the CB Offering Circular) each Bondholder will have the right (the "**Redemption Right**"), at such Bondholder's option, to require the Company to redeem all or some only of such Bondholder's Convertible Bonds at a redemption price equal to 100% of their principal amount together with accrued, but unpaid, interest (calculated up to, but excluding, the date fixed for redemption).

As defined in the CB Offering Circular, a Relevant Event occurs upon:

- (a) the Shares ceasing to be listed or admitted to trading or suspended for a period equal to or exceeding 30 days on the SGX-ST or, if applicable, the Alternative Stock Exchange (as defined therein); or
- (b) the occurrence of a Change of Control (as defined in the CB Offering Circular) with respect to the Company.

As stated in Section 11.3 of the Offer Document, the Offeror prefers to keep the Company listed.

The Company has also received advice from English counsel that, based on the terms of the Consortium Agreement and the description of the terms and conditions of the Convertible Bonds in the CB Offering Circular, the entry by the Offeror and the Consortium Members into the Consortium Agreement does not, by itself, result in a Change of Control in respect of the Company which would trigger the Redemption Right.

In connection with the Offer for Securities, a Change of Control could arise if:

- (i) the Offeror or the Offeror and any other Person(s) (as defined in the CB Offering Circular) acting together acquires Control of the Company, if the Offeror and/or such other Person(s) does not or do not have, and would not be deemed to have, Control of the Company on 15 October 2009 (being the Closing Date (as defined in the CB Offering Circular)); or
- (ii) the Offeror and/or one or more other Persons (other than any Person referred to in sub-paragraph (i) above) acquires the legal or beneficial ownership of all or substantially all of the issued share capital of the Company.

For the avoidance of doubt, if the Offeror acquires or controls more than 50% of the voting rights in relation to the Shares pursuant to the Offer or otherwise, this will constitute a Change of Control which would trigger the Redemption Right.

For the purposes of the CB Offering Circular:

"**Control**" means the acquisition or control of more than 50% of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Company's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

<sup>4</sup> Based on the fixed exchange rate of US\$1 : S\$1.44 as set out in the terms and conditions of the Convertible Bonds.

<sup>5</sup> Section 5 of the Offer Information Statement dated 2 January 2013 issued by the Company in respect of, *inter alia*, the Warrants, states that the exercise price of each Warrant and the number of Warrants held by each Warrant holder are subject to future adjustments based on the occurrence of certain events, including any distribution of assets in specie and any dividend, including cash or scrip, or distribution of any kind by the Company for any financial period.

<sup>6</sup> The number of outstanding Options in issue as at the Latest Practicable Date has changed from the number of outstanding Options in issue as at the Offer Document LPD, which has been reproduced in Section 5 of this Circular.

#### 4. DISCLOSURE OF INTERESTS

##### 4.1 Interests of the Company in Offeror Securities

The Company does not have any direct or deemed interests in the Offeror Securities as at the Latest Practicable Date.

##### 4.2 Dealings in Offeror Securities by the Company

The Company has not dealt for value in the Offeror Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

##### 4.3 Interests of the Directors in Offeror Securities

None of the Directors has any direct or deemed interests in the Offeror Securities as at the Latest Practicable Date.

##### 4.4 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in the Offeror Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

##### 4.5 Interests of the Directors in Company Securities

Save as disclosed below, as at the Latest Practicable Date, none of the Directors has any direct or deemed interests in the Company Securities:

###### (a) Shares

Name	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Narain Girdhar Chanrai	–	–	483,493,065 <sup>(1)</sup>	20.23
Sunny George Verghese	111,646,477	4.67	–	–
Shekhar Anantharaman	14,619,672	0.61	–	–
Robert Michael Tomlin	200,000 <sup>(2)</sup>	0.01	–	–
Michael Lim Choo San	200,000	0.01	–	–

###### Notes:

- (1) Mr. Narain Girdhar Chanrai is the managing director of KSL and has been mandated by the board of directors of KSL to take all decisions pertaining to the shares and debentures of the Company held by KSL. By virtue of Section 7(6)(d) of the Companies Act and Section 4(1) of the SFA, Mr. Narain Girdhar Chanrai is therefore deemed to be interested in the shares and debentures held by KSL.
- (2) Held jointly with his spouse.

(b) Convertible Bonds

Name	Date of Acquisition	Due Date	Conversion Price per new Share	Principal Amount
Robert Michael Tomlin	22 February 2013	15 October 2016	S\$2.98	US\$500,000 <sup>(1)</sup>

**Notes:**

(1) Held jointly with his spouse.

(c) Warrants

Name	Date of Acquisition	Exercise Period	Adjusted Exercise Price per new Share	Direct Interest	Deemed Interest
Sunny George Verghese	29 January 2013 and 13 December 2013	29 January 2016 to 28 January 2018	US\$1.25	18,575,068	—
Shekhar Anantharaman	29 January 2013, 1 March 2013 and 13 December 2013	29 January 2016 to 28 January 2018	US\$1.25	2,567,500	—
Narain Girdhar Chanrai	29 January 2013, 15 February 2013 and 13 December 2013	29 January 2016 to 28 January 2018	US\$1.25	—	80,440,802 <sup>(1)</sup>
Robert Michael Tomlin	30 January 2013, 8 February 2013, 15 February 2013, 20 September 2013 and 13 December 2013	29 January 2016 to 28 January 2018	US\$1.25	1,027,000 <sup>(2)</sup>	—
Michael Lim Choo San	29 January 2013, 14 February 2013 and 13 December 2013	29 January 2016 to 28 January 2018	US\$1.25	299,884	—
Jean-Paul Pinard	22 March 2013, 25 March 2013, 26 March 2013, 4 April 2013, 5 April 2013, 12 April 2013, 19 September 2013, 26 September 2013 and 13 December 2013	29 January 2016 to 28 January 2018	US\$1.25	718,900	—

**Notes:**

- (1) Mr. Narain Girdhar Chanrai is the managing director of KSL and has been mandated by the board of directors of KSL to take all decisions pertaining to the shares and debentures of the Company held by KSL. By virtue of Section 7(6)(d) of the Companies Act and Section 4(1) of the SFA, Mr. Narain Girdhar Chanrai is therefore deemed to be interested in the shares and debentures held by KSL.
- (2) Held jointly with his spouse.

**(d) Options**

Name	Date of Grant	Exercise Period	Exercise Price per Option	Number of Options
Sunny George Verghese	17 February 2010	17 February 2011 to 17 February 2020	S\$2.35	5,000,000
	17 February 2010	17 February 2012 to 17 February 2020	S\$2.35	5,000,000
	17 February 2010	17 February 2013 to 17 February 2020	S\$2.35	5,000,000
Shekhar Anantharaman	21 July 2009	21 July 2012 to 21 July 2019	S\$2.28	437,500
	21 July 2009	21 July 2013 to 21 July 2019	S\$2.28	1,312,500
	15 June 2012	15 June 2015 to 15 June 2022	S\$1.76	812,500
	15 June 2012	15 June 2016 to 15 June 2022	S\$1.76	2,437,500

**4.6 Dealings in Company Securities by the Directors**

Save as disclosed below, none of the Directors has dealt for value in the Company Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

Name	Date of Transaction	Type and Consideration of Transaction
Jean-Paul Pinard	19 September 2013	Acquisition of 100,000 Warrants at a consideration of US\$24,500.
Robert Michael Tomlin	20 September 2013	Acquisition of 500,000 Warrants at a consideration of US\$124,850.
Jean-Paul Pinard	26 September 2013	Acquisition of 100,000 Warrants at a consideration of US\$24,000.
Narain Girdhar Chanrai	13 December 2013	2,114,802 Warrants allotted and issued by the Company to KSL as a result of adjustment of warrant exercise price and number of Warrants due to capital distribution.
Shekhar Anantharaman	13 December 2013	67,500 Warrants allotted and issued by the Company as a result of adjustment of warrant exercise price and number of Warrants due to capital distribution.
Sunny George Verghese	13 December 2013	488,341 Warrants allotted and issued by the Company as a result of adjustment of warrant exercise price and number of Warrants due to capital distribution.

Jean-Paul Pinard	13 December 2013	18,900 Warrants allotted and issued by the Company as a result of adjustment of warrant exercise price and number of Warrants due to capital distribution.
Michael Lim Choo San	13 December 2013	7,884 Warrants allotted and issued by the Company as a result of adjustment of warrant exercise price and number of Warrants due to capital distribution.
Robert Michael Tomlin	13 December 2013	27,000 Warrants allotted and issued by the Company as a result of adjustment of warrant exercise price and number of Warrants due to capital distribution.

#### **4.7 Company Securities owned or controlled by Rothschild**

None of Rothschild, its related corporations or any of the funds whose investments are managed by Rothschild on a discretionary basis owns or controls any Company Securities as at the Latest Practicable Date.

