

## IMPORTANT NOTICE

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## OLAM INTERNATIONAL LIMITED

(incorporated in the Republic of Singapore with limited liability)  
(Company registration number: 199504676H)

**U.S.\$5,000,000,000**

### **Euro Medium Term Note Programme**

On 6 July 2012, Olam International Limited established a Euro Medium Term Note Programme with an original programme limit of U.S.\$2,000,000,000 and prepared an offering circular dated 6 July 2012. This offering circular replaces the offering circular dated 6 July 2012 relating to the Euro Medium Term Note Programme of Olam International Limited.

Under the Euro Medium Term Note Programme described in this Offering Circular (the **"Programme"**), Olam International Limited (**"Olam"** or the **"Issuer"**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue euro medium term notes (the **"Notes"**). The Notes may rank as senior obligations of the Issuer or subordinated obligations of the Issuer. The aggregate principal amount of Notes outstanding will not at any time exceed U.S.\$5,000,000,000 (or the equivalent in other currencies), subject to increases as described herein.

Where used in this Offering Circular unless otherwise stated, **"Notes"** includes perpetual securities (**"Perpetual Securities"**) that may be issued from time to time under the Programme. Defined terms used in this Offering Circular shall have the meanings given to such terms in **"Definitions"** and **"Summary of the Programme"**.

The Notes may be issued by the Issuer on a continuing basis to one or more of the dealers appointed under the Programme from time to time (each a **"Dealer"** and together the **"Dealers"**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **"relevant Dealer"** shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of some of these risks see **"Risk Factors"**.**

Application has been made to the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) for permission to deal in and the quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. In addition, at the relevant time of issue of the Notes which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for the permission to deal in and quotation of such Notes on the Official List of the SGX-ST. Such permission will be granted when the Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for permission to deal in and quotation of the Notes of any Series (as defined herein) will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. The approval in-principle from, and admission to the Official List of, the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries (the Issuer and its subsidiaries taken as a whole, the **"Group"**), its associated companies, the Programme and/or the Notes. Unlisted Notes may also be issued pursuant to the Programme and Notes may also be listed on stock exchanges other than the SGX-ST. The relevant Pricing Supplement (as defined herein) in respect of any Series will specify whether or not such Notes will be listed, and if so, which exchange(s) the Notes will be listed.

The Notes of each Series to be issued in bearer form (**"Bearer Notes"**) will be sold in an "offshore transaction" within the meaning of Regulation S (**"Regulation S"**) under the United States Securities Act of 1933, as amended (the **"Securities Act"**) and will initially be represented on issue by a temporary global note in bearer form (each a **"temporary Global Note"**) or a permanent global note in bearer form (each a **"permanent Global Note"** and, together with the temporary Global Notes, the **"Global Notes"**). Interests in temporary Global Notes generally will be exchangeable for interests, in whole or in part, in permanent Global Notes, or if so stated in the relevant Pricing Supplement, definitive Notes (**"Definitive Notes"**), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche of Notes, upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for Definitive Notes in whole or in part as described under **"Summary of Provisions Relating to the Notes and the Perpetual Securities while in Global Form"**.

Notes in registered form (**"Registered Notes"**) will be represented by registered certificates (each a **"Certificate"**), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. The Notes of each Series to be issued in registered form and which are sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by a permanent global certificate (each a **"Global Certificate"**) without interest coupons. The Global Notes and Global Certificates may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear Bank S.A./N.V. (**"Euroclear"**) and/or Clearstream Banking, *societe anonyme* (**"Clearstream, Luxembourg"**), with a common depository on behalf of Euroclear and Clearstream, Luxembourg or, in the case of a Series of Notes intended to be cleared through the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority (the **"CMU"**), with a sub-custodian for the CMU or, in the case of a Series of Notes intended to be cleared through The Central Depository (Pte) Limited (**"CDP"**), with, and/or and registered in the name of, CDP and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg, and/or the CMU and/or CDP or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer. The provisions governing the exchange of interests in Global Notes for other Global Notes and Global Notes and Global Certificates for Definitive Notes are described in **"Summary of Provisions Relating to the Notes and the Perpetual Securities while in Global Form"**.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States. Registered Notes are subject to certain restrictions on transfer, see **"Subscription and Sale"**.

The Issuer may agree with any Dealer, The Bank of New York Mellon, London Branch (in its capacity as trustee, the **"Trustee"**), and the Issuing and Paying Agent (as set out herein), the CMU Lodging and Paying Agent (as set out herein) or the CDP Paying Agent (as set out herein), as the case may be, that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes other than Perpetual Securities or the Terms and Conditions of the Perpetual Securities (as applicable) herein.

Unless otherwise stated in a relevant Pricing Supplement, Tranches of Notes to be issued under the Programme will be unrated.

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#### *Arrangers*

**DBS BANK LTD.**

**HSBC**

**STANDARD CHARTERED BANK**

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#### *Dealers*

**ANZ**

**DBS BANK LTD.**

**HSBC**

**STANDARD CHARTERED BANK**

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates by reference all information relating to the Issuer and the Group which is material in the context of the issuance and offering of Notes.

Each Tranche of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes other than the Perpetual Securities*” (in relation to Notes other than Perpetual Securities) or “*Terms and Conditions of the Perpetual Securities*” (in relation to Perpetual Securities) as amended and/or supplemented by a document specific to such Tranche called a pricing supplement (a “**Pricing Supplement**”). This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated by reference in this Offering Circular (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular.

No person is or has been authorised by the Issuer to give any information or to make any representation other than those contained in this Offering Circular and the relevant Pricing Supplement in connection with any issue or sale of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arrangers, any Dealers, the Trustee or any Agent (as defined in this Offering Circular).

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation of the Issuer or the Group or (ii) should be considered as a recommendation by the Issuer, the Arrangers, any of the Dealers, the Trustee or the Agents that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each potential purchaser of Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer, and the Group. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary.

Neither the delivery of this Offering Circular nor any sale of Notes made in connection herewith shall, under any circumstances, create any implication that there has been no change in the Issuer’s or the Group’s affairs since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the Issuer’s or the Group’s financial position since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Issuer, the Arrangers, the Dealers, the Trustee and the Agents do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arrangers, the Dealers, the Trustee or the Agents which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published, in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular comes are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan and the PRC (see “*Subscription and Sale*”). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arrangers, the Dealers or any affiliate of theirs is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by them or such affiliate on behalf of the Issuer in such jurisdiction.

The Notes have not been and will not be registered under the Securities Act and the Notes include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States. For a description of certain restrictions on offers and sales of

Notes and on distribution of this Offering Circular, see “*Subscription and Sale*”. The Notes are being offered and sold outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular, see “*Subscription and Sale*”.

**THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

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

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer, the Arrangers, the Dealers, the Trustee or the Agents to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Trustee or the Agents accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arrangers, any Dealer, the Trustee or any Agent or on their behalf in connection with the Issuer or the issue and offering of any Notes. Each of the Arrangers, the Dealers, the Trustee and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Arrangers, any Dealer, the Trustee or any Agent undertakes to review the Issuer’s financial condition or affairs during the life of the arrangements contemplated by this Offering Circular nor to advise any investor of any information coming to the attention of any of them.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor’s particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the relevant Pricing Supplement



are provided as general information only. Investors should consult their own financial, tax, accounting and legal advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

In making an investment decision, investors must rely on their own examination of the Issuer and the Group and the terms of the Notes being offered, including the merits and risks involved. None of the Issuer, the Arrangers, any Dealer, the Trustee or any Agent makes any representation to any investor regarding the legality of its investment under any applicable laws. Investors should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Notes issued under the Programme may be denominated in Renminbi. Renminbi is currently not freely convertible and conversion of CNY through banks in Hong Kong is subject to certain restrictions. Investors should be reminded of the conversion risk with CNY products. In addition, there is a liquidity risk associated with CNY products, particularly if such investments do not have an active secondary market and their prices have large bid/offer spreads. CNY products are denominated and settled in CNY deliverable in Hong Kong, which represents a market which is different from that of CNY deliverable in the PRC.

### **Stabilisation**

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

### **Rounding of Amounts**

Figures in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown for the same item of information may vary and figures which are totals may not be an arithmetic aggregate of their components.

### **Forward-Looking Statements**

This Offering Circular includes forward-looking statements regarding, amongst other things, the Issuer’s and the Group’s business, results of operations, financial conditions, cash flow, future expansion plans and business strategy. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipates”, “believes”, “estimates”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Circular and include statements regarding the Issuer’s intentions, beliefs or current expectations concerning, among other things, the Issuer’s or the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Issuer or the Group operates.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Issuer cautions investors that forward-looking statements are not guarantees of future performance and that their actual results of operations, financial condition and liquidity, and the development of the industries in which they operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Circular. In addition, even if the Issuer’s or the Group’s results of operations, financial condition and liquidity and the development of the industries in which the Issuer or the Group operates are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer or persons acting on its behalf may issue. The Issuer does not undertake any obligation to review or confirm analysts’ expectations or estimates or to release publicly any

revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

The following list includes some, but not necessarily all, of the factors that may cause actual results to differ from those anticipated or predicted:

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

Investors should read the factors described in the "*Risk Factors*" section of this Offering Circular to better understand the risks and uncertainties inherent in the Issuer's business and underlying any forward-looking statements.

Any forward-looking statements that the Issuer makes in this Offering Circular speak only as at the date of this Offering Circular, and the Issuer undertakes no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data.

### **Documents Incorporated by Reference**

This Offering Circular should be read and construed in conjunction with (i) each relevant Pricing Supplement, (ii) the most recently published audited consolidated annual financial statements and any interim financial statements (whether audited or unaudited) published subsequently to such annual financial statements of the Issuer from time to time (if any), in each case with the report of the auditors in connection therewith (if any), and (iii) all amendments and supplements from time to time to this Offering Circular, each of which shall be deemed to be incorporated by reference in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Copies of all such documents which are so deemed to be incorporated by reference in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified offices of the Issuing and Paying Agent set out at the end of this Offering Circular.

## CONTENTS

	<u>Page</u>
DEFINITIONS .....	1
SUMMARY OF THE GROUP .....	3
SUMMARY OF THE PROGRAMME .....	20
SUMMARY FINANCIAL INFORMATION .....	32
RISK FACTORS .....	34
TERMS AND CONDITIONS OF THE NOTES OTHER THAN THE PERPETUAL SECURITIES .....	54
TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES .....	79
SUMMARY OF PROVISIONS RELATING TO THE NOTES AND THE PERPETUAL SECURITIES	
WHILE IN GLOBAL FORM .....	105
USE OF PROCEEDS .....	111
CAPITALISATION AND INDEBTEDNESS .....	112
THE ISSUER AND THE GROUP .....	113
DIRECTORS AND MANAGEMENT .....	146
TAXATION .....	152
PRINCIPAL SHAREHOLDERS .....	159
CLEARANCE AND SETTLEMENT .....	160
SUBSCRIPTION AND SALE .....	163
FORM OF PRICING SUPPLEMENT FOR NOTES OTHER THAN PERPETUAL SECURITIES .....	166
FORM OF PRICING SUPPLEMENT FOR PERPETUAL SECURITIES .....	173
GENERAL INFORMATION .....	180
INDEX TO FINANCIAL STATEMENTS .....	F-1

## DEFINITIONS

The following definitions have, where appropriate, been used in this Offering Circular:

“A\$” .....	The lawful currency of Australia
“€”, “Euro” or “euro” .....	The lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time
“£” or “Sterling” .....	The lawful currency of the United Kingdom
“Agency Agreement” .....	The agency agreement dated 6 July 2012 between the Issuer, The Bank of New York Mellon, London Branch, as trustee, The Bank of New York Mellon, London Branch as issuing and paying agent, paying agent and transfer agent in respect of Registered Notes other than CMU Notes and CDP Notes, The Bank of New York Mellon, Hong Kong Branch as the CMU lodging and paying agent and, in respect of CMU Notes that are Registered Notes, the registrar and transfer agent, The Bank of New York Mellon, Singapore Branch as the CDP paying agent and, in respect of CDP Notes that are Registered Notes, the registrar and transfer agent, The Bank of New York Mellon, (Luxembourg) S.A. as registrar in respect of Registered Notes other than CMU Notes and CDP Notes and the other agents named in it relating to the Programme
“Agents” .....	The issuing and paying agent, the paying agents, the CMU lodging and paying agent, the CDP paying agent, the calculation agent (where appointed pursuant to the Agency Agreement or otherwise), the registrars and the transfer agents or any of them and such other agents as may be appointed from time to time under the Agency Agreement
“Board” .....	Board of directors of the Issuer
“CDP” .....	The Central Depository (Pte) Limited
“CMU” .....	Central Moneymarkets Unit Service, operated by the HKMA
“CNY” or “RMB” or “Renminbi” .....	The lawful currency of the PRC
“Dealer Agreement” .....	The Dealer Agreement relating to the Programme dated 6 July 2012 between the Issuer, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank and any other dealers named therein
“Destination Markets” .....	Markets and countries in which the Group sells its food ingredients and/or agricultural products
“Directors” .....	Directors of the Issuer
“Fair Trade Practice” .....	The principles and guidelines prescribed by fair trade organisations to promote equitable trading relationships between consumers and economically disadvantaged producers
“FY” .....	Financial year ended or ending 30 June
“Government” .....	The Government of the Republic of Singapore
“HK\$” or “Hong Kong Dollars” .....	The lawful currency of Hong Kong
“HKMA” .....	Hong Kong Monetary Authority
“Hong Kong” .....	Hong Kong Special Administrative Region of the People’s Republic of China
“INR” .....	The lawful currency of India
“Issuing and Paying Agent” .....	The issuing and paying agent, save that references to the Issuing and Paying Agent, with respect to (i) CMU Notes, shall be deemed to be the references to the CMU Lodging and Paying Agent and (ii) CDP



Notes, shall be deemed to be references to the CDP Paying Agent, and (unless the context requires otherwise) all such references shall be construed accordingly

<b>“ITA”</b> .....	Income Tax Act, Chapter 134 of Singapore
<b>“KC Group”</b> .....	Kewalram Chanrai Group
<b>“Latest Practicable Date”</b> .....	7 July 2014
<b>“MAS”</b> .....	The Monetary Authority of Singapore
<b>“N.Z.\$”</b> .....	The lawful currency of New Zealand
<b>“Paying Agents”</b> .....	The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent and such other paying agents as may be appointed from time to time under the Agency Agreement
<b>“PRC”</b> .....	The People’s Republic of China, excluding the Hong Kong Special Administrative Region and the Macau Special Administrative Region
<b>“S\$” or “Singapore Dollars”</b> .....	The lawful currency of Singapore
<b>“Securities and Futures Ordinance”</b> ..	The Securities and Futures Ordinance (Cap. 571) of Hong Kong
<b>“SFA”</b> .....	The Securities and Futures Act, Chapter 289 of Singapore
<b>“SFRS”</b> .....	Singapore Financial Reporting Standards
<b>“Singapore”</b> .....	The Republic of Singapore
<b>“Shares”</b> .....	Fully-paid ordinary shares of the Issuer
<b>“Subsidiary”</b> .....	Has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore
<b>“Temasek Holdings”</b> .....	Temasek Holdings (Private) Limited
<b>“Trust Deed”</b> .....	The trust deed dated 6 July 2012 between the Issuer and The Bank of New York Mellon, London Branch as trustee relating to the Programme
<b>“Turkish Lira”</b> .....	The lawful currency of Turkey
<b>“UK”</b> .....	United Kingdom
<b>“United States” or “U.S.”</b> .....	United States of America
<b>“U.S.\$” or “U.S. Dollars”</b> .....	The lawful currency of the United States of America

## SUMMARY OF THE GROUP

### Overview

The Group is a leading, global, selectively-integrated supply chain manager of agricultural products and food ingredients. Headquartered in Singapore, the Group operates in more than 65 countries (“**Destination Markets**”) and sources and supplies various products across 16 platforms to more than 13,600 customers worldwide. The Issuer was established in 1989 as a division of the KC Group to operate its agri-business and was duly incorporated under the laws of Singapore in July 1995. Since the establishment of the business, the Issuer has evolved from a single-country, single-product trader to a multi-country, multi-product integrated supply chain manager. The expansion of the Group has been possible as a result of pursuing growth strategies by exploiting adjacent opportunities, which it defines as developing opportunities in agricultural products and food ingredients that share customers, costs, capabilities and distribution channels with its existing operations.

As at the Latest Practicable Date, the Group’s portfolio of 16 business platforms comprised edible nuts, spices & vegetable ingredients, cocoa, coffee, dairy, grains & oilseeds, rice, sugar & sweeteners, palm, packaged foods, natural fibres, wood products, rubber, fertiliser, special economic zone and commodity financial services. The Group is engaged in the farming, sourcing, processing, storage, transportation, shipping, distribution, trading and marketing of these agricultural products and food ingredients to customers in the Destination Markets. The Group manages the risks present at each stage of the value chain through its risk management system. The Group’s profitability is driven by contributions from upstream farming and plantations, supply chain trading volumes handled, midstream processing & manufacturing and the downstream packaged foods business.

As at the Latest Practicable Date, the Issuer’s issued and paid-up share capital was S\$2,234,453,354.065 comprising 2,490,857,869 Shares (including Treasury Shares). The Shares are listed on the Mainboard of the SGX-ST.

The Issuer is a subsidiary of Temasek Holdings (Private) Limited (“**Temasek Holdings**”). As at the Latest Practicable Date, Temasek Holdings and its subsidiaries and associated companies owned approximately 58.44 per cent. of the Issuer. Temasek Holdings is wholly-owned by Singapore’s Minister for Finance (Incorporated).

For FY 2012 and FY 2013, the Group had, on a consolidated basis, revenue of approximately S\$17.1 billion and S\$20.8 billion respectively and net profit of approximately S\$403.8 million and S\$391.5 million respectively. As at 30 June 2012 and 30 June 2013, the total assets of the Group (combining non-current and current assets) on a consolidated basis amounted to approximately S\$13.8 billion and S\$15.4 billion respectively. For the nine months ended 31 March 2014, the Group had, on a consolidated basis, revenue of approximately S\$13.7 billion and net profit of approximately S\$566.4 million. As at 31 March 2014, the total assets of the Group (combining non-current and current assets) on a consolidated basis amounted to approximately S\$16.5 billion.

### History and Development

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

**The Group’s history and development can be categorised into five phases:**

#### *Formative Years: 1989 to 1992*

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

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

#### *Business Model Development: 1993 to 1995*

Between 1993 and 1995, the business grew from a single-country operation into multiple origins (“**Origins**” or “**Origin Countries**”, being producing countries from which the Group procures its food ingredients and/or agricultural products), first within West Africa (including Benin, Togo, Ghana, Côte d’Ivoire, Burkina Faso,

Senegal, Guinea Bissau, Cameroon and the Gabonese Republic (the “**RoG**”), followed by East Africa (Tanzania, Kenya, Uganda, Mozambique and Madagascar) and then India. This move into multiple Origins coincided with the deregulation of the agricultural commodity markets.

### ***Global Expansion: 1995 to 2001***

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

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

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

### ***Raising Capital for Future Growth: 2002 to 2005***

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

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

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

### ***Building a Global Leader: 2006 to Present***

In FY 2006, the Group developed and communicated a merger and acquisition (“**M&A**”) framework to investors, so that going forward, acquisitions will form an integral part of the Group’s growth strategy alongside organic growth. The M&A strategy will focus on building product and value chain adjacencies and bolt-on acquisitions in key geographic areas where the Group intends to accelerate or ramp up growth, for example, in markets like China, Brazil, India and the U.S.

In FY 2009, the Group announced a six-year corporate strategic plan (the “**2009 Strategic Plan**”) to improve significantly the margin profile of the business by FY 2015, by focusing on the following key elements: (i) selectively integrating upstream into plantations, (ii) selectively integrating midstream into value-added processing initiatives, (iii) investing in its core supply chain and value-added services business and (iv) leveraging its latent assets and capabilities to enter into new adjacent business opportunities. Under the 2009 Strategic Plan, the Group had targeted to attain S\$454 million net profit after tax (“**NPAT**” or “**PAT**”) by FY 2015. In addition, 48 growth initiatives across 20 businesses were prioritised for implementation in the first three-year cycle from FY 2010 to FY 2012. In FY 2010 and FY 2011, the first two years of the 2009 Strategic Plan, the Group committed investments worth U.S.\$1.94 billion towards 44 of the growth initiatives and executed 39 of the planned growth initiatives.

The Issuer reviewed its performance and in August 2011, it announced that it had reset its previous target of attaining S\$454 million NPAT by FY 2015 under the 2009 Strategic Plan, and the Group targets to attain U.S.\$1 billion NPAT by FY 2016, without any further equity dilution planned.

The Issuer reviewed its performance again in 2013 and, in April 2013, announced the outcome of its annual strategy review and the Strategic Plan for FY 2014 to FY 2016 (the “**FY 2014 – 2016 Strategic Plan**”). The review established that while the Group is in a strong position to leverage positive global trends in the agri-commodity sector, it would benefit from re-balancing its growth objectives with an increased focus on

accelerating the generation of positive free cash flow. Four key priorities, namely (i) accelerating free cash flow generation, (ii) reducing gearing, (iii) reducing complexity and (iv) promoting a better understanding of the Group, and six specific pathways, namely (i) reshaping portfolio and reducing complexity, (ii) recalibrating pace of investments, (iii) optimising balance sheet, (iv) pursuing opportunities for unlocking intrinsic value, (v) improving operating efficiencies and (vi) enhancing stakeholder communication, were identified to achieve these priorities were identified as part of the FY 2014-2016 Strategic Plan. Please refer to the Section on “Strategies” for further details.

On 14 March 2014, it was announced by Breedens Investments Pte. Ltd. (“**Breedens**”), an indirect wholly-owned subsidiary of Temasek Holdings, that it intends to make a voluntary conditional cash offer (the “**Offer**”) for (i) all the Shares of the Issuer, (ii) new Shares unconditionally issued or to be issued pursuant to the valid conversion of outstanding New Convertibles Bonds (as defined below) and (iii) new Shares unconditionally issued or to be issued pursuant to the valid exercise of the options granted under the Olam Employee Share Option Scheme. The Offer turned unconditional as to acceptances on 24 April 2014 and closed on 23 May 2014. Following the close of the Offer, Temasek Holdings and its subsidiaries and associated companies owned approximately 58.53 per cent. of the Issuer and the Issuer became a subsidiary of Temasek Holdings.

### *Major growth and capital raising milestones*

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

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

On 13 July 2007, the Issuer announced the receipt of acceptances for more than 90 per cent. of the shares outstanding in QCH, and that it had a relevant aggregate interest in approximately 90.8 per cent. of QCH, providing the Issuer the right to compulsorily acquire all the remaining shares outstanding. The acquisition of 100 per cent. shares in QCH was completed in October 2007.

On 22 April 2007, the Issuer announced its intention to acquire 100 per cent. of the world’s largest independent peanut blancher and ingredient processor, Universal Blanchers L.L.C. (“**UB**”) for a total cash consideration of U.S.\$77 million. The Issuer acquired UB in June 2007. This acquisition enabled the Issuer to expand into peanut blanching and ingredient manufacturing in the United States.

On 14 June 2007, the Issuer announced the acquisition of approximately 17 per cent. of the total outstanding shares of Open Country Cheese Company Limited (“**OCC**”), a fast growing dairy processing company in New Zealand. This strategic stake acquisition enabled the Group to gain valuable exposure to the dairy business in New Zealand. The Group acquired further shares of OCC on 15 June 2007, bringing its shareholding in OCC to 19.9 per cent.

On 27 August 2007, the Issuer announced its intention to acquire 100 per cent. equity interest in Key Foods Ingredients LLC and its subsidiaries (“**KFI**”), a processor and global supplier of dehydrates to the food processing industry for a total consideration of approximately U.S.\$16 million. The acquisition of KFI was expected to enhance the Group’s presence in the overall spice value chain, helping the Group move from being primarily a whole spices supplier, to offering a basket of spice ingredients to its customers. The acquisition of KFI was completed on 12 November 2007.

On 12 September 2007, the Issuer announced its intention to acquire 100 per cent. equity interest in Naarden Agro Products B.V. (“**NAP**”), an international supply chain manager of industrial caseins, for a total consideration of approximately Euro 3.3 million. Entry into the casein business was a one-step product adjacency move for the Group, as sourcing the raw casein for NAP shares the same sourcing channels as the Group’s existing dairy business in the countries it operates in, providing significant synergies in cross-sourcing with only marginal additional investment. The acquisition of NAP was completed on 12 November 2007.

On 2 October 2007, the Issuer announced its intention to acquire 100 per cent. equity interest in PT Dharmapala Usaha Sukses (“**PT DUS**”), a sugar refinery based in Indonesia for a total cash investment of U.S.\$12.6 million. Of this amount, U.S.\$5 million was paid to shareholders of PT DUS while the balance amount of U.S.\$7.6 million was utilised to purchase outstanding debt obligations from PT Bank Danamon Indonesia Tbk. The acquisition was an all-cash transaction and was funded by a combination of borrowings and internal accruals. The acquisition of PT DUS provides the Group the opportunity to participate in the growing sugar refining sector in Indonesia. On 13 December 2007, the Issuer announced the completion of the acquisition of PT DUS.

On 9 October 2007, the Issuer announced that it would invest approximately U.S.\$45 million in a green field integrated soluble (instant) coffee manufacturing facility in Vietnam (the “**Soluble Coffee Facility**”) that produces and supplies bulk spray-dried coffee powder, freeze-dried coffee granules and coffee extracts to the unbranded and private coffee label segment. The expansion into soluble coffee manufacturing was a one-step adjacency move for the Group into a higher value-added activity in the coffee supply chain, where there is a sharing of customers, costs and channels.

On 15 November 2007, the Issuer announced the establishment of a 50:50 joint venture, Nauvu Investments (“**Nauvu**”), with Wilmar International Limited (“**Wilmar**”), a company listed on the SGX-ST. Nauvu was incorporated on 19 November 2007 and the joint venture was established in December 2008. In 2008, Nauvu acquired a 25 per cent. interest in the SIFCA Group, one of Africa’s largest agro-industrial groups with diversified interests across palm oil, cotton seed oil, natural rubber and sugar sectors in Africa.

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

On 20 June 2008, the Issuer announced that it had won an international bid to acquire a cotton gin in the Ouangolo region of Côte d’Ivoire from La Compagnie Cotonnière Ivoirienne for U.S.\$5 million. The acquisition comprised of one cotton gin with an annual ginning capacity of 35,000 tonnes of seed cotton and its related infrastructure, as well as a catchment area of nearly 35,000 hectares that can produce up to 20,000 tonnes of cotton lint annually. This investment is in line with the Group’s growth strategy for cotton in Africa, which is to seek growth opportunities in ginning and to build integrated cotton supply chain operations in the major exporting countries such as Côte d’Ivoire.