#### **4.8 Dealings in Company Securities by Rothschild**

None of Rothschild, its related corporations or any of the funds whose investments are managed by Rothschild on a discretionary basis has dealt for value in any Company Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

#### **4.9 Intentions of the Directors in respect of their Shares**

The Directors who hold (or are deemed interested in) Shares have indicated their intention in respect of accepting or rejecting the Offer in respect of their Shares as follows:

- (a) Mr. Narain Girdhar Chanrai has a deemed interest in 483,493,065 Shares (representing approximately 20.23% of the total number of issued Shares), held by KSL as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Narain Girdhar Chanrai has informed the Company that KSL intends to accept the Offer in respect of only part of the Shares held by it in accordance with the terms of the Consortium Agreement and the Irrevocable Undertaking granted by it to the Offeror. KSL intends not to tender the balance of the Shares held by it in acceptance of the Offer;
- (b) Mr. Sunny George Verghese holds 111,646,477 Shares (representing approximately 4.67% of the total number of issued Shares) as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Sunny George Verghese has informed the Company that he intends not to tender any of the Shares held by him in acceptance of the Offer in accordance with the terms of the Consortium Agreement;
- (c) Mr. Shekhar Anantharaman holds 14,619,672 Shares (representing approximately 0.61% of the total number of issued Shares) as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Shekhar Anantharaman has informed the Company that he intends to accept the Offer in respect of only part of the Shares held by him in accordance with the terms of the Consortium Agreement and the Irrevocable Undertaking granted by him to the Offeror. He intends not to tender the balance of the Shares held by him in acceptance of the Offer;

- (d) Mr. Robert Michael Tomlin holds 200,000 Shares (representing approximately 0.01% of the total number of issued Shares) as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Robert Michael Tomlin has informed the Company that he intends not to tender any of the Shares held by him in acceptance of the Offer; and
- (e) Mr. Michael Lim Choo San holds 200,000 Shares (representing approximately 0.01% of the total number of issued Shares) as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Michael Lim Choo San has informed the Company that he intends not to tender any of the Shares held by him in acceptance of the Offer.

#### **4.10 Intentions of the Directors in respect of their Convertible Bonds**

The Directors who hold Convertible Bonds have indicated their intention in respect of accepting or rejecting the Convertible Bonds Offer in respect of their Convertible Bonds as follows:

Mr. Robert Michael Tomlin holds a principal amount of US\$500,000 Convertible Bonds as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Robert Michael Tomlin has informed the Company that he intends not to tender any of the Convertible Bonds held by him in acceptance of the Convertible Bonds Offer.

#### **4.11 Intentions of the Directors in respect of their Warrants**

The Directors who hold Warrants have indicated their intention in respect of accepting or rejecting the Warrants Offer in respect of their Warrants as follows:

- (a) Mr. Narain Girdhar Chanrai has a deemed interest in 80,440,802 Warrants, held by KSL as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Narain Girdhar Chanrai has informed the Company that KSL intends not to tender any of the Warrants held by it in acceptance of the Warrants Offer in accordance with the terms of the Consortium Agreement;
- (b) Mr. Sunny George Verghese holds 18,575,068 Warrants as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Sunny George Verghese has informed the Company that he intends not to tender any of the Warrants held by him in acceptance of the Warrants Offer in accordance with the terms of the Consortium Agreement;
- (c) Mr. Shekhar Anantharaman holds 2,567,500 Warrants as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Shekhar Anantharaman has informed the Company that he intends not to tender any of the Warrants held by him in acceptance of the Warrants Offer;
- (d) Mr. Robert Michael Tomlin holds 1,027,000 Warrants as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Robert Michael Tomlin has informed the Company that he intends not to tender any of the Warrants held by him in acceptance of the Warrants Offer;
- (e) Mr. Michael Lim Choo San holds 299,884 Warrants as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Michael Lim Choo San has informed the Company that he intends not to tender any of the Warrants held by him in acceptance of the Warrants Offer; and



- (f) Mr. Jean-Paul Pinard holds 718,900 Warrants as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Jean-Paul Pinard has informed the Company that he intends not to tender any of the Warrants held by him in acceptance of the Warrants Offer.

## **5. OTHER DISCLOSURES**

### **5.1 Directors' service contracts**

As at the Latest Practicable Date, save as disclosed in Sections 8 and 9.1 of this Circular:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

### **5.2 Arrangements affecting Directors**

As at the Latest Practicable Date, save as disclosed in this Circular:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer for Securities;
- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer for Securities; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

## **6. MATERIAL CONTRACTS WITH INTERESTED PERSONS**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Offer Announcement Date.

## **7. MATERIAL LITIGATION**

As at the Latest Practicable Date, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company and any of its subsidiaries, taken as a whole. Nonetheless, it is not unusual for the Company or any of its subsidiaries to be addressing issues arising from litigation, claims or proceedings from time to time and in the ordinary course of its business.

## 8. FINANCIAL INFORMATION

### 8.1 Consolidated Income Statements

The audited consolidated income statements of the Group for the last three (3) financial years (ended 30 June 2013, 2012 and 2011) and the unaudited consolidated income statements of the Group for the second quarter and half year ended 31 December 2013 are summarised below. The summary set out below should be read together with the annual reports, the audited consolidated financial statements of the Group for the relevant financial periods, the Company's announcement on the unaudited consolidated financial statement of the Group for the second quarter and half year ended 31 December 2013 and its accompanying notes. Copies of all of the above are available for inspection at the registered address of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours for the period during which the Offer for Securities remain open for acceptance.

	Unaudited	Audited		
	Second Quarter and Half Year ended 31 December 2013 S\$'000	FY2013 S\$'000	FY2012 S\$'000	FY2011 S\$'000
Revenue – Sale of goods & services	8,827,777	20,801,798	17,093,751	15,803,387
Other income	32,773	106,853	51,473	124,751
	<b>8,860,550</b>	<b>20,908,651</b>	<b>17,145,224</b>	<b>15,928,138</b>
<b>Costs and expenses</b>				
Cost of goods sold	(7,037,682)	(17,053,837)	(13,866,578)	(13,126,857)
Shipping and logistics	(777,018)	(1,689,818)	(1,439,984)	(1,230,110)
Commission and claims	(74,118)	(163,710)	(127,287)	(135,361)
Net gain from changes in fair value of biological assets	(12,049)	96,286	110,874	80,365
Employee benefit expenses	(216,618)	(466,181)	(426,170)	(341,106)
Depreciation	(101,406)	(175,878)	(128,691)	(91,471)
Net measurement of derivative instruments	(3,714)	(5,699)	21,163	28,117
Other operating expenses	(171,134)	(455,294)	(450,557)	(285,260)
Finance costs	(271,026)	(518,353)	(437,550)	(344,358)
	(8,664,765)	(20,432,484)	(16,744,780)	(15,446,041)
Share of results from jointly controlled entities and associates	5,085	20,484	37,466	28,168
<b>Profit before taxation</b>	200,870	496,651	437,910	510,265
Taxation	(27,367)	(105,134)	(34,085)	(65,697)
<b>Profit for the period</b>	<b>173,503</b>	<b>391,517</b>	<b>403,825</b>	<b>444,568</b>
<b>Attributable to:</b>				
Owners of the Company	180,522	362,618	370,908	429,841
Non-controlling interests	(7,019)	28,899	32,917	14,727
	<b>173,503</b>	<b>391,517</b>	<b>403,825</b>	<b>444,568</b>
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
<b>Earnings per share</b>				
– Basic	7.15	14.36	14.96	20.27
– Diluted	7.15	14.27	14.95	18.66
<b>Net dividend per share</b>	–	4	4	5

## 8.2 Consolidated Balance Sheet

The audited consolidated balance sheet of the Group as at 30 June 2013 and the unaudited consolidated balance sheet of the Group as at 31 December 2013 are summarised below. The summary set out below should be read together with the annual report for FY2013, the audited consolidated financial statements of the Group for FY2013, the Company's announcement on the unaudited consolidated financial statement of the Group for the second quarter and half year ended 31 December 2013 and its accompanying notes. Copies of all of the above are available for inspection at the registered address of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours for the period during which the Offer for Securities remain open for acceptance.

	Unaudited as at 31 December 2013 S\$'000	Audited as at 30 June 2013 S\$'000
<b>Non-current assets</b>		
Property, plant and equipment	3,597,780	3,427,775
Intangible assets	680,576	686,516
Biological assets	892,579	781,742
Interests in jointly controlled entities and associates	559,472	557,693
Deferred tax assets	32,459	34,832
Other non-current assets	21,648	20,256
	<b>5,784,514</b>	<b>5,508,814</b>
<b>Current assets</b>		
Trade receivables	2,239,855	2,372,900
Margin accounts with brokers	129,838	—
Inventories	4,467,108	4,154,271
Advance payments to suppliers	593,025	598,470
Cash and short-term fixed deposits	1,236,038	1,591,009
Derivative financial instruments	518,002	606,062
Other current assets	554,440	552,658
	<b>9,738,306</b>	<b>9,875,370</b>
<b>Current liabilities</b>		
Trade payables and accruals	(1,494,296)	(1,747,963)
Margin accounts with brokers	—	(9,114)
Borrowings	(3,167,924)	(2,965,559)
Derivative financial instruments	(467,777)	(395,295)
Provision for taxation	(48,501)	(49,728)
Other current liabilities	(258,606)	(269,241)
	<b>(5,437,104)</b>	<b>(5,436,900)</b>
<b>Net current assets</b>	4,301,202	4,438,470
<b>Non-current liabilities</b>		
Deferred tax liabilities	(238,721)	(240,877)
Borrowings	(5,945,346)	(5,882,679)
	<b>(6,184,067)</b>	<b>(6,123,556)</b>
<b>Net assets</b>	<b>3,901,649</b>	<b>3,823,728</b>
<b>Equity attributable to owners of the Company</b>		
Share capital	2,077,038	2,077,038
Treasury shares	(96,081)	(96,081)
Capital securities	276,939	276,939
Reserves	1,501,826	1,433,964
	3,759,722	3,691,860
Non-controlling interests	141,927	131,868
<b>Total equity</b>	<b>3,901,649</b>	<b>3,823,728</b>

### 8.3 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in the notes to the audited consolidated financial statements of the Group for FY2013, a copy of which is available for inspection at the registered address of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours for the period during which the Offer for Securities remain open for acceptance.

Save as disclosed above and in the notes to the audited consolidated financial statements of the Group for FY2013:

- (a) there were no significant accounting policies or any matter from the notes of the financial statements of the Company which are of any major relevance for the interpretation of the financial statements of the Company; and
- (b) as at the Latest Practicable Date, there is no change in the accounting policy of the Company which will cause the figures disclosed in this Circular not to be comparable to a material extent.

### 8.4 Material changes in financial position

- (a) As stated in Paragraph 8.10.1 of the IFA Letter, as at the Latest Practicable Date, the Company has an 18.6% equity interest in PCL, which is listed on London's Alternative Investment Market. As a result of the resignation of Mr. Sunny George Verghese from the board of directors of PCL, which was announced by PCL on 18 March 2014, and the fact that the Company's equity interest in PCL is less than 20%, the Company's stake in PCL shall be accounted for as an investment held for sale, rather than as a holding in an associated company ("**Re-classification**"), in the Company's financial statements for the third quarter and nine (9) months ended 31 March 2014 (scheduled to be released in May 2014). Please refer to Paragraph 8.10.1 of the IFA Letter for further details in relation to the Re-classification.
- (b) Save as disclosed above and in publicly available information on the Group (including but not limited to unaudited consolidated financial statement of the Group for the second quarter and half year ended 31 December 2013 and its accompanying notes annexed as Appendix III of this Circular), as at the Latest Practicable Date, there has been no known material change in the financial position of the Company since 30 June 2013, being the date of the Company's last published audited financial statements.

### 8.5 Material change in information

Save as disclosed in this Circular and save for the information relating to the Company and the Offer for Securities that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

## 8.6 Statement of Prospects

The following statement set out in italics below (the “**Statement of Prospects**”) has been extracted from the management discussion and analysis on the unaudited results of the Company for the first quarter and three (3) months ended 30 September 2013, as released by the Company on 14 November 2013, and must be read in the context of this document:

*“Based on the results and trajectory achieved in the first quarter, we believe we are well placed to deliver on the twin goals of pursuing profitable growth and generating positive free cash flow for FY2014.”*

Securityholders should note that the Directors have set out in Appendix V of this Circular, the bases and assumptions for the Statement of Prospects. Ernst & Young and Rothschild have each issued a letter in relation to the Statement of Prospects, which are set out in Appendices VI and VII of this Circular respectively. Securityholders are urged to read Appendices V, VI and VII of this Circular carefully.

## 9. GENERAL

- 9.1** All expenses and costs incurred by the Company in relation to the Offer for Securities will be borne by the Company.
- 9.2** Rothschild has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its advice to the Independent Directors set out in Section 12.3 of this Circular, the IFA Letter set out in Appendix I of this Circular, the letter set out in Appendix VII of this Circular and all references thereto, in the form and context in which they appear in this Circular.
- 9.3** Ernst & Young has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the letter set out in Appendix VI of this Circular and all references thereto, in the form and context in which they appear in this Circular.

## 10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered address of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours for the period during which the Offer for Securities remain open for acceptance:

- (a) the memorandum of association of the Company and the Articles;
- (b) the annual reports of the Company for FY2011, FY2012 and FY2013;
- (c) the unaudited consolidated financial statement of the Group for the second quarter and half year ended 31 December 2013 and its accompanying notes;
- (d) the IFA Letter as set out in Appendix I of this Circular;
- (e) the Statement of Prospects, the letter from Ernst & Young and Rothschild respectively in relation to the Statement of Prospects, as set out in Appendices V, VI and VII of this Circular respectively; and
- (f) the letters of consent referred to in Paragraphs 9.2 and 9.3 of this Appendix II above.

# **UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE SECOND QUARTER AND HALF YEAR ENDED 31 DECEMBER 2013**

## **OLAM INTERNATIONAL LIMITED**

### **Financial Statements for the Half Year Ended 31 December 2013**

#### **PART I: Information required for announcements of Quarterly (Q1, Q2, Q3 & Q4), Half-Year and Full Year Results.**

- 1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### **Profit & Loss Statement – Half Year FY2014: Group**

(in S\$'000)	Group					
	Six Months Ended			Three Months Ended		
	31 Dec 13	31 Dec 12	% change	31 Dec 13	31 Dec 12	% change
<b>Sale of goods &amp; services</b>	<b>8,827,777</b>	<b>9,589,528</b>	<b>(7.9)</b>	<b>4,506,742</b>	<b>4,900,381</b>	<b>(8.0)</b>
Other Income (excl. exceptional items)	15,083	13,649	10.5	13,927	8,601	61.9
Cost of sales	(7,892,532)	(8,723,972)	(9.5)	(4,005,621)	(4,422,953)	(9.4)
Other expenses	(378,544)	(381,063)	(0.7)	(187,380)	(198,173)	(5.4)
Net gain from changes in fair value of biological assets	(12,049)	32,238	(137.4)	(15,373)	22,131	(169.5)
Share of results from jointly controlled entities and associates	5,085	5,361	(5.1)	3,648	3,039	20.0
<b>Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>564,820</b>	<b>535,741</b>	<b>5.4</b>	<b>315,943</b>	<b>313,026</b>	<b>0.9</b>
Exceptional items	5,918	27,823	N.A.	5,918	27,823	N.A.
Depreciation & Amortisation	(110,614)	(83,907)	31.8	(49,834)	(40,044)	24.4
Finance income	11,772	6,976	68.8	8,722	3,495	149.6
Finance costs	(271,026)	(265,837)	2.0	(130,919)	(131,381)	(0.4)
<b>Profit Before Tax</b>	<b>200,870</b>	<b>220,796</b>	<b>(9.0)</b>	<b>149,830</b>	<b>172,919</b>	<b>(13.4)</b>
Taxation	(27,367)	(27,666)	(1.1)	(19,586)	(21,630)	(9.4)
<b>Profit for the period</b>	<b>173,503</b>	<b>193,130</b>	<b>(10.2)</b>	<b>130,244</b>	<b>151,289</b>	<b>(13.9)</b>
<b>Attributable to:</b>						
Owners of the Company	180,522	197,321	(8.5)	134,890	154,137	(12.5)
Non-controlling interests	(7,019)	(4,191)	67.5	(4,646)	(2,848)	63.1
	<b>173,503</b>	<b>193,130</b>	<b>(10.2)</b>	<b>130,244</b>	<b>151,289</b>	<b>(13.9)</b>

*Note:* The presentation of the Profit & Loss (P & L) statement has been amended by regrouping certain row items, in line with our stated objective of simplifying stakeholder communication. We believe that the above format lends focus to the key and relevant metrics in the P & L statement. The detailed reconciliation between the amended format and the prior year's P & L statement is included as Appendix A in this document to facilitate easier understanding of prior year comparative numbers.

1(a)(ii) A statement of comprehensive income for the ("Group") - Olam International Limited ("Company") and its subsidiaries together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Comprehensive Income – Half Year FY2014: Group**

(in S\$'000)	Group		Group	
	Six Months Ended		Three Months Ended	
	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12
<b>Profit for the period</b>	<b>173,503</b>	<b>193,130</b>	<b>130,244</b>	<b>151,289</b>
<b>Other Comprehensive Income:</b>				
Net gain on fair value changes during the period	24,247	110,106	2,579	155,407
Recognised in the profit and loss account on occurrence of hedged transactions	(20,544)	(35,935)	(36,880)	(55,865)
Foreign currency translation adjustment	(22,905)	(123,391)	(7,200)	(3,500)
<b>Other comprehensive income</b>	<b>(19,202)</b>	<b>(49,220)</b>	<b>(41,501)</b>	<b>96,042</b>
<b>Total Comprehensive Income</b>	<b>154,301</b>	<b>143,910</b>	<b>88,743</b>	<b>247,331</b>
<b>Attributable to:</b>				
Owners of the Company	155,121	147,303	90,591	248,372
Non-controlling interests	(820)	(3,393)	(1,848)	(1,041)
	<b>154,301</b>	<b>143,910</b>	<b>88,743</b>	<b>247,331</b>