On 1 July 2008, the Issuer announced the formation of Olam Wilmar Investment Holdings Pte. Ltd. (“**Olam Wilmar Investment Holdings**”), a 50:50 joint venture company established with Wilmar, to acquire a 20 per cent. interest in PureCircle Limited (“**PureCircle**”) from existing shareholders for an aggregate consideration of U.S.\$106.2 million. As a producer of natural zero-calorie high-intensity sweeteners from the stevia plant, PureCircle operates an integrated supply chain for natural high-intensity sweeteners with activities ranging from sourcing of dry stevia leaves and extraction in China, refining of crude extracts into sweeteners in Malaysia and marketing of these sweeteners to food and beverage manufacturers worldwide. On 16 December 2009, 13,272,304 shares and 13,272,305 shares in PureCircle (which were held by Olam Wilmar Investment Holdings) were transferred to the Issuer and Wii Pte. Ltd. (“**Wii**”), a subsidiary of Wilmar International Limited, respectively. On 18 December 2009, the Issuer acquired the 13,272,305 shares in PureCircle held by Wii for an aggregate consideration of 33,180,762 Sterling, resulting in its ownership of 30,544,609 shares representing approximately 20 per cent. interest in PureCircle. On 30 June 2010, the Issuer announced that Olam Wilmar Investment Holdings had been placed under members’ voluntary winding-up. On 18 April 2011, the Issuer announced that Olam Wilmar Investment Holdings was dissolved in April 2011.

On 3 July 2008, the Issuer issued an aggregate of U.S.\$300 million 1 per cent. convertible bonds due 2013 (the “**2008 Bonds**”), which are convertible into Shares.

On 8 July 2008, the Issuer announced the acquisition of a 24.99 per cent. stake in Dairy Trust Limited, one of the largest dairy processors in New Zealand.

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

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

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

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

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



On 2 February 2009, the Issuer announced the acquisition by its subsidiary, Olam Argentina S.A., of a leading peanut shelling and blanching company, Industria Martin Cubero, for a total consideration of approximately U.S.\$7 million. The acquisition was an all-cash transaction and was funded by a combination of existing loans and internal accruals.

On 12 February 2009, the Issuer announced the completion of a U.S.\$33 million export credit loan facility provided by Australia and New Zealand Banking Group Limited and supported by Eksport Kredit Fonden for the Soluble Coffee Facility in Vietnam.

On 4 March 2009, the Issuer completed an exchange offer of the 2008 Bonds (the “**Exchange Offer**”), pursuant to which the Issuer had accepted for exchange, U.S.\$136 million in aggregate principal amount of the 2008 Bonds (the “**Exchanged Bonds**”) and issued U.S.\$106,080,000 in aggregate principal amount of 1.2821 per cent. convertible bonds due 2013, convertible into Shares (the “**Issued Fresh Bonds**”). The Issuer had cancelled the Exchanged Bonds. The aggregate principal amount of 2008 Bonds remaining outstanding following cancellation of the Repurchased Bonds and the Exchanged Bonds was U.S.\$40,400,000 (the “**Remaining 2008 Bonds**”).

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

On 23 March 2009, the Issuer entered into exchange agreements with certain holders of some of the Remaining 2008 Bonds, pursuant to which the Issuer agreed to accept for exchange, U.S.\$21,200,000 in aggregate principal amount of the Remaining 2008 Bonds (the “**Further Exchanged Bonds**”) and issue U.S.\$16,536,000 in aggregate principal amount of 1.2821 per cent. convertible bonds due 2013, convertible into Shares (the “**Additional Fresh Bonds**”, and both Issued Fresh Bonds and Additional Fresh Bonds are collectively referred to herein as the “**Fresh Bonds**”) on terms identical to that of the Exchange Offer (the “**Further Bond Exchange**”).

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

- the aggregate principal amount of Fresh Bonds issued by the Issuer pursuant to the Exchange Offer and the Further Bond Exchange was U.S.\$122,616,000; and
- the Issuer cancelled the Further Exchanged Bonds. The aggregate principal amount of 2008 Bonds remaining outstanding following cancellation of the Exchanged Bonds and the Further Exchanged Bonds was U.S.\$19,200,000.

Between 1 December 2009 and 25 August 2010, the Issuer made a series of announcements that holders of various aggregate principal amounts of the Fresh Bonds had converted the Fresh Bonds held by them and the Issuer had cancelled such Fresh Bonds. As at 25 August 2010, the aggregate principal amount of the Fresh Bonds remaining outstanding following the cancellations of the Fresh Bonds between 1 December 2009 and 25 August 2010 was U.S.\$21,996,000.

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

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

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

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

and expansion of its supply chain management business. On 10 November 2009, as there was oversubscription, the Issuer increased the size of the Loan Facility to U.S.\$850 million from U.S.\$540 million, comprising two tranches, namely (i) a three-year amortising term loan of U.S.\$510 million and (ii) a five-year amortising term loan of U.S.\$340 million.

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

On 1 September 2009, the Issuer announced the acquisition of a 14.35 per cent. stake in NZ Farming Systems Uruguay Limited (“**NZFSU**”), an operator of large scale New Zealand-style dairy farming operations in Uruguay. Listed on the New Zealand stock exchange, NZFSU was established in 2006 by PGG Wrightson Ltd (“**PGW**”), New Zealand’s leading rural services company, with the aim of providing an opportunity to New Zealand farmers and investors to benefit from the export of their world-leading dairy farming practices. NZFSU was formed for the purpose of applying New Zealand’s high performing pastoral based farming systems to extensive areas of high quality, low cost and under-utilised Uruguayan farm land for dairy farming. The Issuer had purchased this stake for a cash consideration of N.Z.\$14.37 million.

On 16 September 2009, the Issuer announced that it was proposing a scrip dividend scheme. Under the scheme, shareholders of the Issuer entitled to dividends may elect to receive either cash or an allotment of Shares credited as fully paid, in lieu of the whole or such part of the cash amount of the dividend to which the scheme applies, as determined by the directors of the Issuer. This scheme was approved by the shareholders of the Issuer on 29 October 2009.

On 18 September 2009, the Issuer announced the signing of a definitive agreement to acquire 8,096 hectares of planted almond orchards and 40,825 mega litres of permanent water rights from Timbercorp Limited and its associated entities, through its liquidation process. The total investment consideration was A\$128 million in cash, which was funded from a combination of internal accruals and existing credit facilities. The acquisition was in line with the Issuer’s corporate strategy which was announced prior to this, which had outlined a thrust towards upstream initiatives in plantations and farming, as well as midstream initiatives in value-added processing. This acquisition has made the Issuer one of Australia’s largest almond growers and placed it amongst the top three almond growers globally.

On 15 October 2009, the Issuer issued an aggregate of U.S.\$400 million 6 per cent. convertible bonds due 2016 with an upsize option (the “**New Convertibles Bonds**”). On 1 October 2009, the upsize option of the New Convertibles Bonds was exercised and the issue size of the New Convertibles Bonds was increased by an additional U.S.\$100 million, bringing the total issue size to U.S.\$500 million subsequent to the approval obtained at the extraordinary general meeting held on 29 October 2009.

On 16 November 2009, the Issuer announced the signing of an agreement to acquire 3,853 hectares of planted almond orchards and 48,259 megalitres of permanent water rights from Timbercorp Orchard Trust #3 and #5 at a total acquisition price of A\$160 million. The transaction was completed in January 2010.

On 21 December 2009, the Issuer allotted and issued 5,633,004 new Shares, credited as fully paid, at an issue price of S\$2.51 per Share to eligible shareholders who had elected to participate in the scrip dividend scheme approved by the shareholders of the Issuer on 29 October 2009 in respect of the first and final dividend of S\$0.035 per Share declared by the Issuer on 27 August 2009.

On 12 January 2010, the Issuer announced the acquisition of 99.5 per cent. of the outstanding shares and voting rights in Crown Flour Mills Limited (“**CFM**”), together with its wheat milling and noodle manufacturing facilities along with accompanying additional assets. The Issuer announced its intention to invest an additional U.S.\$5.5 million to expand CFM’s wheat handling and milling capacity and CFM is expected to process 400,000 tonnes of wheat by 2013. The acquisition was completed in January 2010.

On 11 February 2010, the Issuer announced its intention to invest U.S.\$31.5 million to set up a greenfield 500 metric tonne per day wheat mill near Port Tema, Ghana. The construction of the wheat mill commenced in September 2010.

On 12 February 2010, the Issuer announced the issue of S\$250,000,000 in aggregate principal amount of 4.07 per cent. fixed rate notes due 2013, issued under its initial S\$800,000,000 multicurrency medium term note programme.

On 17 May 2010, the Issuer acquired an additional 10 million shares of NZFSU from Rural Portfolio Investment at a price of N.Z.\$0.41 per share for a total consideration of N.Z.\$4.1 million. The additional shares purchased by the Issuer represented an additional 4.1 per cent. stake in NZFSU and immediately following the acquisition, the Issuer’s holding in NZFSU was 18.45 per cent.

On 8 June 2010, the Issuer announced the acquisition of the dehydrated and vegetable products business and operating assets of Gilroy Foods & Flavors (“**Gilroy**”) from ConAgra Foods, Inc. (“**ConAgra**”), including its dehydrated onion, garlic, capsicum, Controlled Moisture (TM) vegetables, GardenFrost (R) purees, RediMade (TM) shelf-stable purees and fresh vegetable operations, for a total cash consideration of U.S.\$250 million (the “**Gilroy Acquisition**”). As part of the Gilroy Acquisition, the Issuer entered into a long term supply agreement to cater to ConAgra’s ongoing requirements for dehydrated vegetable products. The Gilroy Acquisition was completed on 20 July 2010 for a total cash consideration of approximately U.S.\$250 million.

In June 2010, the Issuer announced the formation of several subsidiaries through which the Group intends to undertake certain commodity financial services (“**Commodity Financial Services**”) businesses, which the Issuer believes will leverage its understanding of commodity and derivative markets and risk management skills.

On 19 July 2010, the Issuer issued a notice to NZFSU of its intention to make a cash offer at N.Z.\$0.55 per share, representing a 38 per cent. premium over the three-month average trading price of N.Z.\$0.40 (excluding the purchase by the Issuer of 10 million shares at N.Z.\$0.41 per share on 17 May 2010), for all of the shares in NZFSU that it did not already own (the “**NZFSU Offer**”). The NZFSU Offer was subject to certain conditions, including the Issuer achieving a minimum 50.1 per cent. shareholding in NZFSU following the NZFSU Offer and the approval by the Overseas Investment Office of New Zealand. On 24 August 2010, the Issuer gave notice that it had varied the NZFSU Offer by increasing the consideration offered for each NZFSU share to N.Z.\$0.70 (the “**Revised NZFSU Offer**”). The board of directors of NZFSU recommended its shareholders to accept the Revised NZFSU Offer on 2 September 2010. The Issuer announced that the Revised NZFSU Offer had become unconditional on 20 September 2010. As at 27 September 2010, the Issuer’s shareholding in NZFSU was 77.98 per cent. of the issued share capital of NZFSU. The total consideration paid by the Issuer for the additional 59.53 per cent. of NZFSU shares from the Revised NZFSU Offer was N.Z.\$101.8 million. The Revised NZFSU Offer brought the Issuer’s total investment in NZFSU to N.Z.\$120.3 million, including the purchase of the initial shareholding.

On 10 August 2010, the Issuer announced that it had exercised its option to mandatorily convert the Fresh Bonds into Shares pursuant to the terms and conditions of the Fresh Bonds. The Issuer announced on 27 August 2010 that all the holders of the outstanding Fresh Bonds had exercised their respective rights to convert their Fresh Bonds into Shares and all the Fresh Bonds had been cancelled by the Issuer as at 27 August 2010.

On 12 August 2010, the Issuer issued an aggregate of U.S.\$250,000,000 7.5 per cent. bonds due 2020.

On 17 August 2010, the Issuer announced that it would invest U.S.\$43.5 million in Côte d’Ivoire to set up a greenfield cocoa processing facility in Abidjan, as well as a primary processing and warehousing facility in San Pedro. The investment would be fully funded by a combination of internal accruals and borrowings.

On 20 August 2010, the Issuer announced that it had entered into a strategic partnership agreement with the government of the RoG in relation to plans to develop a special economic zone at Nkok for timber processing (the “**SEZ Project**”). Under the strategic partnership, the Issuer had invested U.S.\$12 million equity in the SEZ Project for a 60 per cent. interest in a joint venture entity, whilst the government of the RoG held the remaining 40 per cent. interest.

On 27 August 2010, the Issuer announced that syndication for the U.S.\$300 million term loan facility (the “**U.S. Syndicated Facility**”) for its United States subsidiary, Olam Holdings Partnership, had been oversubscribed with commitments received from a group of 13 international banks. The U.S. Syndicated Facility is guaranteed by the Issuer and was launched as a three-year amortising term loan of U.S.\$300 million. Pursuant to an oversubscription, Olam Holdings Partnership decided to increase the size of the U.S. Syndicated Facility to U.S.\$350 million. This is Olam Holdings Partnership’s first syndicated loan in the U.S. Proceeds from the U.S. Syndicated Facility will be used to finance the working capital needs of Olam Holdings Partnership and its subsidiaries in the United States and for general corporate purposes.

On 13 November 2010, the Issuer announced that it had entered into a joint venture (the “**Palm Plantation JV**”) with the government of the RoG to initially develop in phase I, 50,000 hectares of palm plantation in the RoG with an investment of U.S.\$236 million. The Issuer will hold 70 per cent. interest in the joint venture company to be set up, and the remaining 30 per cent. will be held by the government of the RoG. As part of the agreement, the government of the RoG has committed to the Palm Plantation JV, a land bank of 300,000 hectares for palm and rubber plantation development in multiple phases. The Palm Plantation JV includes setting up milling plants to extract crude palm oil, which will be sold in Africa and exported to the European Union. In its announcement, the Issuer stated that the project is expected to achieve 100 per cent. Roundtable on Sustainable Palm Oil (“**RSPO**”)<sup>(1)</sup> certification and therefore have a unique value proposition for the markets.

(1) RSPO is a non-profit association that unites stakeholders from seven sectors of the palm oil industry — oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation non-governmental organisations and social or developmental non-governmental organisations — to develop and implement global standards for sustainable palm oil.

On 13 November 2010, the Issuer also announced that it had entered into a joint venture with the government of the RoG (the “**Fertiliser JV**”) to construct a port-based ammonia-urea fertiliser complex in the RoG (the “**Project**”) for a total investment of U.S.\$1.3 billion and concurrently signed a 25-year natural gas fixed-price contract with the government of the RoG to secure a guaranteed quantity and quality of gas as feedstock for the urea plant.

On 3 December 2010, the Issuer announced that it had entered into an 80:20 joint venture with the Lababidi Group (“**LG**”) to set up a port-based sugar refinery in Nigeria. The total cost of the project is approximately U.S.\$200 million and the joint venture expects to fund the project cost with 50 per cent. equity (U.S.\$100 million) and 50 per cent. debt (U.S.\$100 million).

On 15 December 2010, the Issuer announced that it had acquired 100 per cent. of the equity share capital of tt Timber International (“**tt Timber**”), a subsidiary of the Dalhoff Larsen Horneman A/S Group (“**DLH**”), for a total consideration of Euro 29.6 million. DLH supplies timber and timber products manufactured from sustainably produced raw materials. tt Timber owns forest concession rights for 1.3 million hectares of natural tropical hardwood forest in the Democratic Republic of Congo (the “**RoC**”) and 300,000 hectares in the RoG.

On 31 January 2011, the Issuer announced that it planned to acquire 100 per cent. of equity interests in Britannia Food Ingredients Holdings Limited (“**BFI**”) and Britannia Storage and Distribution Limited (“**BSD**”) for a combined enterprise value of 33.5 million Sterling (approximately U.S.\$50 million). The Issuer will initially acquire 85 per cent. of equity capital in BFI and 100 per cent. of BSD, and then acquire the remaining 15 per cent. interest in BFI within the next three years at a pre-agreed valuation.

On 28 March 2011, the Issuer announced that pursuant to the Fertiliser JV agreement, it had signed an implementation and assignment agreement and a definitive gas supply contract with the government of the RoG for a cumulative quantity of 0.75 trillion cubic feet of natural gas for the current phase of the Project, for 25 years at a competitive fixed price.

On 11 April 2011, the Issuer announced that Tata Chemicals Limited (“**TCL**”), a part of the Tata group of companies, will invest U.S.\$290 million to acquire a 25.1 per cent. equity stake in the Project, resulting in a reduction of the Issuer’s and the government of the RoG’s shareholding in the Project to 62.9 per cent. and 12 per cent. respectively. TCL will be primarily responsible for project management during the erection and commissioning of the plant as well as the operation and maintenance of the plant for the first three years post commercial production. Sales and marketing of ammonia and urea products will be jointly undertaken by the Issuer, the government of the RoG and TCL through a joint venture agreement in which the Issuer and the government of the RoG will hold equal stakes. On 8 September 2011, the Issuer and TCL announced the completion of the gas due diligence for the Project. On 28 March 2014, the Issuer and TCL announced that a termination agreement has been signed and that TCL would not proceed with its proposed 25.1 per cent. equity stake in the Project. The decision was made due to a change in TCL’s investment focus away from overseas fertiliser manufacturing and Olam’s intention to move to a minority and non-consolidated position in the Project.

The Issuer issued a notice dated 21 April 2011 to NZFSU of its intention to make a cash offer at N.Z.\$0.70 per share, representing a 25 per cent. premium over the three-month average trading price of N.Z.\$0.56, for all of the shares in NZFSU that it did not already own (the “**2011 NZFSU Offer**”). The 2011 NZFSU Offer turned unconditional on 20 September 2011.

On 27 May 2011, the Issuer announced the launch of its fully underwritten U.S.\$1.25 billion syndicated term loan facility, comprising two tranches, namely (i) a U.S.\$625 million three-year tranche and (ii) a U.S.\$625 million five-year tranche. The proceeds of this facility were used towards the refinancing of existing debt, as well as for working capital and for general corporate funding requirements of the Issuer, including capital expenditure and expansion of its supply chain management business. The Issuer announced on 29 July 2011 that the syndication of this facility, which represented the largest syndicated financing for the Issuer at that time, was completed.

On 7 June 2011, the Issuer announced that it had launched an equity fund raising exercise (the “**Equity Fund Raising**”) to raise a total of approximately S\$740 million by way of a combination of three equal tranches of approximately S\$250 million each. This comprised of a private placement of up to 94,408,000 new Shares to institutional and other investors, a pro rata and non-renounceable preferential offering of up to 97,292,951 new Shares to entitled shareholders and the issue of up to 94,408,000 new Shares to Breedens, an indirect wholly-owned subsidiary of Temasek Holdings. The Equity Fund Raising was completed on 11 July 2011.

On 31 August 2011, the Issuer announced that it had agreed to acquire 100 per cent. shareholding of Hemarus Industries Limited, together with its 3,500 tons crush per day (“**TCD**”) sugar milling facility, a 20 megawatt co-generation facility and accompanying assets in India for a total purchase consideration of U.S.\$73.8 million (INR 3,400 million). In addition, the Issuer announced that it will invest a further U.S.\$6.6 million to enhance the sugar milling capacity to 5,000 TCD.



On 12 September 2011, the Issuer, TCL and the government of the RoG announced that their joint venture company, Gabon Fertiliser Company had signed a pre-construction services agreement with Technip S.A. (“**Technip**”) as the main contractor for the Project. Technip will provide the licensed technologies of Haldor Topsoe A/S for the ammonia plant, Saipem S.p.A. for the urea plant and Uhde Fertilizer Technology B.V. (UFT) for the urea granulation plant.

On 24 October 2011, the Issuer announced that it had acquired the bulk spices and private label assets and businesses of Vallabhdas Kanji Limited (“**VKL**”) for a total consideration of U.S.\$18 million. The assets acquired include VKL’s spice processing facility in Cochin, India, VKL’s pepper grinding factory in Vietnam and VKL’s sales and distribution operations in North America.

On 10 November 2011, the Issuer announced the proposed acquisition of 100 per cent. of equity interests in Progida Pazarlama A.S. (“**Progida**”) for an enterprise value of 66 million Turkish Lira. Progida is one of the world’s leading manufacturers of natural and semi-finished Turkish hazelnut kernels and it supplies such kernels to confectionary manufacturers globally. Turkey is the world’s largest producers of hazelnuts, and accounts for 70 per cent. of the global hazelnut production. On 19 December 2011, the Issuer announced the completion of this acquisition.

On 1 December 2011, the Issuer announced that it would invest U.S.\$49.2 million to set up a 6,000 hectare greenfield, fully integrated, mechanised and irrigated paddy farming and rice milling facility in Nasarawa State, one of the main rice growing belts in Nigeria.

On 2 December 2011, the Issuer announced the proposed expansion of its wheat milling capacity at CFM, for a total outlay of about U.S.\$50 million.

On 22 December 2011, the Issuer announced that it plans to acquire 75.2 per cent. interest in Macao Commodities Trading, S.L. (“**MCT**”) for a consideration of €15 million. The Issuer has the option to acquire the remaining 24.8 per cent. interest in MCT in five years’ time. MCT is a leading supplier of cocoa powder, cocoa beans, desiccated coconut, dried fruits, vegetable fats, dairy products, chocolate, beverage and biscuit industries in the Iberian region. The acquisition was completed in December 2011.

On 30 January 2012, the Issuer announced that it had formed a partnership with the Russian Dairy Company LCC (“**RUSMOLCO**”), a growing player in the Russian dairy industry, for the large-scale development of dairy and grains farming in the Penza region of Russia, and that it proposes to acquire, a 75 per cent. interest in RUSMOLCO for a consideration of approximately U.S.\$75 million.

On 9 February 2012, the Issuer announced that it plans to acquire a 100 per cent. equity interest in Titanium Holding Company SA (“**Titanium**”) and its subsidiaries for a consideration of U.S.\$167 million (subject to capital adjustments at completion). Titanium owns Nigeria’s second largest biscuits and candy franchise and had a turnover of approximately U.S.\$162 million in 2011.

On 1 March 2012, the Issuer announced that it had completed the issuance of S\$275,000,000 in aggregate principal amount of seven per cent. perpetual capital securities (“**Perpetual Bonds**”).

On 19 March 2012, the Issuer announced that it intends to enter into a partnership with the government of the ROG to develop, over two phases, approximately 50,000 hectares of rubber plantations in the ROG. The parties propose to form a joint venture company, in which the Issuer and the government of the ROG will hold 80 per cent. and 20 per cent. equity interest respectively. The total investment amount is estimated to be U.S.\$183,000,000.

On 29 May 2012, the Issuer announced that it had entered into an agreement on 28 May 2012 to invest U.S.\$240 million in its first sugar milling asset in Brazil, by acquiring Usina Açucareira Passos S.A. for an estimated U.S.\$128.8 million and by investing an additional capital expenditure of U.S.\$111.5 million over the next five years.

On 7 June 2012, the Issuer announced that it had acquired a 100 per cent. equity interest in Kayass Enterprises S.A. (“**Kayass**”), for a consideration of approximately U.S.\$66.5 million (subject to working capital adjustments at completion). Kayass’ principal business interest is in the manufacturing and marketing of branded dairy products and beverages in Nigeria. Kayass owns several brands and operates two plants in Lagos — a dairy products and beverages manufacturing plant and a milk powder packaging facility.

On 8 June 2012, the Issuer announced that it had commenced a share buyback programme pursuant to its share buyback mandate (the “**Mandate**”) renewed at the annual general meeting of the Issuer on 28 October 2011. Under the Mandate for market purchases, the Issuer may purchase up to 10 per cent. of its Shares (excluding treasury shares), or up to 244,230,986 Shares, at a maximum price of 105 per cent. of the average closing price of the last five market days at the time of acquisition. Such purchased Shares may be held as treasury shares or cancelled, as the Issuer may decide from time to time. The share buyback programme is expected to be funded from the Issuer’s existing resources.



On 13 June 2012, the Issuer announced that it intends to enter into a 50:50 joint venture with Lansing Trade Group LLC, a leading independent commodity merchandising company in the U.S. The joint venture, to be known as Lansing Olam Canada focused on merchandising Canadian grains and oilseeds to meet the food and feed demand in North America as well as international markets. On 2 January 2014, the Issuer announced that it had disposed its entire 50.0 per cent. stake in Lansing Olam Canada by way of a share repurchase arrangement for a cash consideration of U.S.\$5.4 million.

On 18 June 2012, the Issuer announced that it had entered into a 50:50 joint venture, known as GrowCocoa, with Blommer Chocolate Company, the largest cocoa processor and ingredient chocolate supplier in North America. GrowCocoa will be headquartered in the United States of America.

On 6 July 2012, the Issuer announced that it had established the Programme. Between 17 July and 7 November 2012, the Company issued the following notes pursuant to the Programme:

- S\$350,000,000 5.80 per cent. fixed rate notes due 2019 on 17 July 2012;
- S\$250,000,000 2.50 per cent. fixed rate notes due 2013 on 6 September 2012;
- U.S.\$500,000,000 5.75 per cent. fixed rate notes due 2017 on 20 September 2012;
- S\$400,000,000 6.00 per cent. fixed rate notes due 2022 on 25 October 2012 (the “**Series 4 Tranche 1 Notes**”); and
- S\$100,000,000 6.00 per cent. fixed rate notes due 2022 on 7 November 2012, to be consolidated and form a single series with the Series 4 Tranche 1 Notes (the “**Series 4 Tranche 2 Notes**” and, together with the Series 4 Tranche 1 Notes, the “**Series 4 Notes**”).

On 18 September 2012, the Issuer announced that it had acquired 100 per cent. of the equity interest in Northern Coffee Corporation Ltd, owner of the largest coffee estate in Zambia for approximately U.S.\$6.15 million through a bidding process organised by the Zambia Development Authority (“**ZDA**”). A further U.S.\$40 million will be committed by the Group as capital expenditure and pre-operative expenditure to fully develop 2,000 hectares of Arabica coffee plantation over the next five years. The first 300 hectares are expected to be planted in FY 2013.

On 2 October 2012, the Issuer announced that it had notified NZFSU of its intention to make a cash offer at NZ\$0.75 per share for all of the shares in NZFSU that it did not already own. At that time, the Issuer was the largest shareholder in NZFSU with 85.93 per cent. shareholding following the takeover offer for NZFSU that closed in June 2011. Following the notice of compulsory acquisition issued by the Issuer on 26 November 2012, the Issuer announced on 27 December 2012 the completion of the compulsory acquisition. Following the completion, the Issuer now owns 100 per cent. of outstanding shares in NZFSU and NZFSU was delisted on the NZX Main Board.

On 5 October 2012, the Issuer announced that it had acquired 50 per cent. of shares and voting rights in Acacia Investments (“**AI**”) for a total consideration of U.S.\$35 million. AI is a business group based in the United Arab Emirates with a significant presence in edible oil refining and distribution in East Africa.

On 30 November 2012, the Issuer announced that it had acquired 100 per cent. equity interest in Dehydro Foods Limited, a leading processor of dehydrated onions and herbs in Egypt, for U.S.\$30.8 million including an estimated amount of U.S.\$3.5 million for net working capital.

On 3 December 2012, the Issuer announced a renounceable underwritten rights issue (“**Rights Issue**”) of U.S.\$750 million 6.75 per cent. Bonds due 2018 (“**2013 Bonds**”) with 387,365,079 free detachable warrants on shares of the Issuer (“**Warrants**”), each Warrant carrying the right to subscribe for one new Share (“**New Share**”) in the Issuer at an exercise price of U.S.\$1.291 for each New Share, on the basis of 313 Bonds of principal amount of U.S.\$1.00 each with 162 Warrants for every 1,000 Shares. If all the Warrants are exercised, the Company will raise up to an incremental U.S.\$500 million of gross proceeds. The Rights Issue was completed on 29 January 2013.

On 21 December 2012, the Issuer announced that it has acquired the soluble coffee assets and business of Seda Solubles (“**Seda**”) for U.S.\$52 million through a bidding process under a court-managed scheme of receivership in Spain. Seda is a leading producer of soluble coffee and coffee related products with a fully integrated production platform.

On 13 March 2013, the Issuer announced that it had sold Taraori Rice Mills Private Limited, the holding company for its rice milling assets in India, to Spanish rice and pasta manufacturer, Ebro Foods, for U.S.\$14.5 million. The basmati rice mill, located in Haryana, India was acquired by the Issuer in 2008.

On 26 March 2013, the Issuer announced the opening of its A\$60 million almond hulling and processing plant in Carwarp, Victoria, Australia. The 12,000 square metre facility is expected to have a processing capacity of 40,000 metric tonnes of almond kernels per annum.

On 26 April 2013, the Issuer announced that it had acquired a 95 per cent. equity interest in PT Sumber Daya Wahana (“**Sumber Daya**”) for Indonesian Rupiah 27.625 billion (U.S.\$2.86 million). Sumber Daya is a company incorporated in Indonesia and has cocoa plantation rights in 3,420 hectares of land in Seram Island, Maluku province, Indonesia.

On 9 May 2013, the Issuer announced that it has entered into a joint venture with Sanyo Foods Co. Ltd of Japan (“**Sanyo Foods**”) to set up a joint venture company in Nigeria to manufacture and distribute instant noodles in Nigeria and across sub-Saharan Africa. Sanyo Foods will invest U.S.\$20 million in cash for a 25.5 per cent. equity interest through issue of new shares by the joint venture company that will house the Issuer’s instant noodles assets and business in Nigeria, and the Issuer will hold the balance majority ownership of 74.5 per cent. in the joint venture company with management control. The joint venture is expected to draw the strengths of both partners with the Issuer’s expanding marketing and distribution network across Nigeria and its pan-Africa presence as well as Sanyo Foods’ technology in the development and manufacturing of instant noodle products, and new market development experience.

On 28 August 2013, the Issuer announced that it has signed a five-year U.S.\$120 million loan agreement with International Finance Corporation (a member of the World Bank Group) to finance upgrades and expansion of five food processing facilities in Nigeria and India.

On 28 August 2013, the Issuer announced the completion of a three-year U.S.\$400 million revolving credit facility (“**RC Facility**”) for its U.S. subsidiary Olam Holdings Partnership (“**OHP**”). Proceeds from the RC Facility will be used to refinance existing debt, as well as to finance the working capital needs of OHP and its subsidiaries in the US and for general corporate purposes.

On 1 November 2013, the Issuer announced that Queensland Cotton Corporation Pty Ltd, a wholly-owned subsidiary of the Issuer, has sold its Dirranbandi cotton gin in Queensland to Cubbie Ginney Pty Ltd for A\$20.0 million. It was announced that the sale of the gin was based on ensuring the best strategic and economic outcome for the company, and that the sale was also in line with the Issuer’s strategy to unlock value and redeploy capital in higher growth areas, thereby optimising the cotton business for the Group.

On 13 November 2013, the Issuer announced that Olam Almonds Australia Pty Ltd, a wholly-owned subsidiary of the Issuer, has entered into a sale and lease-back agreement for its approximately 12,000 hectares of almond orchards for a cash consideration of A\$200.0 million with Adveq Almond Trust, an Australian trust structure owned by a group of investors led by Adveq Real Assets Harvested Resources, LP. The sale and lease-back of almond orchard land and trees as well as related farming and irrigation infrastructure in Victoria, Australia would be for a period of 18 years and can be extended or renewed by mutual consent. The transaction was completed on 11 February 2014 and the issuer received cash proceeds of S\$233.1 million and recorded a one-time gain in its profit and loss statement of S\$63.2 million.

On 9 December 2013, the Issuer announced that it will issue 10,461,081 additional Warrants to holders of the Warrants on the basis of 27 additional Warrants for every 1,000 Warrants held by the holders of the Warrants. The additional Warrants were issued on 12 December 2013.

On 23 December 2013, the Issuer announced that it had entered into an agreement to sell up to a 14.99 per cent. stake in Open Country Dairy Limited (“**OCD**”), New Zealand to Talley’s Group Limited for up to NZ\$46.5 million. The transaction released cash for the Issuer while still maintaining product off-take arrangements with OCD, which are strategically important for the Issuer’s dairy supply chain business. The partial takeover offer by Talley’s Group Limited closed on 24 May 2014. As a result of the transaction, the Issuer will receive cash proceeds of NZ\$32.1 million and will have a 15.19 per cent. residual stake in OCD.

On 22 January 2014, the Issuer announced the repurchase of an aggregate principal amount of S\$39,200,000 of Perpetual Bonds and the repurchase of an aggregate principal amount of S\$15,000,000 of the Series 4 Notes by way of on-market purchases. The Perpetual Bonds and the Series 4 Notes were repurchased at an average price of 92.38 and 92.96 respectively, in line with the Issuer’s balance sheet optimisation objective.

On 24 January 2014, the Issuer announced that it had entered into an agreement with a consortium of Chinese investors to sell part of its forestry and saw milling assets in Gabon for a gross consideration of U.S.\$18.0 million. It was announced that the divestment, which is a part of Olam’s revised strategy to restructure the wood products portfolio, includes the sale of two saw mills in the Makokou region of Gabon, 2.5 hectares of land in the Special Economic Zone (SEZ) at Nkok, Gabon and associated forestry concessions. The transaction resulted in a one-off loss of S\$14.6 million from the sale of assets and associated restructuring charges.

On 14 March 2014, it was announced that Temasek Holdings, through its indirect wholly-owned subsidiary, Breedens, intends to make a voluntary conditional cash offer (the “**Offer**”) for (i) all the Shares of the Issuer, (ii) new Shares unconditionally issued or to be issued pursuant to the valid conversion of outstanding New Convertibles Bonds and (iii) new Shares unconditionally issued or to be issued pursuant to the valid exercise of the options granted under the Olam Employee Share Option Scheme. The Offer turned unconditional as to acceptances on 24 April 2014 and closed on 23 May 2014. Following the close of the Offer, Temasek Holdings and its subsidiaries and associated companies owned approximately 58.53 per cent. of the Issuer and the Issuer became a subsidiary of Temasek Holdings.

On 28 March 2014, the Issuer announced that the RoG will invest an additional U.S.\$56.8 million towards equity and increase its stake in the Palm (“**OPG**”) and Rubber (“**ORG**”) joint ventures with the Issuer in the RoG. On completion of this transaction, Olam will own 60% equity interest in both OPG and ORG joint ventures, with RoG holding the remaining 40%. It was announced that the transactions are in line with the Issuer’s strategic plan to unlock value by seeking strategic partners to co-share investments in capital intensive and long gestation projects, and is expected to release cash of approximately U.S.\$30.0 million for the Issuer and will result in a gain of U.S.\$14.5 million that will be credited to capital reserves on completion.

On 25 April 2014, the Issuer announced that its wholly-owned subsidiary NZFSU has sold dairy farm land in the Western and the Eastern regions in Uruguay for a total cash consideration of U.S.\$53.7 million. NZFSU owns dairy farms in the Western, Eastern and Central regions in Uruguay on 28,478 hectares of farm land and approximately 1,769 hectares of farm land in the West of Uruguay together with 6,002 hectares of farm land in the East of Uruguay were sold. It was announced that the Issuer expected to receive gross cash proceeds of U.S.\$53.7 million and book a one-time pre-tax gain of approximately U.S.\$18.0 million upon completion of these transactions.

On 16 May 2014, the Issuer announced that it will be investing U.S.\$61.0 million to establish a new cocoa processing facility in Indonesia to enable the Issuer to leverage the strength of its Indonesian cocoa sourcing network and participate in the growth of Asian cocoa consumption. The new cocoa processing facility would have an initial capacity of 60,000 metric tonnes and will produce cocoa butter, cocoa cake and high quality cocoa powders, and is expected to commence operations in early 2016. The plant will primarily grind Indonesian beans sourced through the Issuer’s traceable cocoa network, which includes the 32,000 farmers who form the core of its sustainable supply chain in the country, as well as from its plantation on Seram Island acquired in 2013. In addition, beans will be supplied from the Issuer’s farm-gate networks in Africa.

On 19 May 2014, the Issuer announced that it had secured a U.S.\$2.22 billion 364-day committed unsecured revolving credit facility (“**Unsecured RC Facility**”). Proceeds from the Unsecured RC Facility will be applied towards refinancing of existing debt and meeting working capital and general corporate funding requirements of the Issuer.

On 23 June 2014, the Issuer announced that it had entered into a partnership with Mitsubishi Corporation of Japan (“**MC**”) in which MC will invest U.S.\$64.0 million for an 80.0% equity interest in the Issuer’s wholly owned subsidiary, Olam Grains Australia (“**OGA**”). The partnership is intended to leverage growth opportunities in the Australian Grains business. Subject to standard closing conditions, the transaction is expected to be completed in early FY 2015.

On 27 June 2014, the Issuer announced that it had entered into an agreement to sell a 20% equity stake in Gabon Special Economic Zone SA (“**GSEZ**”) to the RoG. The transaction was in line with the Group’s strategy to jointly invest with partners in projects that involve large capital expenditure and long gestation.

On 27 June 2014, the Issuer announced had entered into an agreement to sell a 100% equity stake in its subsidiary Compagnie Forestière des Abeilles SA (“**CFA**”) to Transport Bois et Négoce International (“**TBNI**”), a Gabonese timber company for a consideration of U.S.\$6.0 million. The divestment was in line with the Company’s strategy to restructure the Wood Products portfolio.

## **Competitive Strengths**

### **The Group is a leading global supplier of agricultural products and food ingredients**

The Group is a leading, global, selectively-integrated supply chain manager of agricultural products and food ingredients which operates in more than 65 countries and sources and supplies products across 16 platforms to more than 13,600 customers worldwide. The Group is one of the leading global market players in respect of several product groups. For example, the Group is:

- one of the largest suppliers by market share in the global trade of raw cashew nuts;
- one of the largest suppliers by market share in the global trade of Robusta coffee;

- one of the top three suppliers by market share in the global trade of cocoa;
- one of the largest suppliers by market share in the global trade of teak wood;
- one of the largest suppliers by market share in the global trade of cotton;
- one of the largest almond orchard owner in Australia;
- one of the top three global suppliers by market share in the global trade of rice; and
- one of the top five global suppliers by market share in the global trade of peanuts.

Through its market leadership positions, the Group has a detailed understanding of its customers' product requirements, which enables it to offer differentiated products, supply chain solutions and value-added services including organic certification, product traceability, customised quality, vendor- managed inventory systems ("VMI") and risk management solutions. As a result, the Group believes that it has established strong relationships with its end-customers, including several multinational corporations which own internationally recognised brands such as Kraft Foods, Nestlé, Lavazza, Mars, Tchibo and Planters, and that its customers value it as a reliable counterparty and a long-term business partner.

### **The Group has a proven and flexible business model that allows it to achieve rapid and cost-effective growth**

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

The Group operates across the entire supply chain in almost all of its 16 platforms. The Group sources and exports out of Africa, Asia and the Middle East, Europe and North and South America, and operates trading and marketing operations in the Destination Markets. The Group's business model enables it to have the following competitive advantages:

#### ***Rapid Organic and Inorganic Growth***

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

#### ***Cost Sharing***

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

#### ***Diversified and well-balanced portfolio which is recession resistant and has allowed the Issuer to perform consistently across commodity and economic cycles***

The Group integrates its knowledge and expertise across products, geographic markets and supply chain activities to create a diversified portfolio of products and services. The Group has a well-diversified and balanced portfolio operating in 16 platforms across four main product groups, namely (i) edible nuts, spices and beans; (ii) confectionery and beverage ingredients; (iii) food staples and packaged foods; and (iv) industrial raw materials. In any given product segment, the Group consciously selects a mixture of northern and southern hemisphere Origins so that its trading and marketing infrastructure is constantly utilised and that sourcing activities for such products can be conducted throughout the year. The Group is present in key producing countries around the world which allows it to service its customers better in terms of quality, quantity and timeliness. In FY 2013, the Group sourced 40.8 per cent. of volumes from Asia and the Middle East, 15.8 per cent. from Africa, 26.4 per cent. from Europe and 17.0 per cent. from the Americas. The Group's geographical diversity results in it not being over-exposed to any single Origin for any given product.



In addition, the Group seeks to export products out of countries that it also imports into in order to help hedge against currency risks. This is particularly relevant where the currencies in question are not traded on foreign exchange markets as this process allows the Group to create a natural hedge against currency movements. The Group's sales are well diversified geographically and in FY 2013, the Group derived 40.8 per cent. of its sales from Asia and the Middle East, 22.9 per cent. from Africa, 21.0 per cent. from Europe and 15.3 per cent. from the Americas.

The Group realises stable dollar margins for every tonne that it moves, hence the Group's core supply chain business is mainly driven by volumes and has limited exposure to price volatility. In FY 2013, approximately 78.0 per cent. of the Group's sales were contributed by the food category, where demand is relatively inelastic and recession resistant. This has contributed to the Group generating profits in all years since its IPO, including in both 2008 and 2009, in which years the global financial crisis and the commodity down cycle occurred respectively, as well as in the first half of FY 2012 where economic conditions were also challenging.

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

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

#### ***Control of the supply chain***

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

#### ***Provision of value-added services***

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

#### ***Potential to increase the Group's margins***

In regions where the Group does not currently perform its own logistics services, further end-to-end integration capabilities allow the Group to potentially increase its margins by reducing the role of third-party intermediaries, including agricultural raw material processors and logistics service providers. Participation across the entire supply chain also helps the Group to secure a minimum level of margin. The investments in upstream and midstream segments of the value chain also have the potential of increasing the overall margins of the Group.

### **The Group combines both origination capabilities with capabilities in the Destination Markets, thus providing a competitive edge over its competitors**

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

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

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

At the same time, the Group has developed strong relationships with its customers in the Destination Markets, many of which are well-known food multi-nationals, by providing them with timely, consistent and reliable



supplies of their raw material requirements. The strength of the Group's market capabilities in the Destination Markets is a result of the various value-added services that it provides its customers, including VMI services, grades and quality customisation, traceability, organic raw materials supply capacity, Fair Trade Practice products supply capacity and tailor-made risk management solutions. The Group believes that it is one of the few industry participants which has combined the market skills of a global trade house and the origination skills of an origin trade house. This combination has allowed the Group to develop privileged relationships with its key customers and to offer them its distribution and logistics capabilities, as well as its hedging, risk management and risk arbitrage skills.

### **The Group has a professional and experienced management team**

The Group has consistently attracted high quality professionals to work in the challenging emerging market conditions in which it operates. The Issuer's executive directors and executive officers each have an average of over 15 years experience in the industry. The Group has more than 700 managers in its global talent pool, most of whom have spent a certain minimum number of years working in an Origin Country. Through extensive on-the-ground experience and rigorous training and promotion systems, the Group's managers have developed a common vision and understanding of its values and goals. These help to foster better intra-business communication, disciplined operational management and an entrepreneurial spirit.

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

The Group is able to retain its personnel by making an effort to promote internally. As at the Latest Practicable Date, a total of 480,127,237 Shares (direct and deemed) were held by directors of the Issuer and there were a total of 20,000,000 un-issued Shares comprising of options granted to directors of the Issuer under the employee share option scheme. This has helped to align their interests with those of the Issuer and foster a sense of commitment.

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

The Issuer raised net proceeds of approximately S\$185 million in its IPO in 2005. In April 2008, the Issuer raised approximately S\$300 million through a preferential offering of new Shares to existing investors. On 15 July 2009, the Issuer raised S\$437.5 million through an issue of new Shares to Breedens and Aranda, both indirect wholly-owned subsidiaries of Temasek Holdings. In June 2011, the Issuer carried out the Equity Fund Raising which raised approximately S\$740 million through a private placement of new Shares to institutional and other investors, a *pro rata* and non-renounceable preferential offering of new Shares to entitled shareholders and the issue of new Shares to Breedens. In January 2013, the Issuer carried out the Rights Issue which raised approximately U.S.\$697.5 million, and is expected to raise further gross proceeds of U.S.\$500 million if all the Warrants issued during the Rights Issue are exercised. Breedens announced a voluntary conditional cash offer on 14 March 2014 which closed on 23 May 2014. Following the close of the Offer, Temasek Holdings and its subsidiaries and associated companies owned approximately 58.53 per cent. of the Issuer and the Issuer became a subsidiary of Temasek Holdings.

The Group's ability to attract reputable investors and raise equity financing has provided it with funds to finance its investments and M&A activities and has also contributed to the Group's ability to obtain narrower spreads on its bank borrowings.

### **Strategies**

The Group's strategic intent and vision is to be a leading, global, selectively integrated supply chain manager of agri-commodities and food ingredients by:

- serving growers and customers globally;
- pursuing select scalable and attractive niches in upstream and value-added midstream processing; and
- capitalising on the Group's emerging markets expertise.

### **FY 2014 — 2016 Strategic Plan**

On 25 April 2013, the Issuer announced the outcome of its annual strategy review and Strategic Plan for the three-year period FY 2014 to FY 2016. The 2013 strategy review was an intensive process that was based on a

clear understanding of the evolving market context and its resulting impact on the Issuer's strategic options and performance targets. This review was particularly broad in its considerations as the Issuer actively consulted and considered feedback from both internal and external sources and various stakeholders. This process also reviewed past strategies and their impact, including its 2009 Strategic Plan that was updated in 2011.

The review concluded that while the Group was in a strong position to leverage positive global trends in the agri-commodity sector, it would benefit from re-balancing its growth objectives with an increased focus on accelerating the generation of positive free cash flow. It also reaffirmed the value of the Group's strategy of building a core global supply chain business, while selectively integrating into high-value upstream and mid/downstream segments.

As part of the FY 2014 — 2016 Strategic Plan, the Group has established four key priorities and six specific pathways to achieve these priorities:

#### 4 Priorities



#### 6 Pathways



##### *1. Reshape portfolio and reduce complexity*

In this pathway, the Group will continue to invest for growth in select businesses including edible nuts, spices & vegetable ingredients, cocoa, coffee and grains, while it seeks to prioritise cash flow generation in certain other businesses like natural fibres and rice. The plan also envisages that the Group will seek to grow certain platforms through alliances with strategic partners such as Packaged Foods, palm, rubber, fertiliser and Special Economic Zone ("SEZ"). In the wood and dairy businesses, the Group will right-size these through a targeted restructuring of select aspects of these two platforms. In this plan, the Group also intends to grow the sugar business in a more asset-light manner.

The re-focused priorities for each of the businesses in the FY 2014 — FY 2016 period are expected to deliver an optimal mix of growth and cash generation, reduce overall portfolio complexity and enhance the intrinsic value of the overall portfolio.

##### *2. Recalibrate pace of investments*

The 2009 and 2011 strategic plans involved front-loading investments in the earlier part of the plan cycle and reducing capital investments towards the later years of FY 2015 and FY 2016. The Group will now take steps to re-balance investments between long gestation projects and faster high-yielding projects in the FY 2014 — FY 2016 period while continuing to extract full value from existing investments.

##### *3. Optimise balance sheet*

During the first three years (FY 2010 — 2012) of the 2009 Strategic Plan, the Group had made multiple investments in select higher return upstream and midstream projects. The Group now intends to monetise some of these to reduce its fixed asset intensity, generate positive cash flows, improve returns, while still capturing the economic value generated by these assets. The Group has already established proof of concept with the successful sale-and-lease-back of the US almond orchard land, providing an effective template to execute similar structures for other related assets.

In addition, the Group will scale down operations in select sub-scale profit centres and countries and release working capital from these businesses that can be deployed in other parts of the Group to improve working capital efficiency.

#### ***4. Pursue opportunities for unlocking intrinsic value***

The Group 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 further to its full potential. This will be achieved through selective joint ventures, strategic alliances, equity carve-outs and de-consolidations. In addition, the Group will continue to review its portfolio and divest any non-core assets, as it did recently with the sale of the basmati rice milling facility in India.

#### ***5. Improve operating efficiencies***

As part of the 2009 and 2011 strategic growth plans, the Group invested significantly in people, processes and capabilities, resulting in an increase in the fixed cost base of the Group ahead of the returns expected from these investments. The Group continues to view these investments as critical for the long-term sustained growth of the Group.

Under the FY 2014 — 2016 Strategic Plan, the Group will extract operating leverage arising from economies of scale over the plan period. In addition, the plan envisages specific steps to reduce existing overhead costs, such as seeking efficiencies through offshore shared services. The Group will also streamline and extract greater leverage from manufacturing overheads.

#### ***6. Enhance stakeholder communication***

The Group has always committed to the highest standards of corporate disclosure and transparency, and will now enhance its efforts by:

- (i) supplementing existing disclosure with additional details on investment performance;
- (ii) setting up a calendar of field visits to various the Group operations globally;
- (iii) organising Investor Days for platform-wise presentations; and
- (iv) evaluating the structure and content of the Group's results announcements for easier interpretation and analysis.

## SUMMARY OF THE PROGRAMME

*The following overview does not purport to be complete and is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in the Terms and Conditions of the Notes other than Perpetual Securities or the Terms and Conditions of the Perpetual Securities (as applicable) below or elsewhere in this Offering Circular have the same meanings in this overview.*

<b>Issuer</b> .....	Olam International Limited.
<b>Description</b> .....	Euro Medium Term Note Programme.
<b>Size</b> .....	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any time. The Issuer may increase the aggregate principal amount of the Programme in accordance with the terms of the Dealer Agreement.
<b>Arrangers</b> .....	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank.
<b>Dealers</b> .....	Australia and New Zealand Banking Group Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank.  The Issuer may from time to time appoint dealers either in respect of one or more Tranches or in respect of the whole Programme or terminate the appointment of any dealer under the Programme. References in this Offering Circular to “ <b>Permanent Dealers</b> ” are to the persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “ <b>Dealers</b> ” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches (and whose appointment has not been terminated).
<b>Trustee</b> .....	The Bank of New York Mellon, London Branch.
<b>Issuing and Paying Agent</b> .....	The Bank of New York Mellon, London Branch.
<b>Registrar in respect of Registered Notes other than CMU Notes and CDP Notes</b> .....	The Bank of New York Mellon (Luxembourg) S.A.
<b>Registrar and Transfer Agent in respect of CMU Notes</b> .....	The Bank of New York Mellon, Hong Kong Branch.
<b>Registrar and Transfer Agent in respect of CDP Notes</b> .....	The Bank of New York Mellon, Singapore Branch.
<b>Transfer Agent in respect of Registered Notes other than CMU Notes and CDP Notes</b> .....	The Bank of New York Mellon, London Branch.
<b>CMU Lodging and Paying Agent</b> .....	The Bank of New York Mellon, Hong Kong Branch.
<b>CDP Paying Agent</b> .....	The Bank of New York Mellon, Singapore Branch.
<b>Listing and Admission to Trading</b> ....	Application has been made to the SGX-ST for permission to deal in and the quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. In addition, at the relevant time of issue of the Notes which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for the permission to deal in and quotation of such Notes on the Official List of the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST will be approved. The approval in-principle from, and admission to the

Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group, the Issuer's associated companies, the Programme and/or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies).

The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be initially listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be initially listed. Unlisted Series of Notes may also be issued pursuant to the Programme.

**Selling Restrictions** ..... The United States of America, the Public Offer Selling Restriction under Directive 2003/71/EC of the European Parliament and of the Council (the “**Prospectus Directive**”) (in respect of Notes having a Specified Denomination of less than €100,000, as the case may be, or its equivalent in any other currency as at the date of issue of the Notes), the United Kingdom, Hong Kong, Singapore, Japan and the PRC. See “*Subscription and Sale*”.

For the purposes of Regulation S, Category 1 selling restrictions shall apply unless otherwise indicated in the relevant Pricing Supplement.

**Risk Factors** ..... Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in “*Risk Factors*” below.

**Credit Rating** ..... Unless otherwise stated in a relevant Pricing Supplement, Tranches of Notes to be issued under the Programme will be unrated.

#### Summary of Terms relating to Notes other than the Perpetual Securities

**Method of Issue** ..... The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest and their issue price), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Pricing Supplement.

**Issue Price** ..... Notes may be issued on a fully-paid or a partly-paid basis and at their principal amount or at a discount or premium to their principal amount.

**Form of Notes** ..... The Notes may be issued in bearer form only (“**Bearer Notes**”) or in registered form only (“**Registered Notes**”). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) Definitive Notes are to be made available to Noteholders (as defined in the “*Terms and Conditions of the Notes other than the Perpetual Securities*”) following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are



being issued in compliance with U.S. Treas. Reg. §163-5(c)(2)(i)(D) (the “**D Rules**”), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of, or in the name of nominees or a common nominee for, one or more clearing systems are referred to as “**Global Certificates**”.

Registered Notes sold in an “offshore transaction” within the meaning of Regulation S will initially be represented by a Global Certificate.

<b>Clearing Systems</b> .....	Euroclear, Clearstream, Luxembourg, the CMU and CDP and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Trustee and the relevant Dealer(s) and, as applicable, the Registrar.
<b>Initial Delivery of Notes</b> .....	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or deposited with CDP or deposited with a sub-custodian for the CMU or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee, the Issuing and Paying Agent, the Registrar (if applicable) and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
<b>Currencies</b> .....	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer, the Issuing and Paying Agent and the relevant Dealers(s). Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies as may be agreed between the Issuer and the relevant Dealer(s).
<b>Cross Default</b> .....	See “ <i>Terms and Conditions of the Notes other than the Perpetual Securities — Events of Default</i> ”.
<b>Maturities</b> .....	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued with any maturity as may be agreed between the Issuer and the relevant Dealer(s).
<b>Specified Denomination</b> .....	Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area (the “ <b>EEA</b> ”) or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of the issue of the Notes) and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
<b>Fixed Rate Notes</b> .....	In respect of Fixed Rate Notes, fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.

<b>Floating Rate Notes</b> .....	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency (as defined in “<i>Terms and Conditions of the Notes other than the Perpetual Securities</i>”) governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or</li> <li>(ii) by reference to LIBOR, EURIBOR, HIBOR, SOR or SIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.</li> </ul> <p>Interest periods will be specified in the relevant Pricing Supplement.</p>
<b>Zero Coupon Notes</b> .....	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
<b>Dual Currency Notes</b> .....	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.
<b>Index Linked Notes</b> .....	Payments of principal in respect of Index Linked Redemption Notes or payments of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
<b>Interest Periods and Interest Rates</b> ...	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
<b>Redemption of Notes</b> .....	<p>The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (“FSMA”) must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).</p> <p>The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.</p>
<b>Other Notes</b> .....	Terms applicable to Notes such as high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note that the Issuer, the Trustee, the Issuing and Paying Agent and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and any relevant supplemental Offering Circular.
<b>Optional Redemption of Notes</b> .....	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or at the option of the holders, and if so the terms applicable to such redemption.