1(b)(i) A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

(in S\$'000)	Group		Company	
	31 Dec 13	30 Jun 13	31 Dec 13	30 Jun 13
<b>Non-current assets</b>				
Property, plant and equipment	3,597,780	3,427,775	2,312	2,557
Intangible assets	680,576	686,516	34,977	33,393
Biological assets	892,579	781,742	-	-
Investment in subsidiary companies	-	-	2,244,109	2,007,203
Interests in jointly controlled entities and associates	559,472	557,693	406,235	413,026
Deferred tax assets	32,459	34,832	-	-
Other non-current assets	21,648	20,256	-	-
	<b>5,784,514</b>	<b>5,508,814</b>	<b>2,687,633</b>	<b>2,456,179</b>
<b>Current assets</b>				
Amounts due from subsidiary companies	-	-	2,307,164	2,258,023
Trade receivables	2,239,855	2,372,900	849,046	984,391
Margin accounts with brokers	129,838	-	94,780	-
Inventories	4,467,108	4,154,271	682,267	459,060
Advance payments to suppliers	593,025	598,470	186,157	215,033
Advance payments to subsidiary companies	-	-	2,008,345	2,079,753
Cash and short-term fixed deposits	1,236,038	1,591,009	640,166	1,126,575
Derivative financial instruments	518,002	606,062	343,252	353,326
Other current assets	554,440	552,658	51,980	87,971
	<b>9,738,306</b>	<b>9,875,370</b>	<b>7,163,157</b>	<b>7,564,132</b>
<b>Current liabilities</b>				
Trade payables and accruals	(1,494,296)	(1,747,963)	(590,381)	(927,715)
Margin accounts with brokers	-	(9,114)	-	(35,683)
Borrowings	(3,167,924)	(2,965,559)	(1,427,298)	(748,503)
Derivative financial instruments	(467,777)	(395,295)	(328,898)	(180,764)
Provision for taxation	(48,501)	(49,728)	(15,545)	(21,976)
Other current liabilities	(258,606)	(269,241)	(91,149)	(98,794)
	<b>(5,437,104)</b>	<b>(5,436,900)</b>	<b>(2,453,271)</b>	<b>(2,013,435)</b>
<b>Net current assets</b>	4,301,202	4,438,470	4,709,886	5,550,697
<b>Non-current liabilities</b>				
Deferred tax liabilities	(238,721)	(240,877)	(4,990)	(4,843)
Borrowings	(5,945,346)	(5,882,679)	(4,633,933)	(5,153,194)
	<b>(6,184,067)</b>	<b>(6,123,556)</b>	<b>(4,638,923)</b>	<b>(5,158,037)</b>
<b>Net assets</b>	<b>3,901,649</b>	<b>3,823,728</b>	<b>2,758,596</b>	<b>2,848,839</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	2,077,038	2,077,038	2,077,038	2,077,038
Treasury shares	(96,081)	(96,081)	(96,081)	(96,081)
Capital securities	276,939	276,939	276,939	276,939
Reserves	1,501,826	1,433,964	500,700	590,943
	3,759,722	3,691,860	2,758,596	2,848,839
Non-controlling interests	141,927	131,868	-	-
<b>Total equity</b>	<b>3,901,649</b>	<b>3,823,728</b>	<b>2,758,596</b>	<b>2,848,839</b>

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

**Amounts repayable in one year or less or on demand**

	31 Dec 13		30 Jun 13	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Overdrafts	-	228,632	-	261,146
Loans	47,153	2,877,848	88,306	2,336,096
Medium Term Notes	-	-	-	248,054
Finance Lease	-	5,676	-	4,402
Bonds	-	8,615	-	27,555
<b>Total</b>	<b>47,153</b>	<b>3,120,771</b>	<b>88,306</b>	<b>2,877,253</b>

**Amounts repayable after one year**

	31 Dec 13		30 Jun 13	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Medium / Long Term Loans	150,205	2,260,836	143,087	2,211,107
Medium Term Notes	-	1,721,873	-	1,724,505
Bonds	-	1,792,785	-	1,782,417
Finance Lease	-	19,647	-	21,563
<b>Total</b>	<b>150,205</b>	<b>5,795,141</b>	<b>143,087</b>	<b>5,739,592</b>

- 1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year is as follows:

(in S\$'000)	Group		Group	
	Six Months Ended		Three Months Ended	
	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12
<b>Cash flow from operating activities</b>				
<b>Profit before taxation</b>	<b>200,870</b>	<b>220,796</b>	<b>149,830</b>	<b>172,919</b>
Adjustments for:				
Amortisation of intangible assets and depreciation of property, plant and equipment	110,614	83,907	49,834	40,041
Cost of share-based payment	5,180	9,401	2,351	4,611
Fair value of biological assets	12,049	(32,238)	15,373	(22,131)
Gain on disposal of property, plant and equipment	(4,335)	(28,678)	(4,642)	(28,835)
Interest income	(11,772)	(6,976)	(8,722)	(3,495)
Interest expense	271,026	265,837	130,919	131,381
Net measurement of derivative instruments	3,714	4,445	(1,863)	10,770
Share of results from jointly controlled entities and associates	(5,085)	(5,361)	(3,648)	(3,039)
<b>Operating cash flow before reinvestment in working capital</b>	<b>582,261</b>	<b>511,133</b>	<b>329,432</b>	<b>302,222</b>
Increase in inventories	(256,654)	(237,426)	(164,735)	(43,170)
Decrease in receivables and other current assets	285,062	278,264	103,137	158,048
Decrease/ (increase) in advance payments to suppliers	4,846	(74,307)	(3,508)	(106,371)
(Increase) / decrease in margin account with brokers	(138,678)	(374,980)	(43,809)	4,679
Decrease in payables and other current liabilities	(469,484)	(407,766)	(421,522)	(126,542)
<b>Cash flow generated from/ (used in) operations</b>	<b>7,353</b>	<b>(305,082)</b>	<b>(201,005)</b>	<b>188,866</b>
Interest income received	11,772	6,976	8,722	3,495
Interest expense paid	(263,059)	(217,907)	(96,797)	(76,888)
Tax paid	(27,238)	(2,463)	(24,456)	(825)
<b>Net cash flow (used in)/ generated from operating activities</b>	<b>(271,172)</b>	<b>(518,476)</b>	<b>(313,536)</b>	<b>114,648</b>
<b>Cash flow from investing activities</b>				
Proceeds from disposal of property, plant and equipment	36,397	78,436	33,783	75,936
Purchase of property, plant and equipment	(320,804)	(374,588)	(136,020)	(160,933)
Purchase of intangible assets	(4,329)	(2,523)	(18)	(2,523)
Acquisition of subsidiaries, net of cash acquired	-	(132,370)	-	(132,370)
Net proceeds from jointly controlled entities and associates	1,210	(38,517)	(642)	(38,517)
Proceeds from sale of minority interest in subsidiary	25,080	-	-	-
<b>Net cash flow used in investing activities</b>	<b>(262,446)</b>	<b>(469,562)</b>	<b>(102,897)</b>	<b>(258,407)</b>
<b>Cash flow from financing activities</b>				
Dividends paid on ordinary shares by the Company	(96,935)	(96,217)	(96,935)	(96,217)
Proceeds from borrowings, net	329,101	1,353,151	601,620	76,167
Payment of capital securities distribution	(9,704)	(9,704)	-	-
Acquisition of non controlling interest	-	(25,836)	-	(25,836)
<b>Net cash flow provided by/ (used in) financing activities</b>	<b>222,462</b>	<b>1,221,394</b>	<b>504,685</b>	<b>(45,886)</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>(11,182)</b>	<b>(25,716)</b>	<b>5,382</b>	<b>(5,984)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(322,338)</b>	<b>207,640</b>	<b>93,634</b>	<b>(195,629)</b>
Cash and cash equivalents at the beginning of the period	1,285,532	601,762	869,560	1,005,031
<b>Cash and cash equivalents* at the end of the period</b>	<b>963,194</b>	<b>809,402</b>	<b>963,194</b>	<b>809,402</b>

\*Cash and cash equivalents include cash and bank balances, fixed deposits less overdrafts and deposits committed

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity, or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

6 months Group	Attributable to owners of the Company										Non- Controlling Interests	Total Equity
	Share Capital \$'000	Treasury Shares \$'000	Capital Securities \$'000	Capital Reserves \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	Total \$'000		
<b>At 31 December 2013:</b>												
<b>At 1 July 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,939</b>	<b>122,335</b>	<b>(378,533)</b>	<b>(73,174)</b>	<b>90,311</b>	<b>1,673,024</b>	<b>1,433,963</b>	<b>3,691,859</b>	<b>131,868</b>	<b>3,823,727</b>
Profit for the period	-	-	-	-	-	-	-	180,522	180,522	180,522	(7,019)	173,503
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	24,247	-	-	24,247	24,247	-	24,247
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(20,544)	-	-	(20,544)	(20,544)	-	(20,544)
Foreign currency translation adjustment	-	-	-	-	(29,104)	-	-	-	(29,104)	(29,104)	6,199	(22,905)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,104)</b>	<b>3,703</b>	<b>-</b>	<b>-</b>	<b>(25,401)</b>	<b>(25,401)</b>	<b>6,199</b>	<b>(19,202)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,104)</b>	<b>3,703</b>	<b>-</b>	<b>180,522</b>	<b>155,121</b>	<b>155,121</b>	<b>(820)</b>	<b>154,301</b>
<b>Contributions by and distributions to owners</b>												
Share-based expense	-	-	-	-	-	-	5,180	-	5,180	5,180	-	5,180
Dividends on ordinary shares	-	-	-	-	-	-	-	(96,935)	(96,935)	(96,935)	-	(96,935)
Accrued capital securities distribution	-	-	9,704	-	-	-	-	(9,704)	(9,704)	-	-	-
Payment of capital securities distribution	-	-	(9,704)	-	-	-	-	-	-	(9,704)	-	(9,704)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,180</b>	<b>(106,639)</b>	<b>(101,459)</b>	<b>(101,459)</b>	<b>-</b>	<b>(101,459)</b>
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>												
Sale of minority interest in subsidiary	-	-	-	14,201	-	-	-	-	14,201	14,201	10,879	25,080
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,201</b>	<b>14,201</b>	<b>10,879</b>	<b>25,080</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,201</b>	<b>-</b>	<b>-</b>	<b>5,180</b>	<b>(106,639)</b>	<b>(87,258)</b>	<b>(87,258)</b>	<b>10,879</b>	<b>(76,379)</b>
<b>At 31 December 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,939</b>	<b>136,536</b>	<b>(407,637)</b>	<b>(69,471)</b>	<b>95,491</b>	<b>1,746,907</b>	<b>1,501,826</b>	<b>3,759,722</b>	<b>141,927</b>	<b>3,901,649</b>