<b>Status of Notes</b> .....	The Notes and the Receipts and the Coupons relating to them will constitute direct, unconditional, unsubordinated and (subject to Condition 4 of the Terms and Conditions of the Notes other than Perpetual Securities) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves as described in “ <i>Terms and Conditions of the Notes other than the Perpetual Securities — Status</i> ”.
<b>Negative Pledge in relation to Notes</b> ..	See “ <i>Terms and Conditions of the Notes other than the Perpetual Securities — Negative Pledge</i> ”.
<b>Early Redemption for Taxation</b> .....	Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons. See “ <i>Terms and Conditions of the Notes other than the Perpetual Securities — Redemption, Purchase and Options</i> ”.
<b>Withholding Tax</b> .....	All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain conditions as set out in the relevant Terms and Conditions. See “ <i>Terms and Conditions of the Notes other than the Perpetual Securities — Taxation</i> ” below.
<b>Governing Law</b> .....	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law or the Notes will be governed by, and shall be construed in accordance with, Singapore law, as specified in the applicable Pricing Supplement.
<b>Redenomination, Renominalisation and/or Consolidation</b> .....	Notes denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in Euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Pricing Supplement.
<b>Summary of Terms relating to Perpetual Securities</b>	
<b>Method of Issue</b> .....	The Perpetual Securities will be issued on a syndicated or non-syndicated basis. The Perpetual Securities will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first scheduled date of distribution and issue price), the Perpetual Securities of each Series being intended to be interchangeable with all other Perpetual Securities of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first scheduled date of distribution and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Pricing Supplement.

<b>Issue Price</b> .....	Perpetual Securities may be issued on a fully-paid or a partly-paid basis and at their principal amount or at a discount or premium to their principal amount.
<b>Form of Notes</b> .....	<p>The Perpetual Securities may be issued in bearer form only (“<b>Bearer Notes</b>”) or in registered form only (“<b>Registered Notes</b>”). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) Definitive Notes are to be made available to Noteholders (as defined in the “<i>Terms and Conditions of the Perpetual Securities</i>”) following the expiry of 40 days after their issue date or (ii) such Perpetual Securities have an initial maturity of more than one year and are being issued in compliance with U.S. Treas. Reg. §163-5(c)(2)(i)(D) (the “<b>D Rules</b>”), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of, or in the name of nominees or a common nominee for, one or more clearing systems are referred to as “<b>Global Certificates</b>”.</p> <p>Registered Notes sold in an “offshore transaction” within the meaning of Regulation S will initially be represented by a Global Certificate.</p>
<b>Clearing Systems</b> .....	Euroclear, Clearstream, Luxembourg, the CMU and CDP and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Trustee and the relevant Dealer(s) and as applicable the Registrar.
<b>Initial Delivery of Perpetual Securities</b> .....	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or deposited with CDP or deposited with a sub-custodian for the CMU or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee, the Issuing and Paying Agent, the Registrar (if applicable) and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
<b>Currencies</b> .....	Subject to compliance with all relevant laws, regulations and directives, Perpetual Securities may be issued in any currency agreed between the Issuer, the Issuing and Paying Agent and the relevant Dealers(s). Payments in respect of Perpetual Securities may, subject to such compliance, be made in and/or linked to, any currency or currencies as may be agreed between the Issuer and the relevant Dealer(s).
<b>No Fixed Maturity</b> .....	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase them in accordance with the provisions of the terms and conditions of such Perpetual Securities.
<b>Specified Denomination</b> .....	Perpetual Securities will be in such denominations as may be specified in the relevant Pricing Supplement save that (i) in the case of any Perpetual Securities which are to be admitted to trading on a regulated market within the EEA or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the

date of the issue of the Perpetual Securities) and (ii) unless otherwise permitted by then current laws and regulations, Perpetual Securities (including Perpetual Securities denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).

**Fixed Rate Notes** ..... In respect of Fixed Rate Notes, subject to Condition 4(h) of the Terms and Conditions of the Perpetual Securities, distributions will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.

**Floating Rate Notes** ..... In respect of Floating Rate Notes, distributions will be determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR, EURIBOR, HIBOR, SOR or SIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

Distribution periods will be specified in the relevant Pricing Supplement.

**Dual Currency Notes** ..... Payments in respect of Dual Currency Notes (whether in respect of principal or distributions) will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.

**Index Linked Distribution Notes** ..... Payments of distribution in respect of Index Linked Distribution Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.

**Distributions in respect of Perpetual Securities** ..... Each Perpetual Security will confer a right to receive distributions at fixed, floating or index linked rates, subject to Condition 4(h) of the Terms and Conditions of the Perpetual Securities.

**Optional Deferral of Distributions in respect of Perpetual Securities** ... The relevant Pricing Supplement will specify whether the Issuer may, at its sole discretion, elect to defer (in whole and not in part) any distribution which is otherwise scheduled to be paid on a Distribution Payment Date (as defined in the “*Terms and Conditions of the Perpetual Securities*”) to the next Distribution Payment Date by giving a Deferral Election Notice (as defined in the “*Terms and Conditions of the Perpetual Securities*”) to the Noteholders and the Trustee and the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, not more than 15 nor less than 5 Business Days (as defined in the “*Terms and Conditions of the Perpetual Securities*”) (or such other notice period as may be specified in the applicable Pricing Supplement) prior to a scheduled Distribution Payment Date unless, during the Look-Back Period (as specified in the relevant Pricing Supplement) prior to such scheduled Distribution Payment Date, a Compulsory Distribution Payment Event has occurred.



A Compulsory Distribution Payment Event occurs when the Issuer has at its discretion (a) declared or paid any dividends or distributions on any of the Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer's Parity Obligations, or made any other payment (including payments under any guarantee obligations) on any of the Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer's Parity Obligations, and/or (b) repurchased, redeemed or otherwise acquired any of its Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) the Issuer's Parity Obligations (in each case other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group or (ii) as a result of the exchange or conversion of its Parity Obligations for its Junior Obligations), and/or as otherwise specified in the applicable Pricing Supplement.

For the avoidance of doubt, a Compulsory Distribution Payment Event shall not occur, and accordingly, nothing in Condition 4(h) of the Terms and Conditions of the Perpetual Securities shall restrict the Issuer from electing to defer any distribution, merely as a result of any dividends, distributions or payments or other actions made by the Issuer in respect of obligations which are not the Issuer's Junior Obligations or which are not the Issuer's Parity Obligations.

The Issuer shall have no obligation to pay any distribution (including any Arrears of Distribution and any Additional Distribution Amount (both as defined in the "*Terms and Conditions of the Perpetual Securities*"), if applicable) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4(h)(i) of the Terms and Conditions of the Perpetual Securities. Any failure to pay any distribution by the Issuer, if it validly elects not to do so in accordance with Condition 4(h)(i) of the Terms and Conditions of the Perpetual Securities shall not constitute a default of the Issuer in respect of the Perpetual Securities.

The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(h)(i) of the Terms and Conditions of the Perpetual Securities) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(h) of the Terms and Conditions of the Perpetual Securities except that Condition 4(h)(v) of the Terms and Conditions of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

**Restrictions in the case of a Deferral  
in respect of Perpetual Securities . . .**

The relevant Pricing Supplement will specify whether, if on any Distribution Payment Date, payment of all distribution payments scheduled to be made on such date is not made in full by reason of Condition 4(h) of the Terms and Conditions of the Perpetual Securities, the Issuer shall not and shall procure that none of its Subsidiaries shall:

- (a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on;
  - (1) if the Perpetual Security is a Senior Perpetual Security any of the Issuer's Junior Obligations; or

- (2) if the Perpetual Security is a Subordinated Perpetual Security, any of the Issuer's Junior Obligations or (except on a *pro-rata* basis) any of the Issuer's Parity Obligations; or
- (b) redeem, reduce, cancel, buy-back or acquire for any consideration;
  - (1) if the Perpetual Security is a Senior Perpetual Security, any of the Issuer's Junior Obligations; or
  - (2) if the Perpetual Security is a Subordinated Perpetual Security, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Parity Obligations,

in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group, (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations, (iii) if the Issuer has made payment in whole (and not in part only) of all outstanding Arrears of Distributions (if applicable) and any Additional Distribution, Amounts (if applicable), or (iv) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders and/or otherwise specified in the applicable Pricing Supplement. For the avoidance of doubt, the restrictions in Condition 4(h)(v) of the Terms and Conditions of the Perpetual Securities shall only apply to the Issuer's Subsidiaries to the extent that such dividends, distributions or payments are made in respect of the Issuer's Junior Obligations or, in the case of Subordinated Perpetual Securities (except on a *pro rata* basis) the Issuer's Parity Obligations and nothing in Condition 4(h)(v) of the Terms and Conditions of the Perpetual Securities shall restrict the Issuer or any of its Subsidiaries from making payment on its guarantees in respect of obligations which are not the Issuer's Junior Obligations or, in the case of Subordinated Perpetual Securities, (except on a *pro rata* basis) the Issuer's Parity Obligations.

**Other Perpetual Securities** . . . . . Terms applicable to Perpetual Securities such as high interest Perpetual Securities, low interest Perpetual Securities, step-up Perpetual Securities, step-down Perpetual Securities, reverse dual currency Perpetual Securities, optional dual currency Perpetual Securities, partly paid Perpetual Securities and any other type of Perpetual Security that the Issuer, the Trustee, the Issuing and Paying Agent and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and any relevant supplemental Offering Circular.

**Redemption for Accounting**

**Reasons** . . . . . The relevant Pricing Supplement will specify whether the Perpetual Securities will be subject to redemption for accounting reasons. If so specified thereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as specified in the applicable Pricing Supplement) if, as a result of any changes or amendments to SFRS or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer) or other internationally generally accepted accounting standards that the Issuer has adopted for the purposes of the preparation of its audited consolidated financial statements as amended from time to time, (the "**Relevant Accounting Standards**"), the Perpetual Securities may no longer be recorded as "equity" in the audited consolidated financial statements of the Issuer prepared in accordance with the Relevant Accounting Standards.

**Redemption for Tax Deductibility****Reasons .....**

The Perpetual Securities may, subject to certain conditions being satisfied, be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders, the Trustee, the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, and the Registrar, at their Early Redemption Amount if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
- (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
- (iii) any applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the position advised by the Issuer's tax advisers on or before the Issue Date,

payments by the Issuer would no longer, or within 90 days of the date of the opinion referred to in Condition 5(d) of the Terms and Conditions of the Perpetual Securities would not be fully deductible by the Issuer for Singapore income tax purposes. For the purposes of determining whether any payments by the Issuer would be fully deductible by the Issuer for Singapore income tax purposes under Condition 5(d) of the Terms and Conditions of the Perpetual Securities, interest restriction under the total asset method shall be disregarded. See "*Terms and Conditions of the Perpetual Securities — Redemption and Purchase — Redemption for tax deductibility reasons*".

**Redemption at the Option of the****Issuer .....**

The relevant Pricing Supplement will specify whether the Perpetual Securities will be subject to redemption at the option of the Issuer. If so specified thereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Pricing Supplement), redeem the Perpetual Securities, in whole or in part, on any Optional Redemption Date (as specified in the relevant Pricing Supplement). Any such redemption of Perpetual Securities shall be at their Early Redemption Amount.

**Redemption in the case of Minimal****Outstanding Amount .....**

The relevant Pricing Supplement will specify whether the Perpetual Securities will be subject to redemption in the case of a minimal outstanding amount. If so specified thereon, the Issuer may, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Pricing Supplement) redeem the Perpetual Securities, in whole, but not in part, at their Early Redemption Amount if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than

	10 per cent. of the aggregate principal amount of that Series of Perpetual Securities originally issued.
<b>Redemption for Taxation Reasons . . . .</b>	Perpetual Securities will be redeemable at the option of the Issuer prior to maturity for tax reasons. See “ <i>Terms and Conditions of the Perpetual Securities — Redemption and Purchase — Redemption for Taxation Reasons</i> ”.
<b>Status of Senior Perpetual Securities . . . . .</b>	The Senior Perpetual Securities and the Coupons relating to them will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, as described in “ <i>Terms and Conditions of the Perpetual Securities — Status of Senior Perpetual Securities and Status of, and Ranking of Claims in relation to, Subordinated Perpetual Securities</i> ”.
<b>Status of Subordinated Perpetual Securities . . . . .</b>	The Subordinated Perpetual Securities and the Coupons relating to them will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer as described in “ <i>Terms and Conditions of the Perpetual Securities — Status of Senior Perpetual Securities and Status of, and Ranking of Claims in relation to, Subordinated Perpetual Securities</i> ”.
<b>Subordination of Subordinated Perpetual Securities . . . . .</b>	<p>Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up (as defined in the “<i>Terms and Conditions of the Perpetual Securities</i>”) of the Issuer, the Subordinated Holder Claims (as defined in the “<i>Terms and Conditions of the Perpetual Securities</i>”) will rank in such Winding-Up;</p> <ul style="list-style-type: none"> <li>(i) expressly subordinated and subject to the rights and claims of all Senior Creditors (as defined in the “<i>Terms and Conditions of the Perpetual Securities</i>”) of the Issuer;</li> <li>(ii) <i>pari passu</i> with each other and with the rights and claims of any Parity Creditors or holders of Parity Obligations; and</li> <li>(iii) in priority to the rights and claims of holders of Junior Obligations.</li> </ul>
<b>Set-off in relation to Subordinated Perpetual Securities . . . . .</b>	Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, counterclaim, compensation, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, or under or in connection with the Subordinated Perpetual Securities, and each Noteholder shall, by virtue of his holding of any Subordinated Perpetual Security, be deemed to have waived all such rights of set-off, counterclaim, compensation, deduction, withholding or retention against the Issuer. Without prejudice to the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer in respect of, or arising from or under or in connection with the Subordinated Perpetual Securities is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

**Limited right to institute proceedings  
in relation to Perpetual Securities . . . .**

The right to institute Winding-Up proceedings is limited to circumstances where payment under the Perpetual Securities has become due. In the case of any distribution (including Arrears of Distribution or Additional Distribution Amounts, if applicable), such distribution will not be due if the Issuer has elected to defer that distribution in accordance with Condition 4(h) of the Terms and Conditions of the Perpetual Securities.

**Proceedings for Winding-Up in  
relation to Perpetual Securities . . . . .**

If (i) an order is made or an effective resolution is passed for the Winding-Up of the Issuer, and such order or resolution is subsisting and has not been discharged, stayed, dismissed, rescinded, revoked or superceded, as the case may be, or (ii) the Issuer fails to pay the principal of or any distribution (including Arrears of Distribution and Additional Distribution Amounts, if applicable) on the Perpetual Securities (save, for the avoidance of doubt, for distributions (including Arrears of Distribution and Additional Distribution Amounts, if applicable) which have been deferred in accordance with Condition 4(h) of the Terms and Conditions of the Perpetual Securities) and such failure continues for a period of 10 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Terms and Conditions of the Perpetual Securities, institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment, as provided in the Trust Deed.

**Withholding Tax . . . . .**

All payments of principal and distributions (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) by or on behalf of the Issuer in respect of the Perpetual Securities and the Coupons shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain conditions as set out in the relevant Terms and Conditions. See “*Terms and Conditions of the Perpetual Securities — Taxation*” below.

**Governing Law . . . . .**

The Perpetual Securities and any non-contractual obligations arising out of or in connection with the Perpetual Securities will be governed by, and shall be construed in accordance with, English law or the Notes will be governed by, and shall be construed in accordance with, Singapore law, as specified in the applicable Pricing Supplement, except that, in relation to Subordinated Perpetual Securities only, the subordination provisions set out in Condition 3(b) of the Terms and Conditions of the Perpetual Securities applicable to the Issuer shall be governed by, and construed in accordance with, Singapore law.

**Redenomination, Renominalisation  
and/or Consolidation . . . . .**

Perpetual Securities denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Perpetual Securities then denominated in Euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Pricing Supplement.



## SUMMARY FINANCIAL INFORMATION

The following tables set forth selected financial information of the Group (i) as at and for FY 2012 and FY 2013, and (ii) as at and for the nine months period ended 31 March 2013 and 2014. This selected financial information should be read in conjunction with the Group's audited consolidated financial statements including notes thereto for FY 2012 and FY 2013, and the unaudited consolidated financial statements including notes thereto for the nine months ended 31 March 2012. The Group's audited consolidated financial statements including notes thereto for FY 2013 and the unaudited consolidated financial statements including notes thereto for the nine months ended 31 March 2014 are included elsewhere in this Offering Circular. The information in the Group's audited consolidated financial statements including notes thereto for FY 2013, and the unaudited consolidated financial statements including notes thereto for the nine months ended 31 March 2014, has been reproduced from the audited financial statements of the Group for FY 2013 and the announcement of the unaudited consolidated financial statements of the Group for the nine months ended 31 March 2014 respectively. They have not been specifically prepared for inclusion in this Offering Circular.

The consolidated financial statements for the nine months ended 31 March 2013 and 2014 have not been audited or subject to any review by the auditors of the Group. Investors should not place undue reliance on the unaudited financial statements for the nine-month periods ended 31 March 2013 and 2014. See "Risk Factors — The Group's interim financial statements have not been audited or reviewed".

### Consolidated Profit and Loss Accounts

	Group		Group	
	Nine Months Ended 31 March		Financial Year Ended 30 June	
	Unaudited		Audited	
	2014	2013	2013	2012
	S\$'000		S\$'000	
Sale of goods and services . . . . .	13,664,131	14,306,783	20,801,798	17,093,751
Other income . . . . .	379,766	68,333	106,853	51,473
	<b>14,043,897</b>	<b>14,375,116</b>	<b>20,908,651</b>	<b>17,145,224</b>
Cost of goods sold . . . . .	(10,987,849)	(11,636,947)	(17,053,837)	(13,866,578)
Shipping and logistics . . . . .	(1,111,035)	(1,178,611)	(1,689,818)	(1,439,984)
Commission and claims . . . . .	(119,521)	(136,972)	(163,710)	(127,287)
Net gain from changes in fair value of biological assets . . . . .	(20,715)	49,969	96,286	110,874
Employee benefits expenses . . . . .	(330,880)	(330,101)	(466,181)	(426,170)
Depreciation . . . . .	(152,836)	(111,323)	(175,878)	(128,691)
Net measurement of derivative instruments . . . . .	(6,559)	(7,531)	(5,699)	21,163
Other operating expenses . . . . .	(277,717)	(252,543)	(455,294)	(450,557)
Finance costs . . . . .	(414,285)	(415,167)	(518,353)	(437,550)
	<b>(13,421,397)</b>	<b>(14,019,226)</b>	<b>(20,432,484)</b>	<b>(16,744,780)</b>
Share of results from jointly controlled entities and associates . . . . .	8,902	7,023	20,484	37,466
<b>Profit before taxation . . . . .</b>	<b>631,402</b>	<b>362,913</b>	<b>496,651</b>	<b>473,910</b>
Taxation . . . . .	(64,975)	(54,512)	(105,134)	(34,085)
<b>Profit for the financial period . . . . .</b>	<b>566,427</b>	<b>308,401</b>	<b>391,517</b>	<b>403,825</b>
<b>Attributable to:</b>				
Owners of the Issuer . . . . .	576,655	305,827	362,618	370,908
Non-controlling interests . . . . .	(10,228)	2,574	28,899	32,917
	<b>566,427</b>	<b>308,401</b>	<b>391,517</b>	<b>403,825</b>
<b>Earnings per share attributable to owners of the Issuer (cents)</b>				
Basic . . . . .	23.55	12.19	14.36	14.96
Diluted . . . . .	23.03	12.14	14.27	14.95

## Consolidated Balance Sheet

	- Group - Nine Months Ended 31 March	- Group - Financial Year Ended 30 June	
	Unaudited	Audited	
	2014	2013	2012
	S\$'000	S\$'000	
<b>Non-current assets</b>			
Property, plant and equipment	3,524,181	3,427,775	2,620,995
Intangible assets	689,480	686,516	660,157
Biological assets	1,042,348	781,742	631,339
Deferred tax assets	27,345	34,832	37,735
Investments in jointly controlled entities and associates	421,708	557,693	482,864
Long-term investment	392,209	—	—
Other non-current assets	23,408	20,256	9,163
	<b>6,120,679</b>	<b>5,508,814</b>	<b>4,442,253</b>
<b>Current assets</b>			
Trade receivables	2,226,762	2,372,900	1,596,796
Margin accounts with brokers	403,906	—	—
Inventories	4,944,352	4,154,271	4,410,014
Advance payments to suppliers	538,196	598,470	320,556
Cash and short-term fixed deposits	1,022,633	1,591,009	1,110,856
Derivative financial instruments	641,007	606,062	1,302,200
Other current assets	585,710	552,658	645,307
	<b>10,362,566</b>	<b>9,875,370</b>	<b>9,385,729</b>
<b>Current liabilities</b>			
Trade payables and accruals	(1,490,333)	(1,747,963)	(1,133,893)
Margin accounts with brokers	—	(9,114)	(140,567)
Borrowings	(3,758,769)	(2,965,559)	(3,148,333)
Provision for taxation	(66,885)	(49,728)	(33,493)
Derivative Financial Instruments	(714,908)	(395,295)	(1,115,711)
Other current liabilities	(326,197)	(269,241)	(193,101)
	<b>(6,357,092)</b>	<b>(5,436,900)</b>	<b>(5,765,098)</b>
<b>Net current assets</b>	4,005,474	4,438,470	3,620,631
<b>Non-current liabilities</b>			
Deferred tax liabilities	(243,511)	(240,877)	(194,071)
Borrowings	(5,748,047)	(5,882,679)	(4,341,051)
<b>Net assets</b>	<b>4,134,595</b>	<b>3,823,728</b>	<b>3,527,762</b>
<b>Equity attributable to owners of the Issuer</b>			
Share capital	1,980,957	1,980,957	1,980,957
Capital Securities	233,264	276,939	276,886
Reserves	1,784,002	1,433,964	1,147,767
	3,998,223	3,691,860	3,405,610
Non-controlling interests	136,372	131,868	122,152
<b>Total equity</b>	<b>4,134,595</b>	<b>3,823,728</b>	<b>3,527,762</b>

## RISK FACTORS

*Before making an investment decision, investors should carefully consider all of the information set out in this Offering Circular, including the risk factors set forth below. Any of the risks described below could materially and adversely affect the Issuer's ability to satisfy its obligations, including those under the Notes and have a material adverse effect on the Issuer's or the Group's business, operations and prospects. In that event, the market price of the Notes could decline, and investors may lose all or part of their investments in the Notes. The risks and uncertainties described below are not the only risks and uncertainties the Issuer and the Group face. In addition to the risks described below, there may be other risks and uncertainties not currently known to the Issuer or the Group or that the Issuer or the Group currently deem to be immaterial which may in the future become material risks. The risks discussed below also include forward-looking statements and the Issuer's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.*

### RISKS RELATING TO THE GROUP'S BUSINESS

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

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

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

#### ***The Group's interim financial statements have not been audited or reviewed***

In accordance with the Group's past practice, the Group announced its interim financial statements as of and for the period ended 31 March 2014 (the "**31 March 2014 Financial Statements**") on 15 May 2014. The Group's most recent audited financial statements were prepared as of and for the 12 month period ended 30 June 2013. The 31 March 2014 Financial Statements which have been included in this Offering Circular have neither been audited nor subjected to any review by the auditors. There can be no assurance that if such financial statements had been audited or reviewed that there would be no change in the financial statements and that such changes would not be material. The 31 March 2014 Financial Statements have been included in this Offering Circular for reference only and should not be relied upon by investors for making their investment decision.

#### ***The Group is vulnerable to industry cyclicality***

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

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

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

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

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

- where the prices of the physical products and the corresponding futures prices do not move in the same direction and/or by the same magnitude for periods of time which could be prolonged due to, for instance, speculative activity in the futures market;
- where the product the Group trades does not correspond exactly to the futures market in terms of grade, type, market and quantity; and/or
- where the Group's hedges have to be rolled forward due to the Group's continued possession of the Group's physical products beyond the period of the initial hedge, thereby exposing the Group to price differences between the contract periods.

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

***Margin calls on futures contracts or other derivative instruments***

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

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

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

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

The Group faces competition in its various product and geographic markets. The Group's competitors range from global trade houses to local distributors and buying agents. Please refer to the section entitled "*The Issuer and the Group — Competition*" beginning on page 144 of this Offering Circular. The Group also faces additional competition from the Group's existing customers, who are becoming more involved in sourcing to satisfy their

own needs. In some of the developing economies where the Group operates, government controls on trade are gradually being released and trade is being opened up to new participants. As such, there are potential threats of new competitors entering the markets in which the Group operates. Increased competition may reduce the growth in customer base, reduce the profit margin and the market share that the Group currently enjoys, and result in higher selling and marketing expenses. There can be no assurance that other competitors will not surpass the Group's performance in the future. In the event that the Group fails to sustain its competitive advantages, the Group's business, results of operations and financial position may be materially and adversely affected.

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

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

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

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

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

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

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

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

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

- civil unrest, military conflict, terrorism, change in political climate and general security concerns;
- default by government bodies who may be the only authorised trading counterparties in certain regulated markets;
- relatively less developed legal systems and business practices which may give rise to difficulties in enforcement of agreements entered into with counterparties;



- changes in duties payable and taxation rates;
- imposition of restrictions on currency conversion or the transfer of funds;
- fluctuation in the currency values;
- limitations and/or bans on imports and exports;
- expropriation or nationalisation of private enterprises or confiscation of private property or assets;
- reversal or change of laws, regulations or policies;
- relatively less developed business and communication infrastructure which may hamper the Group's efficiency and internal controls; and
- reinstatement of commodity boards or state monopolies for any of the Group's products.

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

***The Group may not be able to successfully implement the FY2014-2016 Strategic Plan***

In April 2013, the Issuer announced the outcome of its annual strategy review and the Strategic Plan for FY 2014 to FY 2016. The review established that the Group would benefit from re-balancing its growth objectives with an increased focus on accelerating the generation of positive free cash flow. Four key priorities, namely (i) accelerating free cash flow generation, (ii) reducing gearing, (iii) reducing complexity and (iv) promoting a better understanding of the Group, and six specific pathways, namely (i) reshaping portfolio and reducing complexity, (ii) recalibrating pace of investments, (iii) optimising balance sheet, (iv) pursuing opportunities for unlocking intrinsic value, (v) improving operating efficiencies and (vi) enhancing stakeholder communication, were identified to achieve these priorities were identified as part of the FY 2014-2016 Strategic Plan.

The continuing execution of the FY2014-2016 Strategic Plan may involve continuing investment in infrastructure and resources. The Group's expansion and the new strategic plans may not be successful. The Group's initiatives may not result in the increases in volumes or margins or the generation of positive free cash flow that the Group has planned. The execution of the plan may entail the sale of strategic stakes and / or assets that could impact future profitability of the Issuer. The Group may not be able to replicate its past record of success in expanding into new geographical markets and/or products. The Group may also not be able to generate a return on its initial investments in new geographical markets and products. Under such circumstances, the Group's business, results of operations and financial position may be adversely affected.

***The Group may face uncertainties associated with its expansion plans and its entry into the commodities financial services business***

From FY 2008 and in tandem with its growth strategy, the Group undertook certain expansion initiatives through the acquisition of various companies and the establishment of joint ventures. The Group's expansion initiatives involve numerous risks, including but not limited to, the financial costs of investment in machinery and equipment, construction of new facilities and working capital requirements. The success of the Group's acquisition and investment strategy depends on a number of factors, including:

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

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

In addition, the Group has taken steps to enter the commodity financial services business in respect of which the Group plans to undertake (a) market making and volatility arbitrage trading of commodities; (b) the provision of

risk solutions; and (c) fund management. The fund management services were initiated by the launch of “Ektime Commodity Relative Fund Value LP”. The Issuer has also announced the formation of wholly-owned subsidiaries through which these businesses will be conducted. Although the Issuer believes that these businesses will leverage its understanding of commodity and derivative markets and risk management skills, the Issuer currently does not have any experience in operating and managing any commodity financial services businesses. The operation and management of the commodity financial services business may require trained personnel and there can be no assurance that the Issuer will be able to attract or retain personnel required to operate and manage such businesses.

Further, the establishment of the commodity financial services businesses may involve significant management time, which may reduce the time available to the management for its current business. Financial services may require monitoring and compliance with laws, rules and regulations with which the Group is currently unfamiliar thereby increasing the risk of non-compliance by the Group. The Group may also not be able to generate a return on its initial investments which may adversely affect its financial position. Further, failure to successfully operate and manage the commodities financial services business may result in a loss of reputation of the Group which may adversely affect its business, results of operations and financial position.

***The Group may fail to manage any of its acquisitions***

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

- unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the merger or acquisition is finalised;
- potential difficulties in the integration and management of the operations and systems;
- potential difficulties in the retention of select personnel;
- potential difficulties in the co-ordination of sales and marketing efforts; and
- diversion of the Group’s management’s attention from other ongoing business concerns.

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

Further, new acquisitions of the Group may be loss-making. For example, NZFSU announced on 2 November 2010 that it expected to fall short of the budgeted U.S.\$5 million earnings before interest and taxes (“**EBIT**”) loss, with the full year result likely to be a loss of approximately U.S.\$16 million at operating EBIT level. NZFSU stated that if present dry conditions continued, there might be some further downside risk to the forecast. In addition to this, NZFSU had provided for the one-off N.Z.\$4.6 million (approximately U.S.\$3.5 million) cost of terminating the management agreement with PGW previously announced. In February 2011, the Issuer carried out a full review of the business plan of NZFSU with the board of directors of NZFSU. Subsequently on 5 September 2011, NZFSU announced that the audited financial results for NZFSU for its full financial year ended 30 June 2011 showed a loss of U.S.\$4.3 million at the operating EBIT level.

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

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

***Contractual risks***

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

### ***Credit risks***

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

### ***The Group's operations are highly dependent on debt financing***

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

Since most of the Group's loans have a limited term, the Group needs sufficient liquidity to meet its loan repayment obligations. Adverse market conditions which hamper the liquidation of stocks or delay the recovery of credit may affect the Group's loan repayment schedules and this may in turn result in the banks withdrawing or requiring early repayment of the facilities granted to the Group. This poses liquidity risk for the Group even though the Group may be profitable. As the Group may also obtain loans of longer terms, the Group may be exposed to the risk of interest rate fluctuations. These may adversely affect the Group's business, results of operations and financial position. Please refer to the section "*Capitalisation and Indebtedness*" on page 112 of this Offering Circular.

### ***The Group is exposed to interest rate risk***

Some of the Group's existing debt and the Group's borrowings in future may carry floating interest rates, and consequently, the interest cost to the Group for such debt will be subject to fluctuations in interest rates. In addition, the Group is and may in future be subject to market disruption clauses contained in its loan agreements with banks. Such clauses will generally provide that to the extent that the banks may face difficulties in raising funds in the interbank market or are paying materially more for interbank deposits than the displayed screen rates, they may pass on the higher cost of funds to the borrower, notwithstanding the margins agreed. Where appropriate, the Group seeks to minimise its interest rate risk exposure by entering into interest rate swap contracts to swap floating interest rates for fixed interest rates over the duration of certain of its borrowings. However, the Group's hedging policy may not adequately cover its exposure to interest rate fluctuations and this may result in a large interest expense and an adverse effect on the Group's business, results of operations and financial position.

### ***The Group may experience limited availability of funds***

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

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

### ***The Group is exposed to foreign exchange rate risk***

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

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

The Group's operations in various countries are subject to different tax regimes. Changes to or introduction of tax laws, changes in the interpretation or application of tax laws and revocation or amendment of tax treaties or tax incentives may adversely affect the Group's profitability.

For instance, as a recipient of the Global Trader Programme status awarded by International Enterprise Singapore, the Group is, among other things, entitled to a concessionary corporate tax rate of 5 per cent. which is subject to certain conditions. This concession was renewed in FY 2013 for a period of five years. Should this concessionary tax rate be revised, revoked or not be renewed upon expiry, the Group will be subject to the normal corporate tax rate, which as at the date of this Offering Circular is 17 per cent., which may affect the Group's business, results of operations and financial position.

In addition, some of the specific projects undertaken by the Group enjoy certain tax exemptions for limited periods. If any of these tax exemptions are revised, revoked or not renewed upon expiry, the profitability of the relevant projects may be materially adversely affected, which may affect the Group's business, results of operations and financial position.

### ***The Group is subject to volatility in shipping and logistics costs***

Shipping and logistics expenses accounted for 8.4 per cent. and 8.1 per cent. of the Group's turnover for FY 2012 and FY 2013 respectively. As most of the Group's shipments are made using third-party land and sea transport providers, the Group is subject to fluctuations in the prices of shipping and logistics costs, which may in turn have an impact on the Group's results of operations. Shipping and logistics costs for commodities are usually market-driven and are highly cyclical. Shipping rates fluctuate in response to the level of demand for vessels and the availability of vessels to satisfy that demand. The level of demand is influenced by many factors, including general economic conditions, global trading volumes and port usage. Shipping rates are the most variable element of expense in relation to a particular shipment and are relevant to the Group's results to the extent that they will affect the pricing and profit margin of the services provided by the Group.

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

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

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

#### ***Quality deterioration***

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

### ***Weight loss***

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

### ***Variation in yield***

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

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

### ***The Group's insurances may not adequately cover all potential losses***

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

### ***The Group is subject to regulation by various regulatory bodies***

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

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

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

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

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

### ***The Group includes a holding company structure***

The Issuer is a holding company and approximately 64 per cent. of the Group's revenue in FY 2013 is attributable to the Issuer. In order to satisfy its payment obligations, the Issuer may rely on dividends and other payments received from its subsidiaries and associated companies. Both the timing and ability of certain subsidiaries and associated companies to pay dividends is limited by applicable laws and may be limited by conditions contained in some of their agreements.



***The Group enters into interested person transactions***

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

***The Issuer's holding company and substantial shareholders may change***

There is no assurance that the Issuer's holding company, Temasek Holdings, or substantial shareholders will not sell all or part of their stake in the Issuer. There is no guarantee that any change in controlling ownership arising from such sale (if any) will not adversely affect the performance of the Group.

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

As at the Latest Practicable Date, Temasek Holdings and its subsidiaries and associated companies owned approximately 58.44 per cent. of the Issuer's issued share capital.

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

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

In 2003, there was an outbreak of Severe Acute Respiratory Syndrome ("SARS") in Hong Kong, China and other places. The SARS outbreak had a significant adverse impact on the economies of the affected countries. The spread of Influenza A H1N1 in 2009 also affected many areas of the world and there were reported cases of New Delhi Metallo-beta-lactamase-1 (NDM-1) in many countries and regions. More recently, there have also been reported cases of avian influenza (bird flu) in several countries including Hong Kong, China and Indonesia. There can be no assurance that there will not be another significant global outbreak of a severe communicable disease such as avian influenza or SARS. If such an outbreak were to occur, it may have a material adverse impact on the Group's business, results of operations and financial position.

***The occurrence of any acts of God, war and terrorist attacks and any adverse political developments may adversely and materially affect the business, results of operations and financial position of the Group***

Acts of God, such as natural disasters, are beyond the control of the Group. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. The Group's business, results of operations and financial position may be adversely affected should such acts of God occur.

Further, there is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not directly or indirectly, have an adverse effect on the Group's business, results of operations and financial position.

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

***Increases in oil and food prices and general worldwide inflationary pressure could have an impact on the Group***

Future increases in oil and food prices globally may negatively affect the economic growth and stability of certain countries which the Group operates in, and as a result, may reduce the ability of consumers to purchase the Group's products. The economic and political conditions in these countries make it difficult to predict whether oil and food will continue to be available at prices that will not negatively affect economic growth and stability. There can be no assurance that future increases in oil and food prices in countries where the Group operates will not lead to political, social and economic instability, which in turn could have a material adverse effect on the Group's businesses, results of operations and financial position.

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

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

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

***Environmental regulations impose additional costs and may affect the results of the Group’s operations***

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

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

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

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

## **RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME**

### ***The Notes may not be a suitable investment for all investors***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal, interest or distribution is payable in one or more currencies, or where the currency for principal, interest or distribution payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowings and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### ***Modification, waivers and substitution***

The Terms and Conditions of the Notes other than the Perpetual Securities and the Terms and Conditions of the Perpetual Securities contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes other than the Perpetual Securities and the Terms and Conditions of the Perpetual Securities also provide that the Trustee may, without the consent of Noteholders or Couponholders, agree to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law or as required by Euroclear and/or Clearstream, Luxembourg and/or the CMU and/or the CDP, (ii) the substitution of a third party as principal debtor under the Notes in place of the Issuer, in the circumstances described in Condition 11 of the Terms and Conditions of the Notes other than the Perpetual Securities and Condition 10 of the Terms and Conditions of the Perpetual Securities and (iii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

### ***A change in the governing law of the Notes may adversely affect Noteholders***

The Terms and Conditions of the Notes other than the Perpetual Securities and the Terms and Conditions of the Perpetual Securities are governed by either English law or Singapore law, as specified in the applicable Pricing Supplement. No assurance can be given as to the impact of any possible judicial decision or change to English law or Singapore law, as applicable, or administrative practice after the date of issue of the relevant Notes.

### ***Performance of contractual obligations***

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, a Transfer Agent, the relevant Registrar, and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders, the Receiptholders and the Couponholders.

### ***Noteholders are exposed to financial risk***

Interest or distribution payments and principal repayment for debts occur, if the terms so provide, at specified periods regardless of the performance of the Issuer and/or the Group. The Issuer may be unable to make interest or distribution payments or, where applicable, principal repayments under a Series of Notes should it suffer a serious decline in net operating cash flows, where applicable.

### ***The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System(s)***

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes and Global Certificates will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or lodged with the CMU or CDP (each of Euroclear, Clearstream, Luxembourg, the CMU and CDP, a “Clearing System”). Except in certain limited circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Notes and Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg or to the CMU or to CDP, as the case may be, for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Noteholders of beneficial interests in the Global Notes and Global Certificates deposited with a Clearing System other than CDP will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg or the CMU (as the case may be) to appoint appropriate proxies.

### ***Singapore taxation risk***

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2018 are intended to be “qualifying debt securities” for the purposes of the ITA subject to the fulfilment of certain conditions more particularly described in the section “*Taxation — Singapore*”. However, there is no assurance that such Notes will continue to enjoy the tax concessions should the relevant tax laws be amended or revoked at any time. In addition, the tax concessions for qualifying debt securities may not be available for any particular tranche of Perpetual Securities if the Inland Revenue Authority of Singapore (“IRAS”) does not regard such tranche of the Perpetual Securities as debt securities for Singapore income tax purposes.

### ***FATCA***

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* (together, the “ICSDs”), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see “*Taxation — FATCA*”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other

documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depository for the ICSDs (as bearer/registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate rising of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described in the first paragraph of this section above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive and are required to apply these new requirements from 1 January 2017. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

### ***Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade***

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or Global Certificate and the relevant Clearing System(s) so permit, the Notes will be tradable in principal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) equal to the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued if the permanent Global Note or the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or the CMU or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does so in fact or if such permanent Global Note or the Global Certificate is held by or on behalf of CDP and there shall have occurred and be continuing an Event of Default (as defined in the "Terms and Conditions of the Notes other than the Perpetual Securities") entitling the Trustee to declare all the Notes other than the Perpetual Securities to be due and payable as provided in the Note Conditions or an Enforcement Event (as defined in the "*Terms and Conditions of the Perpetual Securities*"), or CDP is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), or CDP announces an intention permanently to cease business and no alternative clearing system is



available, or CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the relevant master depository services agreement and no alternative clearing system is available. The relevant Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Issuer (including rights to receive principal, interest or distributions or to vote or attend meetings of Noteholders) in respect of such Notes.

***The Trustee has a limited ability to monitor the books of accounts of the Issuer***

Pursuant to clause 9.1 of the Trust Deed, the Issuer has undertaken to keep proper books of accounts. The Trustee's right to access such books of accounts is limited to circumstances where (a) an Event of Default or Potential Event of Default (both, in the case of Notes other than Perpetual Securities) or an Enforcement Event (in the case of Perpetual Securities) has occurred or (b) if the Trustee has received notice that such event as set out in (a) has occurred. The Trustee may therefore not be in a position to access such information, which may affect its ability to take certain actions under the Trust Deed, including coming to a determination as to whether or not any of the circumstances set out in Condition 10 of the Terms and Conditions of the Notes other than the Perpetual Securities and/or Condition 9 of the Terms and Conditions of the Perpetual Securities have occurred.

***The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction***

In certain circumstances (including giving of notice to the Issuer or taking action pursuant to Condition 10 and Condition 12 of the Terms and Conditions of the Notes other than the Perpetual Securities or Condition 9(d) of the Terms and Conditions of the Perpetual Securities, as the case may be), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

**RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES**

***Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed***

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Dual currency notes have features which are different from single currency issues***

The Issuer may issue Notes with principal, interest or distributions payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest or distributions;
- (iii) payment of principal, interest or distributions may occur at a different time or in a different currency than expected; and
- (iv) the amount of principal payable at redemption may be less than the principal amount of such Notes or even zero.

***Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment***

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

***Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice-versa, may have lower market values than other Notes***

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

***The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities***

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Investors may lose part or all of their investment in any Index Linked Notes issued***

If, in the case of a particular tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

## **RISKS RELATED TO THE PERPETUAL SECURITIES**

***Perpetual Securities may be issued for which investors have no right to require redemption***

The Issuer may issue Perpetual Securities under the Programme. The Perpetual Securities are perpetual and have no fixed final maturity date. Noteholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Noteholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of Perpetual Securities should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

***If specified in the relevant Pricing Supplement, Noteholders may not receive distribution payments if the Issuer elects to defer distribution payments***

If Distribution Deferral is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect to defer any scheduled distribution on the Perpetual Securities for any period of time. The Issuer may be subject to certain restrictions in relation to the payment of dividends on its Junior Obligations and the redemption and repurchase of its Junior Obligations until any Arrears of Distribution and any Additional Distribution Amounts are satisfied. The Issuer is not subject to any limit as to the number of times distributions can be deferred pursuant to the Terms and Conditions of the Perpetual Securities subject to compliance with the foregoing restrictions. Although distributions are cumulative, the Issuer may defer its payment for an indefinite period of time by delivering the relevant deferral notices to the holders, and holders have no rights to claim any distribution, Arrears of Distribution or Additional Distribution Amount if there is such a deferral. Any such deferral of distribution (including Arrears of Distribution) shall not constitute a default for any purpose unless, in the case of a deferral, such payment is required in accordance with Condition 4(h) of the Terms and Conditions of the Perpetual Securities.

Any deferral of distribution will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the distribution deferral provision of the Perpetual Securities, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's or the Group's financial condition.

***If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events***

The Terms and Conditions of the Perpetual Securities provide that the Perpetual Securities may, if Call Option is specified in the relevant Pricing Supplement, be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their Early Redemption Amount.

In addition, the Issuer also has the right to redeem the Perpetual Securities at their Early Redemption Amount upon the occurrence of:

- (i) any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction) or the Perpetual Securities do not qualify as “qualifying debt securities” for the purposes of the ITA, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities such that the Issuer has or would become obliged to pay additional amounts in respect of the Perpetual Securities and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (ii) if Redemption for Accounting Reasons is specified in the relevant Pricing Supplement, any change or amendment to the Relevant Accounting Standards (as defined in the Terms and Conditions of the Perpetual Securities) such that the Perpetual Securities may no longer be recorded as “equity” of the Issuer pursuant to the Relevant Accounting Standard.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Noteholders. This may be disadvantageous to Noteholders in light of market conditions or the individual circumstances of a Noteholder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

***There are limited remedies for non-payment under the Perpetual Securities***

Any scheduled distribution will not be due if the Issuer elects to defer that distribution pursuant to the Terms and Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up proceedings is limited to circumstances where payment has become due and the Issuer fails to make the payment when due. The only remedy against the Issuer available to any Noteholder of Perpetual Securities for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be instituting Winding-Up proceedings and/or proving in such Winding-Up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

***The Issuer may raise other capital which affects the price of the Perpetual Securities***

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders of Perpetual Securities on a Winding-Up of the Issuer and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of Noteholders to sell their Perpetual Securities.

***The Subordinated Perpetual Securities are subordinated obligations***

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the Winding-Up of the Issuer, the rights of the holders of Subordinated Perpetual Securities to receive payments in respect of the Subordinated Perpetual Securities will rank senior to the holders of all Junior Obligations and *pari passu* with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of Senior Perpetual Securities and/or Notes other than Perpetual Securities. In the event of a shortfall of funds or a Winding-Up, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts (if applicable) or accrued distribution.

In addition, subject to the limit on the aggregate principal amount of Notes that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Noteholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-Up of the Issuer and/or may increase the likelihood of a deferral of distribution under the Subordinated Perpetual Securities.

***Tax treatment of the Perpetual Securities is unclear***

It is not clear whether any particular tranche of the Perpetual Securities (the “**Relevant Tranche of the Perpetual Securities**”) will be regarded as debt securities by the IRAS for the purposes of the ITA and whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in “*Taxation — Singapore*”) would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities are not regarded as debt securities for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

***A change in the law governing the subordination provisions of the Perpetual Securities may adversely affect Noteholders***

The provisions of the Terms and Conditions of the Perpetual Securities that relate to subordination are governed by Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of issue of the relevant Perpetual Securities.

***The Trustee may refuse to act as trustee of certain Perpetual Securities based on the law governing the subordination provisions of the Perpetual Securities***

In case the provisions of the Terms and Conditions of the Perpetual Securities that relate to subordination are governed by a law other than English law or Singapore law, the Trustee has the right to refuse to act as trustee of the relevant Perpetual Securities. In such cases, another trustee may act as the Trustee of the relevant Perpetual Securities, and no assurance can be given in relation to the appointment of such other trustee.

**RISKS RELATING TO RENMINBI-DENOMINATED NOTES**

Notes denominated in RMB (“**RMB Notes**”) may be issued under the Programme. RMB Notes contain particular risks for potential investors.

***Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC***

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong Dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and cities in the PRC and to make RMB trade and other current account item settlement available in all countries worldwide. It was further extended in August 2011 to cover all provinces and cities in the PRC. The RMB trade settlements under the pilot scheme have become one of the most significant sources of RMB funding in Hong Kong,

On 12 October 2011, the Ministry of Commerce of the PRC (“**MOFCOM**”) promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the “**MOFCOM RMB FDI Circular**”). Pursuant to the MOFCOM RMB FDI Circular, prior written consent from the appropriate office of MOFCOM and/or its local counterparts (depending on the size and the relevant industry of the investment) is required for RMB foreign direct investments (“**RMB FDI**”). The MOFCOM RMB FDI Circular also requires that the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement. On 13 October 2011, Measures on Administration of Renminbi Settlement in relation to Foreign Direct Investment (the “**PBOC RMB FDI Measures**”) issued by the People’s Bank of China (“**PBOC**”)



set out operating procedures for PRC banks to handle RMB settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore RMB loans. Prior to the PBOC RMB FDI Measures, cross-border RMB settlement for RMB FDI required approvals from the PBOC on a case-by-case basis. The new rules replace the PBOC approval requirement with a less onerous post-event registration and filing requirement. Under the new rules, foreign invested enterprises (whether established or acquired by foreign investors) need to (i) register their corporate information after the completion of a RMB FDI transaction, and (ii) make post-event registration or filing with the PBOC of any changes in registration information or in the event of increase or decrease of registered capital, equity transfer or replacement, merger, division or other material changes.

As the above measures and circulars are relatively new, how they will be applied in practice still remain subject to the interpretation by the relevant PRC authorities.

There is no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of RMB funds into or out of the PRC. In the event that the Group is not able to repatriate funds out of the PRC in RMB, the Issuer will need to source RMB offshore to finance its obligations under RMB Notes, and its ability to do so will be subject to the overall availability of RMB outside the PRC.

***There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service such RMB Notes***

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC Central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBOC has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the “**Settlement Agreement**”) between the PBOC and Bank of China (Hong Kong) Limited (the “**RMB Clearing Bank**”) to further expand the scope of RMB business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open RMB accounts in Hong Kong; there is no longer any limit (other than as provided in the following paragraph) on the ability of corporations to convert RMB; and there will no longer be any restriction on the transfer of RMB funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. In addition, participating banks are also required by the HKMA to maintain a total amount of Renminbi (in the form of cash, its settlement account balance with the RMB Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Bank only has access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers with accounts in Hong Kong of up to RMB20,000 per person per day. The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

***Investment in RMB Notes is subject to exchange rate risks***

The value of the Renminbi against the U.S. Dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest, distributions and principal with respect to RMB Notes will be made in Renminbi. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to



the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of RMB Notes below their stated coupon rates and could result in a loss when the return on the RMB Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in RMB Notes.

***Payments in respect of RMB Notes will only be made to investors in the manner specified in such RMB Notes***

All payments to investors in respect of RMB Notes will be made solely by (i) when RMB Notes are represented by Global Certificates or Global Notes, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or (ii) when RMB Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

**RISKS RELATED TO THE MARKET GENERALLY**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates and interest rate volatility, the market for similar securities, the Issuer's operating and financial results, the publication of earnings estimates or other research reports and speculation in the press of the investment community, changes in the Issuer's industry and competition, general market and economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value.

Although an application has been made for permission to deal in and the quotation for any Notes that may be issued pursuant to the Programme on the Official List of the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, global debt markets have experienced volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

***Securities law restrictions on the resale may impact Noteholders' ability to sell the Notes***

The Notes have not been registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Notes may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Notes are being offered and sold only outside the U.S. in reliance on Regulation S under the Securities Act. Hence, future resales of the Notes may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws.

***Exchange rate risks and exchange controls may result in investors receiving less interest, distribution or principal than expected***

The Issuer will pay principal, interest and distributions on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest, distribution or principal than expected, or no interest, distribution or principal.

***Changes in market interest rates may adversely affect the value of Fixed Rate Notes***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

***Interest rate risk***

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

***Inflation risk***

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

***Global financial turmoil has led to volatility in international capital markets which may adversely affect the market price of any Series of Notes***

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of any Series of Notes.

## TERMS AND CONDITIONS OF THE NOTES OTHER THAN THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions that, save for the paragraphs in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in these Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

This Note is one of a series (“**Series**”) of Notes issued by Olam International Limited (the “**Issuer**”) pursuant to the Trust Deed (as defined below). All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement.

The Notes are constituted by a trust deed (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), as supplemented by the supplemental trust deed dated 14 July 2014 between the Issuer and the Trustee (as defined below), [and, in the case of any Notes governed by Singapore law, as amended and supplemented by the Singapore supplemental trust deed (as amended or supplemented as at the Issue Date (the “**Singapore Supplemental Trust Deed**”)) dated 6 July 2012 between the Issuer and the Trustee (as defined below)]<sup>(1)</sup>, the “**Trust Deed**”) dated 6 July 2012 between the Issuer and The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 6 July 2012 has been entered into in relation to the Notes between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as the initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent, the other paying agents, the registrars, the transfer agent(s), and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**CMU Lodging and Paying Agent**”, the “**CDP Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrars**”, the “**Transfer Agents**” (which expression shall include the Registrars), and the “**Calculation Agent(s)**” (such Issuing and Paying Agent, CMU Lodging and Paying Agent, CDP Paying Agent, Paying Agents, Registrars and Transfer Agent(s) being together referred to as the “**Agents**”). For the purposes of these Conditions, all references to the Issuing and Paying Agent shall (i) with respect to a Series of Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU**”), be deemed to be a reference to the CMU Lodging and Paying Agent and (ii) with respect to a Series of Notes to be held in the computerised system operated by The Central Depository (Pte) Limited (the “**CDP**”), be deemed to be a reference to the CDP Paying Agent, and all such references shall be construed accordingly. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, 40th Floor, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

### 1. Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a

<sup>(1)</sup> The language indicated in brackets shall be included in the Terms and Conditions of the Notes other than the Perpetual Securities that are governed by Singapore law.

combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

*Notwithstanding anything contained in these Conditions, for so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, societe anonyme (“**Clearstream, Luxembourg**”) and/or the CMU and/or by or on behalf of CDP (as the case may be), each person (other than Euroclear or Clearstream, Luxembourg or the CMU or CDP) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of the CMU or of CDP as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or the CMU or CDP as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Registrar, the Transfer Agents and the Trustee as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such principal amount of such Notes, for which purpose the bearer of the relevant Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, any Paying Agent, any Transfer Agent, the Registrar and the Trustee as the holder of such principal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the CMU and CDP as the case may be. References to Euroclear, Clearstream, Luxembourg, the CMU and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, and the Trustee.*

## 2. No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may, subject to Conditions 2(e) and 2(f), be transferred, each in whole or in part, upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a

holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar with the prior written consent of the Trustee and the Issuer. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice and/or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the other relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday, Sunday or public holiday on which banks are open for general business in Singapore and in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents to Noteholders, but subject to (i) payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it, (ii) the Registrar or the other Transfer Agents being satisfied with the documents of title and/or identity of the person making the application and (iii) such regulations as the Issuer may from time to time agree with the Registrar, the other Transfer Agents and the Trustee.
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any Record Date.

### 3. Status

The Notes and the Receipts and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them shall, subject to Condition 4, rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future, other than those preferred by applicable statute or law.