6 months Group	Attributable to owners of the Company										Non- Controlling Interests \$'000	Total Equity \$'000
	Share Capital \$'000	Treasury Shares \$'000	Capital Securities \$'000	Capital Reserve	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	Total \$'000		
<b>At 31 December 2012:</b>												
<b>At 1 July 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>120,093</b>	<b>(344,781)</b>	<b>(125,190)</b>	<b>72,327</b>	<b>1,425,318</b>	<b>1,147,767</b>	<b>3,405,610</b>	<b>122,152</b>	<b>3,527,762</b>
Profit for the period	-	-	-	-	-	-	-	197,321	197,321	197,321	(4,191)	193,130
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	110,106	-	-	110,106	110,106	-	110,106
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(35,935)	-	-	(35,935)	(35,935)	-	(35,935)
Foreign currency translation adjustment	-	-	-	-	(124,189)	-	-	-	(124,189)	(124,189)	798	(123,391)
<b>Other comprehensive income for the financial period, net of tax</b>												
	-	-	-	-	(124,189)	74,171	-	-	(50,018)	(50,018)	798	(49,220)
<b>Total comprehensive income for the period</b>												
	-	-	-	-	(124,189)	74,171	-	197,321	147,303	147,303	(3,393)	143,910
<b>Contributions by and distributions to owners</b>												
Share-based expense	-	-	-	-	-	-	9,401	-	9,401	9,401	-	9,401
Dividends on ordinary shares	-	-	-	-	-	-	-	(96,217)	(96,217)	(96,217)	-	(96,217)
Accrued capital securities distribution	-	-	9,704	-	-	-	-	(9,704)	(9,704)	-	-	-
Payment of capital securities distribution	-	-	(9,704)	-	-	-	-	-	-	(9,704)	-	(9,704)
<b>Total contributions by and distributions to owners</b>												
	-	-	-	-	-	-	9,401	(105,921)	(96,520)	(96,520)	-	(96,520)
<b>Changes in ownership interests in subsidiaries</b>												
Acquisition of non-controlling interests	-	-	-	(4,126)	-	-	-	-	(4,126)	(4,126)	(21,710)	(25,836)
<b>Total changes in ownership interests in subsidiaries</b>												
	-	-	-	(4,126)	-	-	-	-	(4,126)	(4,126)	(21,710)	(25,836)
<b>Total transactions with owners in their capacity as owners</b>												
	-	-	-	(4,126)	-	-	9,401	(105,921)	(100,646)	(100,646)	(21,710)	(122,356)
<b>At 31 December 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>115,967</b>	<b>(468,970)</b>	<b>(51,019)</b>	<b>81,728</b>	<b>1,516,718</b>	<b>1,194,424</b>	<b>3,452,267</b>	<b>97,049</b>	<b>3,549,316</b>

6 months Company	Attributable to owners of the Company									
	Share Capital \$'000	Treasury Shares \$'000	Capital Securities \$'000	Capital Reserves \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	Total Equity \$'000
<b>At 31 December 2013:</b>										
<b>At 1 July 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,939</b>	<b>138,145</b>	<b>(214,795)</b>	<b>(74,818)</b>	<b>90,311</b>	<b>652,100</b>	<b>590,943</b>	<b>2,848,839</b>
Profit for the period	-	-	-	-	-	-	-	19,176	19,176	19,176
<b>Other comprehensive income</b>										
Net gain on fair value changes during the financial period	-	-	-	-	-	(23,267)	-	-	(23,267)	(23,267)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	23,006	-	-	23,006	23,006
Foreign currency translation adjustment	-	-	-	-	(7,699)	-	-	-	(7,699)	(7,699)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,699)</b>	<b>(261)</b>	<b>-</b>	<b>-</b>	<b>(7,960)</b>	<b>(7,960)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,699)</b>	<b>(261)</b>	<b>-</b>	<b>19,176</b>	<b>11,216</b>	<b>11,216</b>
<b>Contributions by and distributions to owners</b>										
Share-based expense	-	-	-	-	-	-	5,180	-	5,180	5,180
Dividends on ordinary shares	-	-	-	-	-	-	-	(96,935)	(96,935)	(96,935)
Accrued capital securities distribution	-	-	9,704	-	-	-	-	(9,704)	(9,704)	-
Payment of capital securities distribution	-	-	(9,704)	-	-	-	-	-	-	(9,704)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,180</b>	<b>(106,639)</b>	<b>(101,459)</b>	<b>(101,459)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,180</b>	<b>(106,639)</b>	<b>(101,459)</b>	<b>(101,459)</b>
<b>At 31 December 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,939</b>	<b>138,145</b>	<b>(222,494)</b>	<b>(75,079)</b>	<b>95,491</b>	<b>564,637</b>	<b>500,700</b>	<b>2,758,596</b>

6 months Company	Attributable to owners of the Company									Total Equity \$'000
	Share Capital \$'000	Treasury Shares \$'000	Capital Securities \$'000	Capital Reserves \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	
<b>At 31 December 2012:</b>										
<b>At 1 July 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>129,877</b>	<b>(210,221)</b>	<b>(128,785)</b>	<b>72,327</b>	<b>632,954</b>	<b>496,152</b>	<b>2,753,995</b>
Profit for the period	-	-	-	-	-	-	-	12,615	12,615	12,615
<b>Other comprehensive income</b>										
Net gain on fair value changes during the financial period	-	-	-	-	-	113,937	-	-	113,937	113,937
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(42,808)	-	-	(42,808)	(42,808)
Foreign currency translation adjustment	-	-	-	-	(103,702)	-	-	-	(103,702)	(103,702)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(103,702)</b>	<b>71,129</b>	<b>-</b>	<b>-</b>	<b>(32,573)</b>	<b>(32,573)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(103,702)</b>	<b>71,129</b>	<b>-</b>	<b>12,615</b>	<b>(19,958)</b>	<b>(19,958)</b>
<b>Contributions by and distributions to owners</b>										
Share-based expense	-	-	-	-	-	-	9,401	-	9,401	9,401
Dividends on ordinary shares	-	-	-	-	-	-	-	(96,217)	(96,217)	(96,217)
Accrued capital securities distribution	-	-	9,704	-	-	-	-	(9,704)	(9,704)	-
Payment of capital securities distribution	-	-	(9,704)	-	-	-	-	-	-	(9,704)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,401</b>	<b>(105,921)</b>	<b>(96,520)</b>	<b>(96,520)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,401</b>	<b>(105,921)</b>	<b>(96,520)</b>	<b>(96,520)</b>
<b>At 31 December 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>129,877</b>	<b>(313,923)</b>	<b>(57,656)</b>	<b>81,728</b>	<b>539,648</b>	<b>379,674</b>	<b>2,637,517</b>



3 months Group	Attributable to owners of the Company										Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Securities	Capital Reserves	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 December 2013:</b>												
<b>At 1 October 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>271,996</b>	<b>136,536</b>	<b>(397,639)</b>	<b>(35,170)</b>	<b>93,140</b>	<b>1,713,895</b>	<b>1,510,762</b>	<b>3,763,715</b>	<b>143,775</b>	<b>3,907,490</b>
Profit for the period	-	-	-	-	-	-	-	134,890	134,890	134,890	(4,646)	130,244
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	2,579	-	-	2,579	2,579	-	2,579
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(36,880)	-	-	(36,880)	(36,880)	-	(36,880)
Foreign currency translation adjustment	-	-	-	-	(9,998)	-	-	-	(9,998)	(9,998)	2,798	(7,200)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,998)</b>	<b>(34,301)</b>	<b>-</b>	<b>-</b>	<b>(44,299)</b>	<b>(44,299)</b>	<b>2,798</b>	<b>(41,501)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,998)</b>	<b>(34,301)</b>	<b>-</b>	<b>134,890</b>	<b>90,591</b>	<b>90,591</b>	<b>(1,848)</b>	<b>88,743</b>
<b>Contributions by and distributions to owners</b>												
Share-based expense	-	-	-	-	-	-	2,351	-	2,351	2,351	-	2,351
Dividends on ordinary shares	-	-	-	-	-	-	-	(96,935)	(96,935)	(96,935)	-	(96,935)
Accrued capital securities distribution	-	-	4,943	-	-	-	-	(4,943)	(4,943)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>4,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,351</b>	<b>(101,878)</b>	<b>(99,527)</b>	<b>(94,584)</b>	<b>-</b>	<b>(94,584)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>4,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,351</b>	<b>(101,878)</b>	<b>(99,527)</b>	<b>(94,584)</b>	<b>-</b>	<b>(94,584)</b>
<b>At 31 December 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,939</b>	<b>136,536</b>	<b>(407,637)</b>	<b>(69,471)</b>	<b>95,491</b>	<b>1,746,907</b>	<b>1,501,826</b>	<b>3,759,722</b>	<b>141,927</b>	<b>3,901,649</b>