### 4. Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed) the Issuer will not, and will ensure that none of its Principal Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or



indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In these Conditions:

“**Group**” means the Issuer and its Subsidiaries;

“**Principal Subsidiaries**” means any Subsidiary of the Issuer whose profit before tax, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the profit before tax and exceptional items of the Group as shown by such audited consolidated accounts, **provided that** if any such Subsidiary (the “**transferor**”) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or the Issuer (the “**transferee**”) then:

- (a) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and
- (b) if part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (a) above or which remains or becomes a Principal Subsidiary by virtue of (b) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the profit before tax as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the profit before tax and exceptional items of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed), that in their opinion a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive. The Trustee shall be entitled to rely on any such report, without further enquiry and without liability to any Noteholder or any other person;

“**Relevant Indebtedness**” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; and

“**Subsidiary**” has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

## 5. Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). To the extent it is provided hereon that the Rate of Interest is subject to one or more resets over the life of the Notes, the Calculation Agent shall, on the date specified hereon as the date for the determination of the relevant reset Rate of Interest, determine and publish such reset Rate of Interest in accordance with Condition 5(i).
- (b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**
  - (i) **Interest Payment Dates:** Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined, in the case of Floating Rate Notes and Index Linked Interest Notes by the Calculation Agent in accordance with this Condition 5(b) and Conditions 5(h) and 5(i). The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent and each other Paying Agent shall be entitled to rely on all determinations and calculations made by the Calculation Agent without any responsibility to verify any of the same and without liability to the Noteholders or any other

person for so doing. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, “**Interest Payment Date**” shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this Condition 5(b)(iii)(A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this Condition 5(b)(iii)(A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes, where the Reference Rate is not specified as being SIBOR or SOR

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR, Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR, EURIBOR or HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) of Condition 5(b)(iii)(B) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) of Condition 5(b)(iii)(B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) of Condition 5(b)(iii)(B) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).
- (C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR

Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a “**SIBOR Note**”) or SOR (in which case such Note will be a “**Swap Rate Note**”) bears interest at a floating rate determined by reference to a benchmark as specified hereon or in any case such other benchmark as specified hereon.

- (x) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 5(b)(iii)(C) will be determined by the Calculation Agent on the basis of the following provisions:

(1) In the case of Floating Rate Notes which are SIBOR Notes:

- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period which shall be the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Interest Accrual Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other Relevant Screen Page);
- (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof), the Calculation Agent will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Accrual Period which shall be the rate which appears on the Reuters Screen SIBP Page under the caption “SINGAPORE DOLLAR INTER-BANK OFFERED RATES — 11:00 A.M.” and the row headed “SIBOR SGD” (or such other replacement page thereof), being the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Interest Accrual Period;
- (cc) if no such rate appears on the Reuters Screen SIBP Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen SIBP Page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore Dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Accrual Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Accrual Period shall be the arithmetic mean (rounded, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent;
- (dd) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Accrual Period shall be determined in accordance with paragraph (cc) of this Condition 5(b)(iii)(C) on the basis of the quotations of those Reference Banks providing such quotations; and
- (ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Accrual Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean

(rounded, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

(2) In the case of Floating Rate Notes which are Swap Rate Notes:

- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME” under the column headed “SGD SWAP OFFER” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Accrual Period;
- (bb) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest (which shall be rounded up, if necessary, to the nearest four decimal places) for such Interest Accrual Period in accordance with the following formula:

In the case of Premium:

$$\begin{aligned} \text{Rate of Interest} = & \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ & + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

In the case of Discount:

$$\begin{aligned} \text{Rate of Interest} = & \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ & - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

where:

SIBOR = the rate which appears under the caption “SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) AT 11:00 A.M.” and the row headed “SIBOR USD” on the Reuters Screen SIBO Page of the Reuters Monitor Money Rates Service (or such other page as may replace the Reuters Screen SIBO Page for the purpose of displaying Singapore inter-bank U.S. Dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned;

Spot Rate = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE” and the column headed “SPOT” (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned;



Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE” (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned; and

T = the number of days in the Interest Accrual Period concerned.

- (cc) if on any Interest Determination Date any one of the components for the purposes of calculating the Rate of Interest under this Condition 5(b)(iii)(C) is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Interest Accrual Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Swap Rates quoted by the Reference Banks to the Calculation Agent. The “Swap Rate” of a Reference Bank means the rate at which that Reference Bank can generate Singapore Dollars for the Interest Accrual Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\begin{aligned} \text{Swap Rate} = & \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} \\ & + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

In the case of Discount:

$$\begin{aligned} \text{Swap Rate} = & \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})} \\ & - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

where:

SIBOR = the rate per annum at which U.S. Dollar deposits for a period equal to the duration of the Interest Accrual Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate = the rate at which that Reference Bank sells U.S. Dollars spot in exchange for Singapore Dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE” (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned; and

T = the number of days in the Interest Accrual Period concerned; and

- (dd) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate, or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

(D) On the last day of each Interest Accrual Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Accrual Period relates at the Rate of Interest for such Interest Accrual Period.

- (iv) **Rate of Interest for Index Linked Interest Notes:** The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined by the Calculation Agent in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

- (g) **Margin, Maximum Rate of Interest/Minimum Rate of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 5(g)(ii).
  - (ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

(j) **Determination or Calculation by an agent appointed by the Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall appoint an agent (at the cost of the Issuer) on its behalf to do so and such determination or calculation by such agent shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by any agent pursuant to this Condition 5(j) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders. The Trustee shall not be responsible or liable to any Noteholder or the Issuer or any other person for the accuracy of any determination or calculation made by any agent appointed pursuant to this Condition 5(j) or in the event that any such agent fails to make any determination or calculation contemplated in this Condition 5(j) or for any loss suffered by any Noteholder, the Issuer or any other person arising directly or indirectly as a result of any determination or calculation made by any such agent hereunder.

(k) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**“Business Day”** means:

- (i) a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore and in the city of the Issuing and Paying Agent’s specified office and, in the case of Notes cleared through the CMU, in the city of the CMU Lodging and Paying Agent’s specified office and, in the case of Notes cleared through CDP, in the city of the CDP Paying Agent’s specified office and, in case of Registered Notes, in the city of the Registrar’s specified office; and
- (ii) in the case of:
  - (a) a currency other than euro and Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for general business in the principal financial centre for such currency; and/or
  - (b) euro, a day (other than a Saturday, Sunday or public holiday) on which the TARGET System is operating (a **“TARGET Business Day”**); and/or
  - (c) Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and/or
  - (d) a currency and/or one or more Business Centres, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each Business Centre.

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual-ISDA”** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if **“Actual/365 (Fixed)”** is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if **“Actual/360”** is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30



(vii) if “**Actual/Actual-ICMA**” is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
  - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s); and

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“**euro**” means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or Renminbi or (ii) the day falling two Business Days in London and the relevant Financial Centre for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong Dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“**Interest Period**” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified hereon.

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

**“Reference Banks”** means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; (iii) in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market; and (iv) in the case of a determination of the relevant Reference Rate, SIBOR or Swap Rate, the principal Singapore office of three major banks in the Singapore inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

**“Reference Rate”** means the rate specified as such hereon.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

**“Relevant Time”** means 11.00 a.m. (Singapore time).

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (l) **Calculation Agents:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for it or them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. Any Calculation Agent appointed in respect of the Notes may not resign its duties without a successor having been appointed as aforesaid.

## **6. Redemption, Purchase and Options**

### **(a) Redemption by Instalments and Final Redemption:**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its principal amount) or, in the case of a Note falling within Condition 6(a)(i), its final Instalment Amount.

### **(b) Early Redemption:**

#### **(i) Zero Coupon Notes:**

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of Condition 6(b)(i)(C), the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 6(b)(i)(B), except that such Condition shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(b)(i)(C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 6(b)(i)), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) ***Redemption for Taxation Reasons:*** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b)) (together with interest accrued but unpaid (if any) to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction) or the Notes do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by a director or two authorised signatories of the Issuer stating that the obligation referred to in (i) above of this Condition 6(c) cannot be avoided by the Issuer taking reasonable measures available to it, and an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled without further enquiry and without liability to any Noteholder or any other person to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(c), in which event it shall be conclusive and binding on Noteholders and Couponholders.
- (d) ***Redemption at the Option of the Issuer:*** If Call Option is specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued but unpaid (if any) to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued but unpaid (if any) to the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6(f) and the provisions specified hereon.
- (g) **Purchases:** The Issuer and any Subsidiary may at any time purchase Notes (**provided that** all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any Subsidiary may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, the same shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 7. Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be:
- (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and
  - (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this Condition 7(a) and in Condition 7(b), "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

- (b) **Registered Notes:**
- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii) below.

- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifth (in the case of Renminbi) and fifteenth (in the case of a currency other than Renminbi) day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made:
  - (x) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and
  - (y) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 7(b)(ii), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agents appointed under the Agency Agreement and any Calculation Agents appointed in respect of any Notes act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, any other Paying Agent, any Registrar, any Transfer Agent or any Calculation Agent in accordance with the provisions of the Agency Agreement and to appoint additional or other Paying Agents or Transfer Agents, in each case in accordance with the Agency Agreement, **provided that** the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU, (v) a CDP Paying Agent in relation to Notes cleared through CDP, (vi) one or more Calculation Agent(s) where these Conditions so require, (vii) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for Definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, (viii) such other agents as may be required by any other stock exchange on which the Notes may be listed and (ix) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. Dollars in the circumstances described in Condition 7(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.



(f) *Unmatured Coupons and Receipts and unexchanged Talons:*

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Notes should be surrendered to the relevant Paying Agent for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
  - (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (v) Where any Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer, the Issuing and Paying Agent and/or the Registrar may require.
  - (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, “**business day**” means a day (other than a Saturday, Sunday or public holiday) on which, in the case of Notes to be cleared through Euroclear and Clearstream, Luxembourg, Euroclear and Clearstream, Luxembourg are operating or, in the case of Notes to be cleared through the CMU, the CMU is operating or, in the case of Notes to be cleared through CDP, CDP is operating and, in each case, on which banks and foreign exchange markets are open for general business in Singapore and in the relevant place of presentation (if presentation and/or surrender of such Note, Receipt or Coupon is required), in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
- (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
  - (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

## 8. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (a) **Other connection:** by or on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
- (b) **Presentation more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the last day of such period of 30 days; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) **Payment by another Paying Agent:** by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

For the purpose of these Conditions, “**Relevant Date**” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986 Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (“**FATCA withholding**”). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

## 9. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10. Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to first being indemnified and/or secured and/or prefunded by the Noteholders to its satisfaction), give notice (a “**Default Notice**”) to the Issuer that the Notes are, and they shall accordingly thereby become, immediately due and repayable at their Early Redemption Amount together (if applicable) with accrued but unpaid interest (subject as provided below) if any of the following events (each an “**Event of Default**”) has occurred:

- (a) the Issuer does not pay any principal sum or interest payable by it in respect of any of the Notes within five Business Days of its due date;
- (b) the Issuer does not perform or comply with any one or more of its other obligations under the Trust Deed or the Notes and, if such default is capable of remedy, it is not remedied within 21 days after written notice thereof shall have been given to the Issuer by the Trustee;
- (c)
  - (i) any other indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed money is or is declared to be or becomes capable of being rendered due and payable prior to its stated maturity by reason of any actual default, event of default or the like (however described) or is not paid when due or, as a result of any actual default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or
  - (ii) the Issuer or any of its Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys.

However, no Event of Default will occur under this Condition 10(c) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in Condition 10(c)(i) and Condition 10(c)(ii) has/have occurred equals or exceeds U.S.\$20,000,000 or its equivalent;

- (d) the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of (or of a particular type of) its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of (or of a particular type of) the indebtedness of the Issuer or any Principal Subsidiary;
- (e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the assets of the Issuer or any Principal Subsidiary and is not discharged or stayed within 21 days;
- (f) any security on or over all or a material part of the assets of the Issuer or any Principal Subsidiary becomes enforceable;
- (g) an order is made or a resolution is passed or a meeting is convened for the winding-up of the Issuer or any of its Principal Subsidiaries (except (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of Noteholders before that event occurs; or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary (after taking into account the rights of any other shareholder(s) of such Principal Subsidiary) are transferred to or otherwise vested in the Issuer or another of its Subsidiaries in accordance with applicable law and regulation) or any step is taken by any person for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any Principal Subsidiary or over any material part of the assets of the Issuer or any Principal Subsidiary;
- (h) the Issuer or any Principal Subsidiary ceases or threatens to cease to carry on all or a substantial part of its business or (otherwise than in the ordinary course of its business) disposes or threatens to dispose of the whole or a substantial part of its property or assets (in each case, except (i) for the purposes of such a consolidation, amalgamation, merger or reconstruction as is referred to in Condition 10(g) above or

- (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary (after taking into account the rights of any other shareholder(s) of such Principal Subsidiary) are transferred to or otherwise vested in the Issuer or another of its Subsidiaries in accordance with applicable law and regulation);
- (i) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries **provided that** the occurrence of any event in relation to a Principal Subsidiary only shall not constitute an Event of Default under this Condition 10(i);
- (j) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done by the Issuer in order (a) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Trust Deed, (b) to ensure that those obligations are legally binding and enforceable, and (c) in the case of Notes governed under the laws of England, to make the Notes and the Trust Deed admissible in evidence in the courts of England or in the case of Notes governed under the laws of Singapore, to make such Notes and the Trust Deed admissible in evidence in the courts of Singapore, is not taken, fulfilled or done or it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Trust Deed or the Notes;
- (k) any of the Agency Agreement, the Trust Deed or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;
- (l) the Issuer or any Principal Subsidiary is declared by the Minister of Finance of Singapore to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; and
- (m) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 10(d), 10(e), 10(f) and 10(g).

#### 11. Meetings of Noteholders, Modification and Waiver

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 90 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.*

- (b) **Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Notes, the Agency Agreement, the Trust Deed or these Conditions that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg and/or the CMU and/or the CDP, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Notes, the Agency Agreement, the Trust Deed or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise requires, the Issuer shall notify the Noteholders, or shall procure that notification be made to the Noteholders, of such modification, authorisation or waiver as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and satisfaction of such other conditions as the Trustee may require, but without the consent of the Noteholders or Couponholders, to the substitution of certain entities in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes and as a party to the Agency Agreement.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee, acting for and on behalf of Noteholders, shall not be entitled to require on behalf of any Noteholder or Couponholder, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

## 12. Enforcement

At any time after the Notes become due and payable, the Trustee (i) may, at its discretion or (ii) shall, if so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in principal amount of the Notes outstanding, and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless it shall have first been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## 13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on any report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether or not their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice conclusively and without liability to the Noteholders or any other person. Any such report, confirmation or certificate or advice shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Noteholders and the Couponholders.

## 14. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred



in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer, the Issuing and Paying Agent and/or the Registrar may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### 15. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

#### 16. Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

*So long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held (i) on behalf of Euroclear or Clearstream, Luxembourg, or any other clearing system (except as provided in (ii) and (iii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate; (ii) on behalf of the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate; or (iii) by CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in the list of Noteholders provided by CDP. Any such notice will be deemed to have been given at 5:00 pm on the day the relevant clearing system receives such notice.*

#### 17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under [the Contracts (Rights of Third Parties) Act 1999]<sup>(1)</sup> [Contracts (Rights of Third Parties) Act Chapter 53B of Singapore]<sup>(2)</sup>.

(1) The language indicated in brackets shall be included in the Terms and Conditions of the Notes other than the Perpetual Securities that are governed by English law.

(2) The language indicated in brackets shall be included in the Terms and Conditions of the Notes other than the Perpetual Securities that are governed by Singapore law.

## 18. Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English]<sup>(1)</sup> [Singapore]<sup>(2)</sup> law.
- (b) **Jurisdiction:** The Courts of [England]<sup>(1)</sup> [Singapore]<sup>(2)</sup> are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) [**Service of Process:** The Issuer has irrevocably appointed Olam Europe Limited as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.]<sup>(1)</sup>

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(1) The language indicated in brackets shall be included in the Terms and Conditions of the Notes other than the Perpetual Securities that are governed by English law.

(2) The language indicated in brackets shall be included in the Terms and Conditions of the Notes other than the Perpetual Securities that are governed by Singapore law.

## TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions that, save for the paragraphs in italics and subject to completion and amendment (including, without limitation, to reflect the terms of any Series of Perpetual Securities and to reflect any changes required to the terms and conditions to reflect the proposed equity, tax or accounting treatment for the Perpetual Securities of such Series) and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Perpetual Securities in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in these Conditions to “Perpetual Securities” are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme.*

This Perpetual Security is one of a series (“**Series**”) of Perpetual Securities issued by Olam International Limited (the “**Issuer**”) pursuant to the Trust Deed (as defined below). All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement and/or the Trust Deed and **provided that**, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

The Perpetual Securities are constituted by a trust deed (as amended or supplemented as at the date of issue of the Perpetual Securities (the “**Issue Date**”), as supplemented by the supplemental trust deed dated 14 July 2014 between the Issuer and the Trustee (as defined below), [ , and in the case of any Perpetual Securities governed by Singapore law, as amended and supplemented by the Singapore supplemental trust deed (as amended or supplemented as at the Issue Date (the “**Singapore Supplemental Trust Deed**”)) dated 6 July 2012 between the Issuer and the Trustee (as defined below)]<sup>(1)</sup> the “**Trust Deed**”) dated 6 July 2012 between the Issuer and The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 6 July 2012 has been entered into in relation to the Perpetual Securities between the Issuer the Trustee, The Bank of New York Mellon, London Branch as the initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent, the other paying agents, the registrars, the transfer agent(s), and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**CMU Lodging and Paying Agent**”, the “**CDP Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrars**” and the “**Transfer Agents**” (which expression shall include the Registrars), and the “**Calculation Agent(s)**” (such Issuing and Paying Agent, CMU Lodging and Paying Agent, CDP Paying Agent, Paying Agents, Registrars and Transfer Agent(s) being together referred to as the “**Agents**”). For the purposes of these Conditions, all references to the Issuing and Paying Agent shall (i) with respect to a Series of Perpetual Securities to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU**”), be deemed to be a reference to the CMU Lodging and Paying Agent and (ii) with respect to a Series of Perpetual Securities to be held in the computerised system operated by The Central Depository (Pte) Limited (the “**CDP**”), be deemed to be a reference to the CDP Paying Agent, and all such references shall be construed accordingly. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, 40th Floor, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders and the holders of the distribution coupons (the “**Coupons**”) relating to Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) relating to Perpetual Securities in bearer form are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, “**Tranche**” means Perpetual Securities which are identical in all respects.

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(1) The language indicated in brackets shall be included in the Terms and Conditions of the Perpetual Securities that are governed by Singapore law.

## 1. Form, Denomination and Title

The Perpetual Securities are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon.

This Perpetual Security is a Fixed Note, a Floating Rate Note, an Index Linked Distribution Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Perpetual Security, depending upon the Distribution and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Perpetual Securities.

*Notwithstanding anything contained in these Conditions, for so long as any of the Perpetual Security is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, societe anonyme (“**Clearstream, Luxembourg**”) and/or the CMU and/or by or on behalf of CDP (as the case may be), each person (other than Euroclear or Clearstream, Luxembourg or the CMU or CDP) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of the CMU or of CDP as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or the CMU or CDP as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Registrar, the Transfer Agents and the Trustee as the holder of such principal amount of such Perpetual Securities for all purposes other than with respect to the payment of principal or distribution on such principal amount of such Perpetual Securities, for which purpose the bearer of the relevant Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, any Paying Agent, any Transfer Agent, the Registrar and the Trustee as the holder of such principal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Perpetual Securities**” and related expressions shall be construed accordingly. Perpetual Securities which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the CMU and CDP as the case may be. References to Euroclear, Clearstream, Luxembourg, the CMU and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, and the Trustee.*

## 2. No Exchange of Perpetual Securities and Transfers of Registered Notes

- (a) **No Exchange of Perpetual Securities:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may, subject to Conditions 2(e) and 2(f) be transferred each in whole or in part upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any),

unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee or by the Registrar with the prior written consent of the Trustee and the Issuer. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or Condition 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer and/or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the other relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday, Sunday or public holiday, on which banks are open for general business in Singapore and in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents to Noteholders, but subject to (i) payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it, (ii) the Registrar or the other Transfer Agents being satisfied with the documents of title and/or identity of the person making the application and (iii) such regulations as the Issuer may from time to time agree with the Registrar, the other Transfer Agents and the Trustee.
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Registered Note, (ii) during the period of 15 days prior to any date on which the Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(e), (iii) after any such Registered Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any Record Date.

### 3. Status of Senior Perpetual Securities and Status of, and Ranking of Claims in relation to, Subordinated Perpetual Securities

- (a) **Senior Perpetual Securities:** This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities.
  - (i) **Status of Senior Perpetual Securities:** The Senior Perpetual Securities and the Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Perpetual Securities and the Coupons relating



to them shall at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future, other than those preferred by applicable statute or law.

- (b) **Subordinated Perpetual Securities:** This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities.

- (i) **Status of Subordinated Perpetual Securities:** The Subordinated Perpetual Securities and the Coupons relating to them constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and with any Parity Obligations of the Issuer. The rights and claims of the Noteholders in respect of the Subordinated Perpetual Securities and the Coupons relating to them are subordinated as provided in this Condition 3(b).
- (ii) **Ranking of claims on Winding-Up:** Subject to the insolvency laws of the jurisdiction of incorporation of the Issuer and other applicable laws, in the event of the Winding-Up of the Issuer, the Subordinated Holder Claims will rank in such Winding-Up:
- (A) expressly subordinated and subject to the rights and claims of all Senior Creditors of the Issuer;
- (B) *pari passu* with each other and with the rights and claims of any Parity Creditors or holders of Parity Obligations; and
- (C) in priority to the rights and claims of holders of Junior Obligations.

In these Conditions:

“**Senior Creditors**” means, with respect to the Issuer, all creditors of the Issuer other than the Trustee (in respect of the principal of and distributions (including Arrears of Distributions and Additional Distribution Amounts, if applicable) on and other amounts in respect of the Perpetual Securities), the Noteholders, any Parity Creditors of the Issuer and the holders of the Junior Obligations.

“**Subordinated Holder Claims**” means the rights and claims of the Trustee (in respect of the principal of and distributions (including Arrears of Distributions and Additional Distribution Amounts if applicable) on the Subordinated Perpetual Securities) and of the holders of the Subordinated Perpetual Securities.

“**Winding-Up**” means, with respect to the Issuer, a final and effective order or resolution for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer.

- (iii) **Set-off:** Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, counterclaim, compensation, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, or under or in connection with the Subordinated Perpetual Securities, and each Noteholder shall, by virtue of his holding of any Subordinated Perpetual Security, be deemed to have waived all such rights of set-off, counterclaim, compensation, deduction, withholding or retention against the Issuer. Without prejudice to the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer in respect of, or arising from, or under or in connection with the Subordinated Perpetual Securities is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

#### 4. Distributions and other Calculations

- (a) **Distribution on Fixed Rate Notes:** Subject to Condition 4(h), each Fixed Rate Note confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Distribution Rate, such distribution being payable in arrear on each Distribution Payment Date. The amount of distributions payable shall be determined in accordance with Condition 4(g). To the extent it is provided hereon that the Distribution Rate is subject to one or more resets over the life of the Perpetual Securities, the Calculation Agent shall, on the date specified hereon as the date for the determination of the relevant reset Distribution Rate, determine and publish such reset Distribution Rate in accordance with Condition 4(i).

(b) **Distribution on Floating Rate Notes and Index Linked Distribution Notes:**

- (i) *Distribution Payment Dates:* Subject to Condition 4(h), each Floating Rate Note and Index Linked Distribution Note confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Distribution Rate, such distribution being payable in arrear on each Distribution Payment Date. The amount of distribution payable shall be determined, in the case of Floating Rate Notes and Index Linked Distribution Notes, by the Calculation Agent in accordance with this Condition 4(b) and Conditions 4(g) and 4(i). The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent and each other Paying Agent shall be entitled to rely on all determinations and calculations made by the Calculation Agent without any responsibility to verify any of the same and without liability to the Noteholders or any other person for so doing. Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Dates or, if no Specified Distribution Payment Date(s) is/are shown hereon, **"Distribution Payment Date"** shall mean each date which (save as mentioned in these Conditions) falls the number of months or other period shown hereon as the Distribution Period after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Distribution Rate for Floating Rate Notes:* The Distribution Rate in respect of Floating Rate Notes for each Distribution Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Distribution Rate is to be determined, the Distribution Rate for each Distribution Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this Condition 4(b)(iii)(A), **"ISDA Rate"** for a Distribution Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Distribution Accrual Period unless otherwise specified hereon.

For the purposes of this Condition 4(b)(iii)(A), **"Floating Rate"**, **"Calculation Agent"**, **"Floating Rate Option"**, **"Designated Maturity"**, **"Reset Date"** and **"Swap Transaction"** have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as being SIBOR or SOR

(x) Where Screen Rate Determination is specified hereon as the manner in which the Distribution Rate is to be determined, the Distribution Rate for each Distribution Accrual Period will, subject as provided below, be either:

- (i) the offered quotation; or

(ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR, Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) on the Distribution Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR, EURIBOR or HIBOR, the Distribution Rate in respect of such Perpetual Securities will be determined as provided hereon;

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(i) of Condition 4(b)(iii)(B) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(ii) of Condition 4(b)(iii)(B) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Distribution Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Distribution Rate for such Distribution Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) of Condition 4(b)(iii)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Distribution Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Distribution Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time), on the relevant Distribution Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, **provided that**, if the Distribution Rate cannot be determined in accordance with the foregoing provisions of this Condition 4(b)(iii)(B), the Distribution Rate shall be determined as at the last preceding

Distribution Determination Date (though substituting, where a different Margin or Maximum Distribution Rate or Minimum Distribution Rate is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Accrual Period, in place of the Margin or Maximum or Minimum Distribution Rate relating to that last preceding Distribution Accrual Period).

- (C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR

Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Perpetual Security will be a “**SIBOR Note**”) or SOR (in which case such Perpetual Security will be a “**Swap Rate Note**”) confers the right to receive distributions at a floating rate determined by reference to a benchmark as specified hereon or in any case such other benchmark as specified hereon.

- (x) The Distribution Rate payable from time to time in respect of each Floating Rate Note under Condition 4(b)(iii)(C) will be determined by the Calculation Agent on the basis of the following provisions.

- (i) In the case of Floating Rate Notes which are SIBOR Notes:

- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Accrual Period, determine the Distribution Rate for such Distribution Accrual Period which shall be the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Distribution Accrual Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other Relevant Screen Page);
- (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof), the Calculation Agent will, at or about the Relevant Time on such Distribution Determination Date, determine the Distribution Rate for such Distribution Accrual Period which shall be the rate which appears on the Reuters Screen SIBP Page under the caption “SINGAPORE DOLLAR INTER-BANK OFFERED RATES — 11:00 A.M.” and the row headed “SIBOR SGD” (or such other replacement page thereof), being the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Distribution Accrual Period;
- (cc) if no such rate appears on the Reuters Screen SIBP Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen SIBP Page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore Dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Distribution Accrual Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Distribution Rate for such Distribution Accrual Period shall be the arithmetic mean (rounded, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent;
- (dd) if on any Distribution Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Distribution Rate for the relevant Distribution Accrual Period shall be determined in accordance with sub-paragraph (i)(cc) of this Condition 4(b)(iii)(C) on the basis of the quotations of those Reference Banks providing such quotations; and

- (ee) if on any Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Distribution Rate for the relevant Distribution Accrual Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Accrual Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Distribution Accrual Period by whatever means they determine to be most appropriate or if on such Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date.
- (ii) In the case of Floating Rate Notes which are Swap Rate Notes:
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Accrual Period, determine the Distribution Rate for such Distribution Accrual Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME” under the column headed “SGD SWAP OFFER” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Accrual Period;
- (bb) if on any Distribution Determination Date, no such rate is quoted on the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Distribution Rate (which shall be rounded up, if necessary, to the nearest four decimal places) for such Distribution Accrual Period in accordance with the following formula:

In the case of Premium:

$$\begin{aligned} \text{Rate of Interest} = & \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ & + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

In the case of Discount:

$$\begin{aligned} \text{Rate of Interest} = & \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ & - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$



where:

SIBOR = the rate which appears under the caption “SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) AT 11:00 A.M.” and the row headed “SIBOR USD” on the Reuters Screen SIBO Page of the Reuters Monitor Money Rates Service (or such other page as may replace the Reuters Screen SIBO Page for the purpose of displaying Singapore inter-bank U.S. Dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned;

Spot Rate = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE” and the column headed “SPOT” (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned;

Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Distribution Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE” (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned; and

T = the number of days in the Distribution Accrual Period concerned.

(cc) if on any Distribution Determination Date any one of the components for the purposes of calculating the Distribution Rate under this Condition 4(b)(iii)(C) is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Distribution Accrual Period concerned at or about the Relevant Time on that Distribution Determination Date and the Distribution Rate for such Distribution Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Swap Rates quoted by the Reference Banks to the Calculation Agent. The “**Swap Rate**” of a Reference Bank means the rate at which that Reference Bank can generate Singapore Dollars for the Distribution Accrual Period

concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Distribution Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate per annum at which U.S. Dollar deposits for a period equal to the duration of the Distribution Accrual Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Distribution Determination Date;

Spot Rate = the rate at which that Reference Bank sells U.S. Dollars spot in exchange for Singapore Dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Distribution Determination Date;

Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Distribution Accrual Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11:00 A.M. SINGAPORE” (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned; and

T = the number of days in the Distribution Accrual Period concerned; and

(dd) if on any Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Distribution Rate shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Distribution Accrual Period by whatever means they determine to be most appropriate, or if on such Distribution Determination Date one only or none of the Reference

Banks provides the Calculation Agent with such quotation, the Distribution Rate for the relevant Distribution Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date;

- (D) Subject to Condition 4(h), on the last day of each Distribution Accrual Period, the Issuer will make payment of distributions on each Floating Rate Note to which such Distribution Accrual Period relates at the Distribution Rate for such Distribution Accrual Period.
- (iv) Distribution Rate for Index Linked Distribution Notes: The Distribution Rate in respect of Index Linked Distribution Notes for each Distribution Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and distributions will accrue by reference to an Index or Formula as specified hereon.
- (c) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of distribution falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of distribution payable shall be determined by the Calculation Agent in the manner specified hereon.
- (d) **Partly Paid Notes:** In the case of Partly Paid Notes, distributions will accrue as aforesaid on the paid-up principal amount of such Perpetual Securities and otherwise as specified hereon.
- (e) **Accrual of Distributions:** Distributions shall cease to accrue on each Perpetual Security on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event distributions shall continue to accrue (both before and after judgment) at the Distribution Rate in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).
- (f) **Margin, Maximum Distribution Rate/Minimum Distribution Rate and Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Distribution Accrual Periods), an adjustment shall be made to all Distribution Rates, in the case of (x), or the Distribution Rates for the specified Distribution Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 4(f)(ii).
  - (ii) If any Maximum Distribution Rate or Minimum Distribution Rate or Redemption Amount is specified hereon, then any Distribution Rate or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (g) **Calculations:** The amount of distributions payable per Calculation Amount in respect of any Perpetual Security for any Distribution Accrual Period shall be equal to the product of the Distribution Rate, the Calculation Amount specified hereon, and the Day Count Fraction for such Distribution Accrual Period, unless a Distribution Amount (or a formula for its calculation) is applicable to such Distribution Accrual Period, in which case the amount of distributions payable per Calculation Amount in respect of such Perpetual Security for such Distribution Accrual Period shall equal such Distribution Amount (or be calculated in accordance with such formula). Where any Distribution Period comprises two or more Distribution Accrual Periods, the amount of distributions payable per Calculation Amount in respect of such Distribution Period shall be the sum of the Distribution Amounts payable in respect of each of those Distribution Accrual Periods. In respect of any other period for which distributions are required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which distributions are required to be calculated.

(h) **Distribution Deferral:**

- (i) **Optional Deferral:** If Distribution Deferral is set out hereon, the Issuer may, at its sole discretion, elect to defer (in whole and not in part) any distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (a “**Deferral Election Notice**”) to the Noteholders (in accordance with Condition 14) and to the Trustee and the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, not more than 15 nor less than 5 Business Days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date unless, during the Look-Back Period prior to such scheduled Distribution Payment Date, the Issuer has at its discretion (a) declared or paid any dividends or distributions on any of the Issuer’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer’s Parity Obligations, or made any other payment (including payments under any guarantee obligations) on any of the Issuer’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer’s Parity Obligations, and/or (b) repurchased, redeemed or otherwise acquired any of its Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) the Issuer’s Parity Obligations (in each case other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group or (ii) as a result of the exchange or conversion of its Parity Obligations for its Junior Obligations) and/or as otherwise specified in the applicable Pricing Supplement (a “**Compulsory Distribution Payment Event**”).

For the avoidance of doubt, a Compulsory Distribution Payment Event shall not occur, and accordingly, nothing in this Condition 4(h) shall restrict the Issuer from electing to defer any distribution, merely as a result of any dividends, distributions or payments or other actions made by the Issuer in respect of obligations which are not the Issuer’s Junior Obligations or which are not the Issuer’s Parity Obligations.

- (ii) **No obligation to pay:** Any distribution deferred pursuant to this Condition 4(h) shall constitute “**Arrears of Distribution**”. The Issuer shall have no obligation to pay any distribution (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4(h)(i).

The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(h) except that Condition 4(h)(v) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Any failure to pay any distribution by the Issuer, if it validly elects not to do so in accordance with Condition 4(h)(i), shall not constitute a default of the Issuer in respect of the Perpetual Securities.

- (iii) **Requirements as to Notice:** Each Deferral Election Notice shall be accompanied, in the case of the notice to the Trustee by a certificate in the form scheduled to the Trust Deed signed by a director or two authorised signatories of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the Look-Back Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the Look-Back Period and the Trustee shall be entitled to rely without any obligation to verify the same and without liability to any Noteholder, any Couponholder or any other person on any Deferral Election Notice or any certificate as aforementioned. Each Deferral Election Notice shall be conclusive and binding on the Noteholders.
- (iv) **Additional Distribution:** If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

- (v) **Restrictions in the case of Deferral:** If Dividend Stopper is set out hereon and on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of this Condition 4(h), the Issuer shall not and shall procure that none of its Subsidiaries shall:

- (a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:
  - (1) if this Perpetual Security is a Senior Perpetual Security, any of the Issuer's Junior Obligations; or
  - (2) if this Perpetual Security is a Subordinated Perpetual Security, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Parity Obligations; or
- (b) redeem, reduce, cancel, buy-back or acquire for any consideration:
  - (1) if this Perpetual Security is a Senior Perpetual Security, any of the Issuer's Junior Obligations; or
  - (2) if this Perpetual Security is a Subordinated Perpetual Security, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Parity Obligations,

in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group, (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations, (iii) if the Issuer has made payment in whole (and not in part only) of all outstanding Arrears of Distributions (if applicable) and any Additional Distribution Amounts (if applicable) or (iv) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders and/or otherwise specified in the applicable Pricing Supplement. For the avoidance of doubt, the restrictions in this Condition 4(h)(v) shall only apply to the Issuer's Subsidiaries to the extent that such dividends, distributions or payments are made in respect of the Issuer's Junior Obligations or in the case of Subordinated Perpetual Securities (except on a *pro rata* basis) the Issuer's Parity Obligations and nothing in this Condition 4(h)(v) shall restrict the Issuer or any of its Subsidiaries from making payment on its guarantees in respect of obligations which are not the Issuer's Junior Obligations or in the case of Subordinated Perpetual Securities (except on a *pro rata* basis) the Issuer's Parity Obligations.

- (vi) **Satisfaction of Arrears of Distribution by payment:** The Issuer:

- (a) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving irrevocable notice of such election to the Noteholders (in accordance with Condition 14) and to the Trustee, the Issuing and Paying Agent, and the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, not more than 20 nor less than 10 Business Days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and
- (b) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earlier of:
  - (1) the date on which the Perpetual Securities are redeemed;
  - (2) the Distribution Payment Date falling immediately after the occurrence of a breach of Condition 4(h)(v); and
  - (3) the date on which distributions (including Arrears of Distribution and Additional Distribution Amounts, if applicable) become due under Condition 9(b)(ii) or on a Winding-Up of the Issuer.

Any partial payment of outstanding Arrears of Distribution by the Issuer shall be shared by the Noteholders of all outstanding Perpetual Securities on a *pro-rata* basis. Further provisions relating to this Condition 4(h)(vi) may be specified in the applicable Pricing Supplement.

- (vii) **No default:** Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of any distribution payment in accordance with this Condition 4(h) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities or for any other purpose.



- (i) **Determination and Publication of Distribution Rates, Distribution Amounts, Early Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Distribution Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Distribution Amounts for the relevant Distribution Accrual Period, calculate the Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Distribution Rate and the Distribution Amounts for each Distribution Accrual Period and the relevant Distribution Payment Date and, if required to be calculated, the Early Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Perpetual Securities that is to make a further calculation upon receipt of such information and, if the Perpetual Securities are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Distribution Period, if determined prior to such time, in the case of notification to such exchange of a Distribution Rate and Distribution Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Distribution Payment Date or Distribution Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Distribution Amounts and the Distribution Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Distribution Period. If the Perpetual Securities become due and payable under Condition 9, the accrued distributions and the Distribution Rate payable in respect of the Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition 4 but no publication of the Distribution Rate or the Distribution Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.
- (j) **Determination or Calculation by an agent appointed by the Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Distribution Rate for a Distribution Accrual Period or any Distribution Amount or Early Redemption Amount, the Trustee shall appoint an agent (at the cost of the Issuer) on its behalf to do so and such determination or calculation by such agent shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by any agent pursuant to this Condition 4(j) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders. The Trustee shall not be responsible or liable to any Noteholder, the Issuer, or any other person for the accuracy of any determination or calculation made by any agent appointed pursuant to this Condition 4(j) or in the event that any such agent fails to make any determination or calculation contemplated in this Condition 4(j) or for any loss suffered by any Noteholder, the Issuer or any other person arising directly or indirectly as a result of any determination or calculation made by such agent hereunder.
- (k) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:
- “**Business Day**” means:
- (i) a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore and in the city of the Issuing and Paying Agent’s specified office and, in the case of Perpetual Securities cleared through the CMU, in the city of the CMU Lodging and Paying Agent’s specified office and, in the case of Perpetual Securities cleared through CDP, in the city of the CDP Paying Agent’s specified office and, in the case of Registered Notes, in the city of the Registrar’s specified office; and
  - (ii) in the case of:
    - (a) a currency other than euro and Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for general business in the principal financial centre for such currency; and/or
    - (b) euro, a day (other than a Saturday, Sunday or public holiday) on which the TARGET System is operating (a “**TARGET Business Day**”); and/or

- (c) Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and/or
- (d) a currency and/or one or more Business Centres, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each Business Centre.

“**Day Count Fraction**” means, in respect of the calculation of an amount of distribution on any Perpetual Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Distribution Period or a Distribution Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual-ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

- (b) if the Calculation Period is longer than one Determination Period, the sum of:

- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Distribution Payment Date(s).

“**Distribution Accrual Period**” means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Period Date and each successive period beginning on (and including) a Distribution Period Date and ending on (but excluding) the next succeeding Distribution Period Date.

“**Distribution Amount**” means:

- (i) in respect of a Distribution Accrual Period, the amount of distribution payable per Calculation Amount for that Distribution Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Distribution Payment Date ending the Distribution Period of which such Distribution Accrual Period forms part; and
- (ii) in respect of any other period, the amount of distribution payable per Calculation Amount for that period.

“**Distribution Commencement Date**” means the Issue Date or such other date as may be specified hereon.

**“Distribution Determination Date”** means, with respect to a Distribution Rate and Distribution Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Distribution Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or Renminbi or (ii) the day falling two Business Days in London and the relevant Financial Centre for the Specified Currency prior to the first day of such Distribution Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong Dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Distribution Accrual Period if the Specified Currency is euro.

**“Distribution Period”** means the period beginning on and including the Distribution Commencement Date and ending on but excluding the first Distribution Payment Date and each successive period beginning on and including a Distribution Payment Date and ending on but excluding the next succeeding Distribution Payment Date.

**“Distribution Period Date”** means each Distribution Payment Date unless otherwise specified hereon.

**“Distribution Rate”** means the rate of distribution payable from time to time in respect of this Perpetual Security and that is either specified or calculated in accordance with the provisions hereon.

**“euro”** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

**“Euro-zone”** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

**“Reference Banks”** means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; (iii) in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market; and (iv) in the case of a determination of the relevant Reference Rate, SIBOR or Swap Rate, the principal Singapore office of three major banks in the Singapore inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

**“Reference Rate”** means the rate specified as such hereon.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

**“Relevant Time”** means 11.00 a.m. (Singapore time).

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Perpetual Securities are denominated.

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (1) **Calculation Agents:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for it or them hereon and for so long as any Perpetual Security is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Perpetual Securities, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Distribution Rate for a Distribution Accrual Period or to calculate any Distribution Amount or Early Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. Any Calculation Agent appointed in respect of the Perpetual Securities may not resign its duties without a successor having been appointed as aforesaid.

## 5. Redemption and Purchase

- (a) **No Fixed Redemption Date:** The Perpetual Securities are Perpetual Securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9), only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5.
- (b) **Redemption for Taxation Reasons:** The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date (if this Perpetual Security is either a Floating Rate Note or an Index Linked Note) or at any time (if this Perpetual Security is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (a "**Tax Redemption Notice**") (which notice shall be irrevocable), at their Early Redemption Amount, if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction) or the Perpetual Securities do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Perpetual Securities, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Perpetual Securities were then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b) the Issuer shall deliver to the Trustee (a) a certificate signed by a director or two authorised signatories of the Issuer stating that the obligation referred to in (i) above of this Condition 5(b) cannot be avoided by the Issuer taking reasonable measures available to it, and (b) an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such change or amendment is then effective); and the Trustee shall be entitled to accept such certificate and opinion, without further inquiry, and without liability to any Noteholder or any other person as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 5(b), in which event it shall be conclusive and binding on the Noteholders and Couponholders.
- (c) **Redemption for Accounting Reasons:** If Redemption for Accounting Reasons is specified hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount if, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council as amended from time to time ("**SFRS**") (or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer) or other internationally generally accepted accounting standards that the Issuer has adopted for the purposes of the preparation of its audited consolidated financial statements as amended from time to time (the "**Relevant Accounting Standards**"), the Perpetual Securities may no longer be recorded as "**equity**" in the audited consolidated financial statements of the Issuer prepared in accordance with the Relevant Accounting Standards (an "**Accounting Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee a certificate signed by a director or two authorised signatories of the Issuer stating that an Accounting Event has occurred and is prevailing and an opinion of the Issuer's independent auditors to the effect that an Accounting Event has occurred and is prevailing. The Trustee shall be entitled without further enquiry and without liability to any Noteholder, Couponholder or any other person to rely on such certificate and opinion and it shall be conclusive evidence of the satisfaction of the entitlement of the Issuer to publish a notice of redemption pursuant to this Condition 5(c). Each such certificate and opinion shall be conclusive and binding on Noteholders and Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 5(c), **provided that** such date for redemption shall be no earlier than the last day before the date on which the Perpetual Securities may no longer be so recorded as "**equity**" in the audited consolidated financial statements of the Issuer prepared in accordance with the Relevant Accounting Standards.

- (d) **Redemption for tax deductibility reasons:** The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days'



irrevocable notice to the Noteholders, the Trustee, the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, and the Registrar, at their Early Redemption Amount if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
- (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
- (iii) any applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the position advised by the Issuer's tax advisers on or before the Issue Date,

payments by the Issuer would no longer, or within 90 days of the date of the opinion referred to in paragraph (y) below of this Condition 5(d), would not be fully deductible by the Issuer for Singapore income tax purposes ("**Tax Deductibility Event**"), **provided that** no notice of redemption may be given earlier than 90 days prior to the effective date on which payments on the Perpetual Securities would not be fully tax deductible by the Issuer for Singapore profits tax. Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver or procure that there is delivered to the Trustee (x) a certificate signed by a director or two authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances and (y) an opinion of the Issuer's independent auditors or tax advisers of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the tax regime is due to take effect, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in of this Condition 5(d) in which event the same shall be conclusive and binding on the Noteholders. For the purposes of determining whether any payments by the Issuer would be fully deductible by the Issuer for Singapore income tax purposes under this Condition 5(d), interest restriction under the total asset method shall be disregarded.

- (e) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all, or if so provided, some of the Perpetual Securities on any Optional Redemption Date shown on the face hereof. Any such redemption of Perpetual Securities shall be at their Early Redemption Amount. All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(e).
- (f) **Redemption in the case of Minimal Outstanding Amount:** If Minimal Outstanding Amount Redemption Option is specified hereon, the Issuer may, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem the Perpetual Securities, in whole, but not in part, at their Early Redemption Amount if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 5(f).
- (g) **No Other Redemption:** The Issuer shall not be entitled to redeem the Perpetual Securities and shall have no obligation to make any payment of principal in respect of the Perpetual Securities otherwise than as provided in Conditions 5(b) and 5(d) and, to the extent specified hereon, in Conditions 5(c), 5(e) and 5(f) and/or as otherwise specified in the applicable Pricing Supplement.
- (h) **Purchases:** The Issuer and any of its Subsidiaries may at any time purchase Perpetual Securities (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Perpetual Securities so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the holders or for the purposes of Condition 9(d) or Condition 10(a).

- (i) **Cancellation:** All Perpetual Securities purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Perpetual Securities to the Registrar at its specified office and, in each case, if so surrendered, the same shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Perpetual Securities shall be discharged.

## 6. Payments and Talons

- (a) **Bearer Notes:** Payments of principal and distribution (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities (in the case of all other payments of principal and, in the case of distributions, as specified in Condition 6(f)(v)) or Coupons (in the case of distributions, save as specified in Condition 6(f)(ii)), as the case may be:
  - (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and
  - (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this Condition 6(a) and in Condition 6(b), “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

- (b) **Registered Notes:**

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).
  - (ii) Distributions on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifth (in the case of Renminbi) and fifteenth (in the case of a currency other than Renminbi) day before the due date for payment thereof (the “**Record Date**”). Payments of distributions on each Registered Note shall be made:
    - (x) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distributions may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and
    - (y) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 6(b)(ii), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Perpetual Securities in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agents appointed under the Agency Agreement and any Calculation Agents appointed in respect of any Perpetual Securities act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, any other Paying Agent, any Registrar, any Transfer Agent, or any Calculation Agent in accordance with the provisions of the Agency Agreement and to appoint additional or other Paying Agents or Transfer Agents, in each case in accordance with the Agency Agreement, **provided that** the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Perpetual Securities accepted for clearance through the CMU, (v) a CDP Paying Agent in relation to Perpetual Securities cleared through CDP, (vi) one or more Calculation Agent(s) where these Conditions so require, (vii) a Paying Agent in Singapore, where the Perpetual Securities may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for definitive Perpetual Securities, for so long as the Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, (viii) such other agents as may be required by any other stock exchange on which the Perpetual Securities may be listed and (ix) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. Dollars in the circumstances described in Condition 6(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and unexchanged Talons:**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Perpetual Securities should be surrendered to the relevant Paying Agent for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the principal amount or the Early Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unexpired Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Bearer Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer, the Issuing and Paying Agent and/or the Registrar may require.
- (v) If the due date for redemption of any Perpetual Security is not a Distribution Payment Date, distributions accrued from the preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be.

- (g) **Talons:** On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location

of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

- (h) **Non-Business Days:** If any date for payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any distribution or other sum in respect of such postponed payment. In this Condition 6, “**business day**” means a day (other than a Saturday, Sunday or public holiday) on which, in the case of Perpetual Securities to be cleared through Euroclear and Clearstream, Luxembourg, Euroclear and Clearstream, Luxembourg are operating or, in the case of Perpetual Securities to be cleared through the CMU, the CMU is operating or, in the case of Perpetual Securities to be cleared through CDP, CDP is operating and, in each case, on which banks and foreign exchange markets are open for general business in Singapore and in the relevant place of presentation (if presentation and/or surrender of such Perpetual Security or Coupon is required), in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
- (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency;
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
  - (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

## 7. Taxation

All payments of principal and distributions (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) by or on behalf of the Issuer in respect of the Perpetual Securities and the Coupons shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Perpetual Security or Coupon presented for payment:

- (a) **Other connection:** by or on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Perpetual Security or Coupon by reason of his having some connection with Singapore other than the mere holding of the Perpetual Security or Coupon; or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
- (b) **Presentation more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the last day of such period of 30 days; or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Perpetual Security or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, “**Relevant Date**” in respect of any Perpetual Security or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation.



References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Perpetual Securities, any Early Redemption Amount and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it and (ii) “**principal**”, “**Distribution**”, “**Arrears of Distribution**” and “**Additional Distribution Amount**” shall be deemed to include any additional amounts in respect of principal, distribution, Arrears of Distribution or Additional Distribution Amount (as the case may be) which may be payable pursuant to this Condition 7 or any undertaking given in addition to or in substitution for it under the Trust Deed.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986 Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (“**FATCA withholding**”). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

## 8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of distribution) from the appropriate Relevant Date in respect of them.

## 9. Non-payment

- (a) **Non-payment when due:** Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for Winding-Up is limited to circumstances where payment under the Perpetual Securities has become due. In the case of any distribution (including Arrears of Distribution or Additional Distribution Amounts, if applicable), such distribution will not be due if the Issuer has elected to defer that distribution in accordance with Condition 4(h). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.
- (b) **Proceedings for Winding-Up:** If (i) an order is made or an effective resolution is passed for the Winding-Up of the Issuer, and such order or resolution is subsisting and has not been discharged, stayed, dismissed, rescinded, revoked or superceded, as the case may be, or (ii) the Issuer fails to pay the principal of or any distribution (including Arrears of Distribution and Additional Distribution Amounts, if applicable) on the Perpetual Securities (save, for the avoidance of doubt, for distributions (including Arrears of Distribution and Additional Distribution Amounts, if applicable) which have been deferred in accordance with Condition 4(h)) and such failure continues for a period of 10 days or more after the date on which such payment is due (together the “**Enforcement Events**”, and each an “**Enforcement Event**”), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Issuer and/or prove in the Winding-Up of the Issuer and/or claim in the liquidation of the Issuer for such payment, as provided in the Trust Deed.
- (c) **Enforcement:** Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium (if any) or satisfaction of any distributions (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) in respect of the Perpetual Securities, including any damages awarded for breach of any obligations), **provided that** in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.
- (d) **Entitlement of Trustee:** The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so requested by an Extraordinary Resolution of



the Noteholders or in writing by the Noteholders of at least twenty five per cent. in principal amount of the Perpetual Securities then outstanding and (ii) it shall have been first indemnified and/or secured and/or pre-funded to its satisfaction.

- (e) **Right of Noteholders:** No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-Up or claim in the liquidation of the Issuer or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholder or the Couponholder, as the case may be, shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.
- (f) **Extent of Noteholders' remedy:** No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Noteholders or the Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed, the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities.

#### 10. Meetings of Noteholders, Modification and Waiver

- (a) **Meetings of Holders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Perpetual Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than 50 per cent. in principal amount of the Perpetual Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Perpetual Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Perpetual Securities or to amend the redemption of the Perpetual Securities or the dates on which any distribution (including Arrears of Distribution or Additional Distribution Amounts, if applicable) is payable on the Perpetual Securities, (ii) to reduce or cancel the principal amount of or any premium payable on redemption of the Perpetual Securities, (iii) to reduce the Distribution Rate in respect of the Perpetual Securities or to vary the method or basis of calculating the distribution in respect of the Perpetual Securities, (iv) if a Minimum Distribution Rate and/or a Maximum Distribution Rate or Redemption Amount is shown hereon, to reduce any such Minimum Distribution Rate and/or Maximum Distribution Rate, (v) to vary any method of, or basis for, calculating the Early Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (viii) if this Perpetual Security is a Subordinated Perpetual Security, to amend the subordination provisions in the Trust Deed or these Conditions (as they relate to the subordination of Subordinated Perpetual Securities), in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Perpetual Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 90 per cent. in principal amount of the Perpetual Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

*These Conditions may be amended, modified or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.*

- (b) **Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Perpetual Securities, the Agency Agreement, the Trust Deed or these Conditions that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg and/or the CMU and/or CDP, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or

proposed breach, of any of the provisions of the Perpetual Securities, the Agency Agreement, the Trust Deed or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise requires, the Issuer shall notify the Noteholders, or shall procure that notification be made to the Noteholders, of such modification, authorisation or waiver.

- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and satisfaction of such other conditions as the Trustee may require, but without the consent of the Noteholders or Couponholders, to the substitution of certain entities in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Perpetual Securities and as a party to the Agency Agreement.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 10) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee, acting for and on behalf of Noteholders, shall not be entitled to require on behalf of any Noteholder or Couponholder, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

## **11. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on any report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether or not their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice without liability to the Noteholders or any other person. Any such report, confirmation or certificate or advice shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Noteholders and the Couponholders.

## **12. Replacement of Perpetual Securities, Certificates, Coupons and Talons**

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Securities, Certificates, Coupons or further Coupons) and otherwise as the Issuer, the Issuing and Paying Agent and/or the Registrar may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

## **13. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition 13 and forming a single series with the Perpetual Securities. Any further securities forming a single series with the outstanding securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may

(with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

#### 14. Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be *The Business Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Perpetual Securities are for the time being listed.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14.

*So long as the Perpetual Securities are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held (i) on behalf of Euroclear or Clearstream, Luxembourg, or any other clearing system (except as provided in (ii) and (iii) below), notices to the holders of Perpetual Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate; (ii) on behalf of the CMU, notices to the holders of Perpetual Securities of that Series may be given by delivery of the relevant notice to the persons shown in a CMU instrument position report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate; or (iii) by CDP, notices to the holders of Perpetual Securities of that Series may be given by delivery of the relevant notice to the persons shown in the list of Noteholders provided by CDP. Any such notice will be deemed to have been given at 5.00 pm on the day the relevant clearing system receiving such date.*

#### 15. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the [Contracts (Rights of Third Parties) Act 1999]<sup>(1)</sup> [Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore]<sup>(2)</sup>.