3 months Group	Attributable to owners of the Company										Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Capital Securities	Capital Reserve	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 December 2012:</b>												
<b>At 1 October 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>272,034</b>	<b>120,093</b>	<b>(463,663)</b>	<b>(150,561)</b>	<b>77,117</b>	<b>1,463,650</b>	<b>1,046,636</b>	<b>3,299,627</b>	<b>119,800</b>	<b>3,419,427</b>
Profit for the period	-	-	-	-	-	-	-	154,137	154,137	154,137	(2,848)	151,289
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	155,407	-	-	155,407	155,407	-	155,407
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(55,865)	-	-	(55,865)	(55,865)	-	(55,865)
Foreign currency translation adjustment	-	-	-	-	(5,307)	-	-	-	(5,307)	(5,307)	1,807	(3,500)
<b>Other comprehensive income for the financial period, net of tax</b>												
	-	-	-	-	(5,307)	99,542	-	-	94,235	94,235	1,807	96,042
<b>Total comprehensive income for the period</b>												
	-	-	-	-	(5,307)	99,542	-	154,137	248,372	248,372	(1,041)	247,331
<b>Contributions by and distributions to owners</b>												
Issue of capital securities, net of transaction costs	-	-	-	-	-	-	-	-	-	-	-	-
Share-based expense	-	-	-	-	-	-	4,611	-	4,611	4,611	-	4,611
Dividends on ordinary shares	-	-	-	-	-	-	-	(96,217)	(96,217)	(96,217)	-	(96,217)
Accrued capital securities distribution	-	-	4,852	-	-	-	-	(4,852)	(4,852)	-	-	-
<b>Total contributions by and distributions to owners</b>												
	-	-	4,852	-	-	-	4,611	(101,069)	(96,458)	(91,606)	-	(91,606)
<b>Changes in ownership interests in subsidiaries</b>												
Acquisition of non-controlling interests	-	-	-	(4,126)	-	-	-	-	(4,126)	(4,126)	(21,710)	(25,836)
<b>Total changes in ownership interests in subsidiaries</b>												
	-	-	-	(4,126)	-	-	-	-	(4,126)	(4,126)	(21,710)	(25,836)
<b>Total transactions with owners in their capacity as owners</b>												
	-	-	4,852	(4,126)	-	-	4,611	(101,069)	(100,584)	(95,732)	(21,710)	(117,442)
<b>At 31 December 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>115,967</b>	<b>(468,970)</b>	<b>(51,019)</b>	<b>81,728</b>	<b>1,516,718</b>	<b>1,194,424</b>	<b>3,452,267</b>	<b>97,049</b>	<b>3,549,316</b>

3 months Company	Attributable to owners of the Company									
	Share Capital \$'000	Treasury Shares \$'000	Capital Securities \$'000	Capital Reserves \$'000	Foreign Currency Translation Reserves \$'000	Fair Value Adjustment Reserves \$'000	Share-based Compensation Reserves \$'000	Revenue Reserves \$'000	Total Reserves \$'000	Total Equity \$'000
<b>At 31 December 2013:</b>										
<b>At 1 October 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>271,996</b>	<b>138,145</b>	<b>(241,505)</b>	<b>(41,971)</b>	<b>93,140</b>	<b>655,703</b>	<b>603,512</b>	<b>2,856,465</b>
Profit for the period	-	-	-	-	-	-	-	10,812	10,812	10,812
<b>Other comprehensive income</b>										
Net gain on fair value changes during the financial period	-	-	-	-	-	(36,568)	-	-	(36,568)	(36,568)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	3,460	-	-	3,460	3,460
Foreign currency translation adjustment	-	-	-	-	19,011	-	-	-	19,011	19,011
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,011</b>	<b>(33,108)</b>	<b>-</b>	<b>-</b>	<b>(14,097)</b>	<b>(14,097)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,011</b>	<b>(33,108)</b>	<b>-</b>	<b>10,812</b>	<b>(3,285)</b>	<b>(3,285)</b>
<b>Contributions by and distributions to owners</b>										
Share-based expense	-	-	-	-	-	-	2,351	-	2,351	2,351
Dividends on ordinary shares	-	-	-	-	-	-	-	(96,935)	(96,935)	(96,935)
Accrued capital securities distribution	-	-	4,943	-	-	-	-	(4,943)	(4,943)	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>4,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,351</b>	<b>(101,878)</b>	<b>(99,527)</b>	<b>(94,584)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>4,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,351</b>	<b>(101,878)</b>	<b>(99,527)</b>	<b>(94,584)</b>
<b>At 31 December 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,939</b>	<b>138,145</b>	<b>(222,494)</b>	<b>(75,079)</b>	<b>95,491</b>	<b>564,637</b>	<b>500,700</b>	<b>2,758,596</b>

3 months Company	Attributable to owners of the Company									
	Share Capital	Treasury Shares	Capital Securities	Capital Reserves	Foreign Currency Translation Reserves	Fair Value Adjustment Reserves	Share-based Compensation Reserves	Revenue Reserves	Total Reserves	Total Equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 December 2012:</b>										
<b>At 1 October 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>272,034</b>	<b>129,877</b>	<b>(300,463)</b>	<b>(156,021)</b>	<b>77,117</b>	<b>633,111</b>	<b>383,621</b>	<b>2,636,612</b>
Profit for the period	-	-	-	-	-	-	-	7,606	7,606	7,606
<b>Other comprehensive income</b>										
Net gain on fair value changes during the financial period	-	-	-	-	-	156,423	-	-	156,423	156,423
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(58,058)	-	-	(58,058)	(58,058)
Foreign currency translation adjustment	-	-	-	-	(13,460)	-	-	-	(13,460)	(13,460)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,460)</b>	<b>98,365</b>	<b>-</b>	<b>-</b>	<b>84,905</b>	<b>84,905</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,460)</b>	<b>98,365</b>	<b>-</b>	<b>7,606</b>	<b>92,511</b>	<b>92,511</b>
<b>Contributions by and distributions to owners</b>										
Issue of capital securities, net of transaction costs	-	-	-	-	-	-	-	-	-	-
Share-based expense	-	-	-	-	-	-	4,611	-	4,611	4,611
Dividends on ordinary shares	-	-	-	-	-	-	-	(96,217)	(96,217)	(96,217)
Accrued capital securities distribution	-	-	4,852	-	-	-	-	(4,852)	(4,852)	-
Payment of capital securities distribution	-	-	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>4,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,611</b>	<b>(101,069)</b>	<b>(96,458)</b>	<b>(91,606)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>4,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,611</b>	<b>(101,069)</b>	<b>(96,458)</b>	<b>(91,606)</b>
<b>At 31 December 2012</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>276,886</b>	<b>129,877</b>	<b>(313,923)</b>	<b>(57,656)</b>	<b>81,728</b>	<b>539,648</b>	<b>379,674</b>	<b>2,637,517</b>

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Dec 13	Dec 12
<b>Shares to be issued upon exercise of:</b>		
Conversion right of convertible bonds	241,610,738	242,563,783
Warrants	397,826,160	-
Share options	130,300,000	137,594,000
<b>Total no. of shares</b>	<b>769,736,898</b>	<b>380,157,783</b>

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Dec 13	Jun-13
<b>Issued, fully paid share capital :</b>		
Balance no. of shares as at the beginning of period	2,442,409,869	2,442,409,869
<b>Total no. of shares outstanding as at the end of period</b>	<b>2,442,409,869</b>	<b>2,442,409,869</b>
Total no. of shares held as treasury shares	(52,196,000)	(52,196,000)
<b>Total no. of shares outstanding as at the end of period net of treasury shares</b>	<b>2,390,213,869</b>	<b>2,390,213,869</b>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

N. A.

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

The financial statements presented above have not been audited or reviewed.

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

N. A.

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

The adoption of the new and revised accounting standards that became applicable from 1 July 2012 did not result in substantial changes to the Group accounting policies, which are consistent with those used in the audited financial statements as at 30 June 2013.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 30 June 2013 except for the adoption of new or revised FRS that are mandatory for financial years beginning on or after 1 July 2013. The adoption of these FRS has no significant impact to the Group.

6. Earnings per ordinary share of the Group for the current financial period reported and for the

corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

**Reported earnings per ordinary share**

Reported EPS	Group			
	Six Months Ended		Three Months Ended	
	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12
(a) Based on weighted average no. of shares (cents/share)	7.15	7.85	5.44	6.25
(b) Based on fully diluted basis (cents/share)	7.15	7.85	5.44	6.25
Weighted average no. of shares applicable to basic earnings per share	2,390,213,869	2,390,213,869	2,390,213,869	2,390,213,869
Weighted average no. of shares based on fully diluted basis	2,390,213,869	2,390,213,869	2,390,213,869	2,390,213,869

7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares of the issuer at the end of the:

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	As at 31 Dec 13	As at 30 Jun 13	As at 31 Dec 13	As at 30 Jun 13
<b>(In cents per share)</b>				
Net asset value (NAV) per ordinary share based on issued share capital as at end of the period	153.93	151.16	112.95	116.64

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and  
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Please refer to the Management's Discussion and Analysis (lodged on SGXNET along with the Financial Results statement) for a review of financial and operational performance.

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

There was no forecast made by the Company.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Please refer to the Management's Discussion and Analysis (lodged on SGXNET along with the Financial Results statement) for a review of financial and operational performance.

11. Dividend

- (a) Current Financial Period Reported on 31 December 2013.

Any dividend recommended for the current financial period reported on?

NIL

- (b) Corresponding Period of the Immediately Preceding Financial Year.

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

NIL

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

N.A.

- (d) Date payable

N.A.

- (e) Books closure date

N.A.

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

N.A.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

#### Appendix A: Reconciliation between the amended format and the prior year's P & L statement

(in S\$'000)	Group			
	Six Months Ended		Three Months Ended	
	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12
<b>Other Income</b>	<b>15,083</b>	<b>13,649</b>	<b>13,927</b>	<b>8,601</b>
Other Income	32,773	48,448	28,567	39,919
Less: Finance income	(11,772)	(6,976)	(8,722)	(3,495)
Less: Exceptional items	(5,918)	(27,823)	(5,918)	(27,823)
<b>Cost of sales</b>	<b>(7,892,532)</b>	<b>(8,723,972)</b>	<b>(4,005,621)</b>	<b>(4,422,953)</b>
Cost of goods sold	(7,037,682)	(7,748,817)	(3,585,162)	(3,889,943)
Shipping and logistics	(777,018)	(885,508)	(383,196)	(472,194)
Commission and claims	(74,118)	(85,202)	(39,126)	(50,046)
Net measurement of derivative instruments	(3,714)	(4,445)	1,863	(10,770)
<b>Other expenses</b>	<b>(378,544)</b>	<b>(381,063)</b>	<b>(187,380)</b>	<b>(198,173)</b>
Employee benefit expenses	(216,618)	(229,902)	(107,740)	(114,733)
Other operating expenses excl. Amortisation	(161,926)	(151,161)	(79,640)	(83,440)
<b>Depreciation &amp; Amortisation</b>	<b>(110,614)</b>	<b>(83,907)</b>	<b>(49,834)</b>	<b>(40,044)</b>
Depreciation	(101,406)	(75,968)	(45,213)	(35,892)
Amortisation (formerly part of Other operating expenses)	(9,208)	(7,939)	(4,621)	(4,152)



**Confirmation of the Board**

We refer to the requirement under Rule 705(5) of the Listing Manual.

We hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for period ended 31 December 2013 to be false or misleading in any material aspects.

On behalf of the Board of Directors

R. Jayachandran  
Chairman

Sunny George Verghese  
Group Managing Director & CEO

BY ORDER OF THE BOARD

Sunny George Verghese  
Group Managing Director & CEO

14 February 2014

## EXTRACT OF ARTICLES

(a) Rights in respect of Capital**“ISSUE OF SHARES**

5. *Subject to the Statutes and the provisions of these presents, no shares may be issued by the Directors without the prior approval of the Company by Ordinary Resolution but subject thereto and to Article 10, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of shares to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions whether as regards dividend, return of capital, participation in surplus assets and profits, voting, conversion or otherwise, as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, PROVIDED THAT:*
- (a) *(subject to any direction to the contrary that may be given by the Company in a General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 10(A) with such adaptations as are necessary shall apply; and*
  - (b) *the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same and in the provisions of these presents.*
7. (A) *Preference shares may be issued subject to such limitation thereof as may be prescribed by any securities exchange upon which shares in the Company are listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending 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 or winding-up or sanctioning a 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 arrear.*
- (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

**VARIATION OF RIGHTS**

8. (A) *Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the Statutes, be varied or abrogated either with the consent in writing of holders who represent at least three-quarters of the total voting rights of all the shares of that class or by a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting, all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or*

*representing by proxy at least one-third of the total voting rights of all the shares of that class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, PROVIDED THAT where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from holders who represent at least three-quarters of the total voting rights of all the shares of that class concerned within two Months of such General Meeting shall be as valid and effectual as a Special Resolution passed at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.*

- (B) The repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned PROVIDED THAT where the necessary majority for such a Special Resolution is not obtained at the General Meeting, consent in writing if obtained from holders who represent at least three-quarters of the total voting rights of all the preference shares concerned within two Months of the General Meeting, shall be as valid and effectual as a Special Resolution carried at the General Meeting.*
- (C) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

#### **ALTERATION OF SHARE CAPITAL**

- 9. The Company in General Meeting may from time to time by Ordinary Resolution increase its capital by the allotment and issue of new shares, such authority being confined to a particular exercise of that power or generally. Any such authority may be unconditional or subject to conditions and shall continue in force until the conclusion of the Annual General Meeting commencing next after the date on which the approval was given or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held whichever is the earlier but may be previously revoked or varied by the Company in General Meeting PROVIDED ALWAYS that no shares may be issued to transfer a controlling interest without prior approval of the Company in general meeting.*
- 10. (A) Subject to the bye-laws or listing rules of the securities exchange upon which shares in the Company are listed or to any direction to the contrary that may be given by the Company in a General Meeting, 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 far as the circumstances admit, to the number of the existing shares to which they are entitled. 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 under this Article 10(A).*

- (B) *Except so far as otherwise provided by the conditions of issue or by the provisions of these presents, all new shares shall be subject to the Statutes and the provisions of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.*
11. *The Company may by Ordinary Resolution:*
- (a) *consolidate and divide all or any of its shares;*
  - (b) *cancel any shares which, at the date of the passing of the resolution, have been forfeited and diminish the amount of its capital by the number of shares so cancelled;*
  - (c) *sub-divide its shares, or any of them in accordance with the Statutes and the bye-laws or listing rules of the securities exchange upon which shares in the Company are listed, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; or*
  - (d) *subject to the Statutes, convert any class of paid-up shares into any other class of paid-up shares.*
12. (A) *The Company may reduce its share capital or any reserve in any manner and with and subject to any incident authorised and consent required by law.*
- (B) *Subject to the Statutes, the Company may purchase or otherwise acquire any of its issued shares on such terms and in such manner as the Company may from time to time think fit and in the manner prescribed by the Statutes. If required by the Statutes, any share which is so purchased or acquired by the Company, unless held as treasury shares in accordance with the Statutes, shall be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share (including treasury shares) which is so purchased or acquired by it in accordance with the Statutes.*

## **SHARES**

16. *Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way (except by the Statutes or the provisions of these presents) to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee, as the case may be) entered in the Register of Members as the registered holder thereof or (as the case may be) a person whose name is entered in the Depository Register in respect of that share.*
17. *No person shall exercise any rights of a member in respect of a share until his name shall have been entered in the Register of Members as the registered holder thereof or in the Depository Register in respect of such share, as the case may be, and, unless the Directors otherwise determine, such person shall have paid all calls and other moneys for the time being due and payable on any share held by him.*
18. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with*

*such preferred, deferred or other special rights, or subject to such restrictions (as regards dividend, return of capital, voting or otherwise) as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the Statutes, the Company may issue preference shares which are, or at the option of the Company, are liable to be redeemed.*

- 19. Subject to the Statutes and the provisions of these presents relating to authority, pre-emption rights and otherwise and of any resolution of the Company in a General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*
- 20. The Company may exercise the powers of paying commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly shares or partly in one way and partly in the other.*
- 21. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the securities exchange upon which shares in the Company are listed) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*
- 22. Except as permitted or provided by the Act, the listing rules of the Securities Exchange, or these Articles, no part of the funds of the Company shall, directly or indirectly, be employed in the acquisition of or lending of money on the security of any shares or units of shares in the Company or its holding company, if any. Except as permitted or provided by the Act, the listing rules of the Securities Exchange, or these Articles, the Company shall not, directly or indirectly, give any financial assistance for the purpose of or in connection with the acquisition of any shares or units of shares in the Company or its holding company, if any.*

## **STOCK**

- 53. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.*
- 54. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.*
- 55. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by any number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.*



## **CAPITALISATION OF PROFITS AND RESERVES**

147. *Subject to Article 5 and Article 10, the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including any undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter into an agreement with the Company on behalf of all the members interested, providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
148. *In addition and without prejudice to the power to capitalise profits and other moneys provided for by Article 147, the Directors shall have power to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit."*

### **(b) Rights in respect of Voting**

#### **"PROCEEDINGS AT GENERAL MEETINGS**

62. *The Chairman of the Board, failing whom the Deputy Chairman of the Board, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present and willing to act within five minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.*
63. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy, PROVIDED THAT where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum. A corporation being a member shall be deemed to be personally present if represented in accordance with the provisions of Article 85.*
64. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday,*

*then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting, any one or more members present in person or by proxy shall be a quorum.*

65. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*
66. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*
67. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
68. *At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) the chairman of the meeting;*
  - (b) not less than five members having the right to vote at the meeting;*
  - (c) a member present having the right to vote at the meeting representing not less than ten per cent. of the total voting rights of all the members having the right to vote at the meeting; or*
  - (d) a member present having the right to vote at the meeting and holding shares on which an aggregate sum has been paid up equal to not less than ten per cent. of the total sum paid-up on all shares of the Company conferring that right (excluding treasury shares),*

*PROVIDED THAT no poll shall be demanded on the choice of a chairman or on a question of adjournment.*

69. *A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*



70. *In the 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 shall be entitled to a casting vote.*
71. *A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.*

#### **VOTES OF MEMBERS**

72. *Each member who is a holder of ordinary shares in the capital of the Company shall be entitled to be present at any General Meeting. Subject and without prejudice to any special privileges or restrictions 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 and to Article 15, each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have only one vote PROVIDED THAT in the case of a member who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion, shall be entitled to vote. On a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company.*
73. *In the case of joint holders of a share, any one of such person may vote, and be reckoned in quorum at any General Meeting, either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto, but if more than one of such joint holders is so present at any meeting, then the person present whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of the share shall alone be entitled to vote in respect thereof.*
74. *Where in Singapore or elsewhere, a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*
75. *Any member shall be entitled to be present and to vote either personally or by proxy, at any General Meeting of the Company, in respect of any share or shares upon which all calls due to the Company have been paid, and shall be entitled to exercise any other right conferred by membership in relation to meetings of the Company.*
76. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered 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.*

77. *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.*
78. *On a poll, votes may be given 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.*
79. (A) *A member may appoint not more than two proxies to attend and vote at the same General Meeting, PROVIDED THAT if 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 forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company; and*
  - (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 forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.*
- (B) *The Company shall be entitled and bound, 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.*
- (C) *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.*
- (D) *A proxy need not be a member of the Company.*
80. (A) *An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:*
- (a) *in the case of an individual, shall be signed by the appointor or his attorney; and*
  - (b) *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.*
- (B) *The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Article 81, failing which the instrument must be treated as invalid.*

81. *An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the registered office of the Company) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, PROVIDED THAT an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.*
82. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.*
83. *A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made PROVIDED THAT no intimation in writing of such death, insanity or revocation shall have been received by the Company at the registered office of the Company at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*
84. *Subject to these presents and the Statutes, the Board may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.”*

**(c) Rights in respect of Dividends**

**“DIVIDENDS**

134. *The Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors. No dividends may be paid, unless otherwise provided in the Statutes, to the Company in respect of treasury shares.*
135. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
136. *Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide and except as otherwise permitted under the Statutes:*
- (a) *all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*

- (b) *all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which dividend is paid.*

*For the purposes of this Article, no amount paid on a share in advance of calls shall be treated as paid on the share.*

137. *No dividend shall be paid otherwise than out of profits available for distribution under the Statutes. The declaration of the Directors as to the net profits of the Company shall be conclusive.*
138. *No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.*
139. (A) *The Directors may retain any dividend or other moneys payable on or in respect of a share 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.*
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*
- (C) *The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or moneys unclaimed after a period of six Years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture.*
- (D) *A payment by the Company to the Depository of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability in respect of that payment. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six Years has elapsed from the date on which such other moneys are first payable.*
140. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
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.*
142. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution,*

*the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members 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 as may seem expedient to the Directors.*

143. (A) *Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:*

- (a) the basis of any of such allotment shall be determined by the Directors;*
- (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;*
- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded PROVIDED THAT the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and*
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 147, the Directors shall (i) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.*

(B) (a) *The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the*



*election referred to above (including the right to make the election referred to above) or any other distributions, bonuses, rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*

- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these presents, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down or whereby the benefit of the fractional entitlements accrues to the Company rather than the members).*
  - (C) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit, and in such event the provisions of this Article shall be read and construed subject to such determination.*
  - (D) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.*
  - (E) Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (A) of this Article.*
- 144. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 146, the payment by the Company to*

*the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.*

- 145. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, anyone of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*
- 146. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in a General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares."*



## STATEMENT OF PROSPECTS

In the management discussion and analysis on the unaudited results of the Company for the first quarter and three (3) months ended 30 September 2013, as released by the Company on 14 November 2013, the following statement was made:

*“Based on the results and trajectory achieved in the first quarter, we believe we are well placed to deliver on the twin goals of pursuing profitable growth and generating positive free cash flow for FY2014.”*

The above statement, for which the Directors are solely responsible, was not made in connection with the Offer. The statement was made in context of the strategic plan of the Company announced in April 2013 and on bases consistent with the accounting policies normally adopted by the Group.

The statement was based on the best assessment of the business by the Board and management of the Company as at the date of such statement and included, but was not limited to, opinions based on past performance, business seasonality and assumptions of future transactions that were reasonably expected to be completed during the plan period, and is subject to the following assumptions:

- (a) There will be no significant changes in existing political, economic, legal or social conditions and regulations and fiscal measures in Singapore and in countries where the Company conducts its business that will adversely affect the Company.
- (b) There will be no material impact from the occurrence of any acts of God, war and terrorist attacks and any adverse political developments.
- (c) There will be no significant changes to the Company’s structure or the existing principal activities of the Company or in their principal sources of revenue.
- (d) There will be no material changes in the competitive environment in which the Company operates.
- (e) There will be no material impact of changes in government policies and regulations affecting the agricultural sector and related industries.
- (f) There will be no material adverse impact by the actions of the Companies counterparties and stakeholders including but not limited to farmers, suppliers, customers and lenders.
- (g) There will be no material changes in the tax legislation, bases or rates of taxation, government levy or duty in the jurisdictions where the Company conducts its business.
- (h) There will be no significant impact from supply and demand conditions on the volume of products that the Company trades.
- (i) There will be no significant changes in prices of the commodities that the Company trades.
- (j) There will be no material changes in interest rates from those prevailing at the time the statement was made.
- (k) There will be no significant changes to the major foreign currency exchange rates that will adversely impact the Company’s results.

- (l) It is assumed that there will be no material impairment charge against the carrying value of the Company's assets or inventories.
- (m) There will be no legal litigation or claims that will have a material impact on the Company's results.
- (n) There will be no material change to the liquidity position of the Company.

## LETTER FROM ERNST & YOUNG IN RELATION TO THE STATEMENT OF PROSPECTS



Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583

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PO Box 384  
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14 April 2014

The Board of Directors  
Olam International Limited  
9 Temasek Boulevard  
#11-02 Suntec Tower Two  
Singapore 038989

**Statement of Prospects of Olam International Ltd and its subsidiaries for the financial year ending 30 June 2014**

We have provided this letter solely to the Directors of Olam International Ltd (the "Company") for inclusion in the Circular to be dated 17 April 2014 (the "Circular") in relation to the proposed voluntary conditional cash offer by Credit Suisse (Singapore) Limited, DBS Bank Ltd. and United Overseas Bank Limited, for and on behalf of Breedens Investments Pte. Ltd., for Olam International Limited (the "Offer").

On 14 November 2013, the Company announced the Management Discussion and Analysis for Q1 FY2014, which contained the following statement on the prospects ("Statement of Prospects"): *"Based on the results and trajectory achieved in the first quarter, we believe we are well placed to deliver on the twin goals of pursuing profitable growth and generating positive free cash flow for FY2014."*

We have examined the above Statement of Prospects in accordance with Singapore Standards on Assurance Engagements applicable to the examination of prospective financial information. The Directors are solely responsible for the Statement of Prospects, including the assumptions set out in Appendix V on which the Statement of Prospect is based.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from those projected which form the bases of the Statement of Prospects since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those projected for the purposes of the Statement of Prospects. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Statement of Prospects.

We noted that Management has not considered the impairment assessments of goodwill and other intangible assets, and property, plant and equipment when preparing the Statement of Prospects. Hence, we do not express an opinion on the potential impact arising from these assessments on the Statement of Prospects.



Except for the matters referred to in the above paragraph, based on our examination of the evidence supporting the assumptions, nothing has come to our attention to cause us to believe that these assumptions do not provide a reasonable basis for the projection. Further, in our opinion, the Statement of Prospects are properly prepared on the basis of the assumptions set out in the Circular and is consistent with the accounting policies normally adopted by the Group which are in accordance with Singapore Financial Reporting Standards.

Our work in connection with the Statement of Prospects has been undertaken solely for the purpose of reporting to the Directors under The Singapore Code on Take-overs and Mergers issued by the Monetary Authority of Singapore, and is not intended to be used or relied on for any other purposes.

Yours faithfully,

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

## LETTER FROM ROTHSCHILD IN RELATION TO THE STATEMENT OF PROSPECTS

17 April 2014

The Board of Directors of Olam  
International Limited  
9 Temasek Boulevard  
#11-02 Suntec Tower Two  
Singapore 038989



Dear Sirs,

### **Statement of Prospects of Olam International Limited ("Olam" or the "Company") and its subsidiaries for the financial year ending 30 June 2014**

This letter has been prepared in connection with the Offer for Securities as defined in the circular ("**the Circular**") dated 17 April 2014 issued by the Company.

We note that on 14 November 2013, the Company announced the Management Discussion and Analysis for Q1 FY2014, which contained the following statement of prospects ("**Statement of Prospects**"):

*"Based on the results and trajectory achieved in the first quarter, we believe we are well placed to deliver on the twin goals of pursuing profitable growth and generating positive free cash flow for FY2014."*

We have reviewed and have held discussions with the Directors and management of the Company on (i) the Statement of Prospects and (ii) the bases and assumptions upon which the Statement of Prospects was prepared as provided by the Company. We have also considered and relied upon the letter by the Company's auditors, Ernst & Young, dated 14 April 2014 to the Directors relating to their review of the Statement of Prospects ("**EY Letter**").

Based on the above, we are of the opinion that the Statement of Prospects has been stated by the Directors after due and careful inquiry.

For the purposes of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us by the Company. Save as provided in this letter, we do not express any other opinion or views on the Statement of Prospects. The Directors of the Company remain solely responsible for the Statement of Prospects.

This letter is provided to the Directors of the Company solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers in relation to the Offer for Securities as defined in the Circular and not for any other purpose. We do not accept any responsibility or liability to any person(s), other than the Directors of the Company, in respect of, arising out of, or in connection with this letter.

Yours faithfully,

For and on behalf of  
**ROTHSCHILD (SINGAPORE) LIMITED**

Rohit Elhence  
Managing Director

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