#### 16. Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Perpetual Securities, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English]<sup>(1)</sup> [Singapore]<sup>(2)</sup> law [, except that the subordination provisions set out in Condition 3(b) applicable to the Issuer shall be governed by and construed in accordance with Singapore law. In the event that the Issuer's jurisdiction is not Singapore or England, the Trustee needs to agree in writing to the jurisdiction of the Issuer prior to the Perpetual Securities being issued]<sup>(2)</sup>.
- (b) **Jurisdiction:** The Courts of [England]<sup>(1)</sup> [Singapore]<sup>(2)</sup> are to have jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Securities, Coupons, or Talons ("Proceedings") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **[Service of Process:** The Issuer has irrevocably appointed Olam Europe Limited as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.]]<sup>(1)</sup>

(1) The language indicated in brackets shall be included in the Terms and Conditions of the Perpetual Securities that are governed by English law.

(2) The language indicated in brackets shall be included in the Terms and Conditions of the Perpetual Securities that are governed by Singapore law.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES AND THE PERPETUAL SECURITIES WHILE IN GLOBAL FORM

### 1. Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”) or CDP or a sub-custodian for the CMU.

Upon the initial deposit of a Global Note with the Common Depositary or with CDP or with a sub-custodian for the CMU or registration of Registered Notes in the name of (i) any nominee for Euroclear or Clearstream, Luxembourg (as the case may be), (ii) CDP and/or (iii) the HKMA as operator of the CMU and delivery of the relevant Global Certificate to the Common Depositary or CDP or the sub-custodian for the CMU (as the case may be), Euroclear or Clearstream, Luxembourg or CDP or the CMU (as the case may be) will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### 2. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP or any other clearing system (each an “**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, CDP or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the rules of the CMU as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error) shall be the only person(s) entitled or, in the case of Registered Notes, directed or deemed by the CMU as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the holder of a particular principal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

### 3. Exchange

#### 3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or in a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”) is not applicable, in whole, but not in part, for the Definitive Notes defined and described below; and

- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

The holder of a temporary Global Note will not be entitled to collect any payment of interest, distributions, principal or other amount due on or after the Exchange Date unless, upon due presentation of the temporary Global Note for exchange or delivery of (or, in the case of a subsequent exchange, due endorsement of) a permanent Global Note or for delivery of Definitive Notes, as the case may be, is improperly withheld or refused by or on behalf of the Issuer.

### **3.2 Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if the permanent Global Note is cleared through the CDP System (as defined in “*Clearance and Settlement — CDP*”) and (a) in the case of Notes other than Perpetual Securities, an Event of Default (as defined in the Terms and Conditions of the Notes other than the Perpetual Securities) entitling the Trustee to declare all the Notes to be due and payable as provided in the Terms and Conditions of the Notes other than the Perpetual Securities has occurred and is continuing, (b) in the case of Perpetual Securities, an Enforcement Event (as defined in the Terms and Conditions of the Perpetual Securities) has occurred and is continuing, (c) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (d) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (e) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the relevant master depository services agreement made between the Issuer and CDP and no alternative clearing system is available.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### **3.3 Global Certificates**

The following will apply in respect of transfers of Notes held in Euroclear, Clearstream, Luxembourg, CDP, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) of the Terms and Conditions of the Notes other than the Perpetual Securities (in the case of Notes other than Perpetual Securities) or Condition 2(b) of the Terms and Conditions of the Perpetual Securities (in the case of Perpetual Securities) may only be made:

- (i) in whole but not in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) in whole or in part with the prior consent of the Issuer; or



(iii) in whole but not in part if the Global Certificate is cleared through CDP and:

- (a) in the case of Notes other than Perpetual Securities, an Event of Default entitling the Trustee to declare all the Notes to be due and payable as provided in the Terms and Conditions of the Notes other than Perpetual Securities has occurred and is continuing; or
- (b) in the case of Perpetual Securities, an Enforcement Event has occurred and is continuing; or
- (c) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise); or
- (d) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or
- (e) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the relevant master depository services agreement made between the Issuer and CDP and no alternative clearing system is available,

**provided that**, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) above, the Registered Noteholder has given the Registrar not less than 30 days' notice at its specified office of the Registered Noteholder's intention to effect such transfer.

### 3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Terms and Conditions of the Notes other than the Perpetual Securities or, as the case may be, the Terms and Conditions of the Perpetual Securities (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

### 3.5 Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through CDP, the CDP Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### 3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent or, in the case of Notes cleared through the CMU, the CMU Lodging and Paying Agent or, in the case of Notes cleared through CDP, the CDP Paying Agent, is located and in the city in which the relevant clearing system is located.

## 4. Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes

other than the Perpetual Securities or, as the case may be, the Terms and Conditions of the Perpetual Securities set out in this Offering Circular. The following is a summary of certain of those provisions:

#### **4.1 Payments**

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(e)(vii) and Condition 8(d) of the Terms and Conditions of the Notes other than the Perpetual Securities (in the case of Notes other than Perpetual Securities) or Condition 6(e)(vii) and Condition 7(d) of the Terms and Conditions of the Perpetual Securities (in the case of Perpetual Securities) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of “business day” set out in Condition 7(h) (of the Terms and Conditions of the Notes other than the Perpetual Securities) (in the case of Notes other than Perpetual Securities) or Condition 6(h) (of the Terms and Conditions of the Perpetual Securities) (in the case of Perpetual Securities).

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

#### **4.2 Prescription**

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest or distribution) from the appropriate Relevant Date (as defined in Condition 8 of the Terms and Conditions of the Notes other than the Perpetual Securities (in the case of Notes other than Perpetual Securities) or Condition 7 of the Terms and Conditions of the Perpetual Securities (in the case of Perpetual Securities)).

#### **4.3 Meetings**

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.)

#### **4.4 Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the

case of Notes cleared through the CDP System, the CDP Paying Agent) for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the register of the certificateholders, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

#### **4.5 Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest, distribution and Instalment Amounts (if any) thereon.

#### **4.6 Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of the Notes other than the Perpetual Securities or, as the case may be, the Terms and Conditions of the Perpetual Securities, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, the CMU, CDP or any alternative clearing system (as the case may be).

#### **4.7 Noteholders' Options (in the case of Notes other than Perpetual Securities only)**

Any option of the Noteholders provided for in the Terms and Conditions of the Notes other than the Perpetual Securities while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through the CDP System, the CDP Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through the CDP System, the CDP Paying Agent), for notation.

#### **4.8 Trustee's Powers**

In considering the interests of Noteholders while any Global Note is held by or on behalf of, or Registered Notes are registered in the name of, or in the name of any nominee or sub-custodian for, a clearing system, the Trustee and the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through the CDP System, the CDP Paying Agent) are entitled to have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and are entitled to consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

#### **4.9 Notices**

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream, Luxembourg or any other clearing system (except as provided in (ii) and (iii) below of this paragraph 4.9), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes other than the Perpetual Securities or, as the case may be, the Terms and Conditions of the Perpetual Securities or by delivery of the relevant notice to the holder of the Global Note or Global Certificate or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by

the CMU on the business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate or (iii) CDP, subject to the agreement of CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to CDP for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes other than the Perpetual Securities or, as the case may be, the Terms and Conditions of the Perpetual Securities or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

## **5. Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

## **USE OF PROCEEDS**

Unless otherwise specified in the relevant Pricing Supplement, the net proceeds from the issue of each Tranche of Notes will be used by the Group for working capital purposes and general corporate purposes, including financing capital expenditure, repayment of existing debt and potential acquisition opportunities which the Group may pursue in the future as part of its strategic objectives.



## CAPITALISATION AND INDEBTEDNESS

The table below sets forth the Group's capitalisation and indebtedness as at 31 March 2014. This table should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Offering Circular.

	<u>Unaudited</u> (S\$'000)
<b>Short-term Borrowings (repayable within one year)</b>	
Short-term overdrafts .....	331,144
Short-term loans .....	3,412,273
Current portion of finance leases .....	5,346
Current portion of debt securities .....	10,006
<b>Total short-term borrowings</b> .....	<u>3,758,769</u>
<b>Long-term Borrowings (repayable after one year)</b>	
Bank borrowings .....	2,197,764
Finance leases .....	52,961
Medium-term Notes .....	1,705,049
Bonds .....	1,792,273
<b>Total long-term borrowings</b> .....	<u>5,748,047</u>
<b>Total Borrowings</b> .....	<u>9,506,816</u>
<b>Total Equity</b>	
Share Capital .....	1,980,957
Capital Securities .....	233,264
Reserves .....	1,784,002
<b>Equity Attributable to Equity Noteholders of the Issuer</b> .....	<u>3,998,223</u>
<b>Minority Interests</b> .....	<u>136,372</u>
<b>Total Equity</b> .....	<u>4,134,595</u>
<b>Total Capitalisation and Indebtedness</b> .....	<u><u>13,641,411</u></u>

Except as disclosed in this Offering Circular, since 31 March 2014, there has been no material change in the Issuer's capitalisation or indebtedness.

## THE ISSUER AND THE GROUP

### Overview

The Group is a leading, global, selectively-integrated supply chain manager of agricultural products and food ingredients. Headquartered in Singapore, the Group operates in more than 65 countries (“**Destination Markets**”) and sources and supplies various products across 16 platforms to more than 13,600 customers worldwide. The Issuer was established in 1989 as a division of the KC Group to operate its agri-business and was duly incorporated under the laws of Singapore in July 1995. Since the establishment of the business, the Issuer has evolved from a single-country, single-product trader to a multi-country, multi-product integrated supply chain manager. The expansion of the Group has been possible as a result of pursuing growth strategies by exploiting adjacent opportunities, which it defines as developing opportunities in agricultural products and food ingredients that share customers, costs, capabilities and distribution channels with its existing operations.

As at the Latest Practicable Date, the Group’s portfolio of 16 business platforms comprised edible nuts, spices & vegetable ingredients, cocoa, coffee, dairy, grains & oilseeds, rice, sugar & sweeteners, palm, packaged foods, natural fibres, wood products, rubber, fertiliser, special economic zone and commodity financial services. The Group is engaged in the farming, sourcing, processing, storage, transportation, shipping, distribution, trading and marketing of these agricultural products and food ingredients to customers in the Destination Markets. The Group manages the risks present at each stage of the value chain through its risk management system. The Group’s profitability is driven by contributions from upstream farming and plantations, supply chain trading volumes handled, midstream processing & manufacturing and the downstream packaged foods business.

As at the Latest Practicable Date, the Issuer’s issued and paid-up share capital was S\$2,234,453,354.065 comprising 2,490,857,869 Shares (including Treasury Shares). The Shares are listed on the Mainboard of the SGX-ST.

The Issuer is a subsidiary of Temasek Holdings (Private) Limited (“**Temasek Holdings**”). As at the Latest Practicable Date, Temasek Holdings and its subsidiaries and associated companies owned approximately 58.44 per cent. of the Issuer. Temasek Holdings is wholly-owned by Singapore’s Minister for Finance (Incorporated).

For FY 2012 and FY 2013, the Group had, on a consolidated basis, revenue of approximately S\$17.1 billion and S\$20.8 billion respectively and net profit of approximately S\$403.8 million and S\$391.5 million respectively. As at 30 June 2012 and 30 June 2013, the total assets of the Group (combining non-current and current assets) on a consolidated basis amounted to approximately S\$13.8 billion and S\$15.4 billion respectively. For the nine months ended 31 March 2014, the Group had, on a consolidated basis, revenue of approximately S\$13.7 billion and net profit of approximately S\$566.4 million. As at 31 March 2014, the total assets of the Group (combining non-current and current assets) on a consolidated basis amounted to approximately S\$16.5 billion.

### History and Development

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

**The Group’s history and development can be categorised into five phases:**

#### *Formative Years: 1989 to 1992*

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

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

#### *Business Model Development: 1993 to 1995*

Between 1993 and 1995, the business grew from a single-country operation into multiple origins (“**Origins**” or “**Origin Countries**”, being producing countries from which the Group procures its food ingredients and/or agricultural products), first within West Africa (including Benin, Togo, Ghana, Côte d’Ivoire, Burkina Faso,

Senegal, Guinea Bissau, Cameroon and the Gabonese Republic (the “**RoG**”), followed by East Africa (Tanzania, Kenya, Uganda, Mozambique and Madagascar) and then India. This move into multiple Origins coincided with the deregulation of the agricultural commodity markets.

### ***Global Expansion: 1995 to 2001***

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

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

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

### ***Raising Capital for Future Growth: 2002 to 2005***

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

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

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

### ***Building a Global Leader: 2006 to Present***

In FY 2006, the Group developed and communicated a merger and acquisition (“**M&A**”) framework to investors, so that going forward, acquisitions will form an integral part of the Group’s growth strategy alongside organic growth. The M&A strategy will focus on building product and value chain adjacencies and bolt-on acquisitions in key geographic areas where the Group intends to accelerate or ramp up growth, for example, in markets like China, Brazil, India and the U.S.

In FY 2009, the Group announced a six-year corporate strategic plan (the “**2009 Strategic Plan**”) to improve significantly the margin profile of the business by FY 2015, by focusing on the following key elements: (i) selectively integrating upstream into plantations, (ii) selectively integrating midstream into value-added processing initiatives, (iii) investing in its core supply chain and value-added services business and (iv) leveraging its latent assets and capabilities to enter into new adjacent business opportunities. Under the 2009 Strategic Plan, the Group had targeted to attain S\$454 million net profit after tax (“**NPAT**” or “**PAT**”) by FY 2015. In addition, 48 growth initiatives across 20 businesses were prioritised for implementation in the first three-year cycle from FY 2010 to FY 2012. In FY 2010 and FY 2011, the first two years of the 2009 Strategic Plan, the Group committed investments worth U.S.\$1.94 billion towards 44 of the growth initiatives and executed 39 of the planned growth initiatives.

The Issuer reviewed its performance and in August 2011, it announced that it had reset its previous target of attaining S\$454 million NPAT by FY 2015 under the 2009 Strategic Plan, and the Group targets to attain U.S.\$1 billion NPAT by FY 2016, without any further equity dilution planned.

The Issuer reviewed its performance again in 2013 and, in April 2013, announced the outcome of its annual strategy review and the Strategic Plan for FY 2014 to FY 2016 (the “**FY 2014 – 2016 Strategic Plan**”). The review established that while the Group is in a strong position to leverage positive global trends in the agri-commodity sector, it would benefit from re-balancing its growth objectives with an increased focus on

accelerating the generation of positive free cash flow. Four key priorities, namely (i) accelerating free cash flow generation, (ii) reducing gearing, (iii) reducing complexity and (iv) promoting a better understanding of the Group, and six specific pathways, namely (i) reshaping portfolio and reducing complexity, (ii) recalibrating pace of investments, (iii) optimising balance sheet, (iv) pursuing opportunities for unlocking intrinsic value, (v) improving operating efficiencies and (vi) enhancing stakeholder communication, were identified to achieve these priorities were identified as part of the FY 2014-2016 Strategic Plan. Please refer to the Section on “Strategies” for further details.

On 14 March 2014, it was announced by Breedens Investments Pte. Ltd. (“**Breedens**”), an indirect wholly-owned subsidiary of Temasek Holdings, that it intends to make a voluntary conditional cash offer (the “**Offer**”) for (i) all the Shares of the Issuer, (ii) new Shares unconditionally issued or to be issued pursuant to the valid conversion of outstanding New Convertibles Bonds (as defined below) and (iii) new Shares unconditionally issued or to be issued pursuant to the valid exercise of the options granted under the Olam Employee Share Option Scheme. The Offer turned unconditional as to acceptances on 24 April 2014 and closed on 23 May 2014. Following the close of the Offer, Temasek Holdings and its subsidiaries and associated companies owned approximately 58.53 per cent. of the Issuer and the Issuer became a subsidiary of Temasek Holdings.

### *Major growth and capital raising milestones*

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

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

On 13 July 2007, the Issuer announced the receipt of acceptances for more than 90 per cent. of the shares outstanding in QCH, and that it had a relevant aggregate interest in approximately 90.8 per cent. of QCH, providing the Issuer the right to compulsorily acquire all the remaining shares outstanding. The acquisition of 100 per cent. shares in QCH was completed in October 2007.

On 22 April 2007, the Issuer announced its intention to acquire 100 per cent. of the world’s largest independent peanut blancher and ingredient processor, Universal Blanchers L.L.C. (“**UB**”) for a total cash consideration of U.S.\$77 million. The Issuer acquired UB in June 2007. This acquisition enabled the Issuer to expand into peanut blanching and ingredient manufacturing in the United States.

On 14 June 2007, the Issuer announced the acquisition of approximately 17 per cent. of the total outstanding shares of Open Country Cheese Company Limited (“**OCC**”), a fast growing dairy processing company in New Zealand. This strategic stake acquisition enabled the Group to gain valuable exposure to the dairy business in New Zealand. The Group acquired further shares of OCC on 15 June 2007, bringing its shareholding in OCC to 19.9 per cent.

On 27 August 2007, the Issuer announced its intention to acquire 100 per cent. equity interest in Key Foods Ingredients LLC and its subsidiaries (“**KFI**”), a processor and global supplier of dehydrates to the food processing industry for a total consideration of approximately U.S.\$16 million. The acquisition of KFI was expected to enhance the Group’s presence in the overall spice value chain, helping the Group move from being primarily a whole spices supplier, to offering a basket of spice ingredients to its customers. The acquisition of KFI was completed on 12 November 2007.

On 12 September 2007, the Issuer announced its intention to acquire 100 per cent. equity interest in Naarden Agro Products B.V. (“**NAP**”), an international supply chain manager of industrial caseins, for a total consideration of approximately Euro 3.3 million. Entry into the casein business was a one-step product adjacency move for the Group, as sourcing the raw casein for NAP shares the same sourcing channels as the Group’s existing dairy business in the countries it operates in, providing significant synergies in cross-sourcing with only marginal additional investment. The acquisition of NAP was completed on 12 November 2007.

On 2 October 2007, the Issuer announced its intention to acquire 100 per cent. equity interest in PT Dharmapala Usaha Sukses (“**PT DUS**”), a sugar refinery based in Indonesia for a total cash investment of U.S.\$12.6 million. Of this amount, U.S.\$5 million was paid to shareholders of PT DUS while the balance amount of U.S.\$7.6 million was utilised to purchase outstanding debt obligations from PT Bank Danamon Indonesia Tbk. The acquisition was an all-cash transaction and was funded by a combination of borrowings and internal accruals. The acquisition of PT DUS provides the Group the opportunity to participate in the growing sugar refining sector in Indonesia. On 13 December 2007, the Issuer announced the completion of the acquisition of PT DUS.

On 9 October 2007, the Issuer announced that it would invest approximately U.S.\$45 million in a green field integrated soluble (instant) coffee manufacturing facility in Vietnam (the “**Soluble Coffee Facility**”) that produces and supplies bulk spray-dried coffee powder, freeze-dried coffee granules and coffee extracts to the unbranded and private coffee label segment. The expansion into soluble coffee manufacturing was a one-step adjacency move for the Group into a higher value-added activity in the coffee supply chain, where there is a sharing of customers, costs and channels.

On 15 November 2007, the Issuer announced the establishment of a 50:50 joint venture, Nauvu Investments (“**Nauvu**”), with Wilmar International Limited (“**Wilmar**”), a company listed on the SGX-ST. Nauvu was incorporated on 19 November 2007 and the joint venture was established in December 2008. In 2008, Nauvu acquired a 25 per cent. interest in the SIFCA Group, one of Africa’s largest agro-industrial groups with diversified interests across palm oil, cotton seed oil, natural rubber and sugar sectors in Africa.

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

On 20 June 2008, the Issuer announced that it had won an international bid to acquire a cotton gin in the Ouangolo region of Côte d’Ivoire from La Compagnie Cotonnière Ivoirienne for U.S.\$5 million. The acquisition comprised of one cotton gin with an annual ginning capacity of 35,000 tonnes of seed cotton and its related infrastructure, as well as a catchment area of nearly 35,000 hectares that can produce up to 20,000 tonnes of cotton lint annually. This investment is in line with the Group’s growth strategy for cotton in Africa, which is to seek growth opportunities in ginning and to build integrated cotton supply chain operations in the major exporting countries such as Côte d’Ivoire.

On 1 July 2008, the Issuer announced the formation of Olam Wilmar Investment Holdings Pte. Ltd. (“**Olam Wilmar Investment Holdings**”), a 50:50 joint venture company established with Wilmar, to acquire a 20 per cent. interest in PureCircle Limited (“**PureCircle**”) from existing shareholders for an aggregate consideration of U.S.\$106.2 million. As a producer of natural zero-calorie high-intensity sweeteners from the stevia plant, PureCircle operates an integrated supply chain for natural high-intensity sweeteners with activities ranging from sourcing of dry stevia leaves and extraction in China, refining of crude extracts into sweeteners in Malaysia and marketing of these sweeteners to food and beverage manufacturers worldwide. On 16 December 2009, 13,272,304 shares and 13,272,305 shares in PureCircle (which were held by Olam Wilmar Investment Holdings) were transferred to the Issuer and Wii Pte. Ltd. (“**Wii**”), a subsidiary of Wilmar International Limited, respectively. On 18 December 2009, the Issuer acquired the 13,272,305 shares in PureCircle held by Wii for an aggregate consideration of 33,180,762 Sterling, resulting in its ownership of 30,544,609 shares representing approximately 20 per cent. interest in PureCircle. On 30 June 2010, the Issuer announced that Olam Wilmar Investment Holdings had been placed under members’ voluntary winding-up. On 18 April 2011, the Issuer announced that Olam Wilmar Investment Holdings was dissolved in April 2011.

On 3 July 2008, the Issuer issued an aggregate of U.S.\$300 million 1 per cent. convertible bonds due 2013 (the “**2008 Bonds**”), which are convertible into Shares.

On 8 July 2008, the Issuer announced the acquisition of a 24.99 per cent. stake in Dairy Trust Limited, one of the largest dairy processors in New Zealand.

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

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

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

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

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



On 2 February 2009, the Issuer announced the acquisition by its subsidiary, Olam Argentina S.A., of a leading peanut shelling and blanching company, Industria Martin Cubero, for a total consideration of approximately U.S.\$7 million. The acquisition was an all-cash transaction and was funded by a combination of existing loans and internal accruals.

On 12 February 2009, the Issuer announced the completion of a U.S.\$33 million export credit loan facility provided by Australia and New Zealand Banking Group Limited and supported by Eksport Kredit Fonden for the Soluble Coffee Facility in Vietnam.

On 4 March 2009, the Issuer completed an exchange offer of the 2008 Bonds (the “**Exchange Offer**”), pursuant to which the Issuer had accepted for exchange, U.S.\$136 million in aggregate principal amount of the 2008 Bonds (the “**Exchanged Bonds**”) and issued U.S.\$106,080,000 in aggregate principal amount of 1.2821 per cent. convertible bonds due 2013, convertible into Shares (the “**Issued Fresh Bonds**”). The Issuer had cancelled the Exchanged Bonds. The aggregate principal amount of 2008 Bonds remaining outstanding following cancellation of the Repurchased Bonds and the Exchanged Bonds was U.S.\$40,400,000 (the “**Remaining 2008 Bonds**”).

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

On 23 March 2009, the Issuer entered into exchange agreements with certain holders of some of the Remaining 2008 Bonds, pursuant to which the Issuer agreed to accept for exchange, U.S.\$21,200,000 in aggregate principal amount of the Remaining 2008 Bonds (the “**Further Exchanged Bonds**”) and issue U.S.\$16,536,000 in aggregate principal amount of 1.2821 per cent. convertible bonds due 2013, convertible into Shares (the “**Additional Fresh Bonds**”, and both Issued Fresh Bonds and Additional Fresh Bonds are collectively referred to herein as the “**Fresh Bonds**”) on terms identical to that of the Exchange Offer (the “**Further Bond Exchange**”).

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

- the aggregate principal amount of Fresh Bonds issued by the Issuer pursuant to the Exchange Offer and the Further Bond Exchange was U.S.\$122,616,000; and
- the Issuer cancelled the Further Exchanged Bonds. The aggregate principal amount of 2008 Bonds remaining outstanding following cancellation of the Exchanged Bonds and the Further Exchanged Bonds was U.S.\$19,200,000.

Between 1 December 2009 and 25 August 2010, the Issuer made a series of announcements that holders of various aggregate principal amounts of the Fresh Bonds had converted the Fresh Bonds held by them and the Issuer had cancelled such Fresh Bonds. As at 25 August 2010, the aggregate principal amount of the Fresh Bonds remaining outstanding following the cancellations of the Fresh Bonds between 1 December 2009 and 25 August 2010 was U.S.\$21,996,000.

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

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

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

On 27 August 2009, the Issuer announced that it received commitments from a group of banks for a fully underwritten U.S.\$540 million syndicated transferable term loan facility comprising two tranches, namely (i) a three-year term loan of U.S.\$324 million and (ii) a five-year term loan of U.S.\$216 million (the “**Loan Facility**”). The proceeds of the Loan Facility were to be used towards the refinancing of existing debt, as well as

for working capital and for general corporate funding requirements of the Issuer, including capital expenditure and expansion of its supply chain management business. On 10 November 2009, as there was oversubscription, the Issuer increased the size of the Loan Facility to U.S.\$850 million from U.S.\$540 million, comprising two tranches, namely (i) a three-year amortising term loan of U.S.\$510 million and (ii) a five-year amortising term loan of U.S.\$340 million.

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

On 1 September 2009, the Issuer announced the acquisition of a 14.35 per cent. stake in NZ Farming Systems Uruguay Limited (“**NZFSU**”), an operator of large scale New Zealand-style dairy farming operations in Uruguay. Listed on the New Zealand stock exchange, NZFSU was established in 2006 by PGG Wrightson Ltd (“**PGW**”), New Zealand’s leading rural services company, with the aim of providing an opportunity to New Zealand farmers and investors to benefit from the export of their world-leading dairy farming practices. NZFSU was formed for the purpose of applying New Zealand’s high performing pastoral based farming systems to extensive areas of high quality, low cost and under-utilised Uruguayan farm land for dairy farming. The Issuer had purchased this stake for a cash consideration of N.Z.\$14.37 million.

On 16 September 2009, the Issuer announced that it was proposing a scrip dividend scheme. Under the scheme, shareholders of the Issuer entitled to dividends may elect to receive either cash or an allotment of Shares credited as fully paid, in lieu of the whole or such part of the cash amount of the dividend to which the scheme applies, as determined by the directors of the Issuer. This scheme was approved by the shareholders of the Issuer on 29 October 2009.

On 18 September 2009, the Issuer announced the signing of a definitive agreement to acquire 8,096 hectares of planted almond orchards and 40,825 mega litres of permanent water rights from Timbercorp Limited and its associated entities, through its liquidation process. The total investment consideration was A\$128 million in cash, which was funded from a combination of internal accruals and existing credit facilities. The acquisition was in line with the Issuer’s corporate strategy which was announced prior to this, which had outlined a thrust towards upstream initiatives in plantations and farming, as well as midstream initiatives in value-added processing. This acquisition has made the Issuer one of Australia’s largest almond growers and placed it amongst the top three almond growers globally.

On 15 October 2009, the Issuer issued an aggregate of U.S.\$400 million 6 per cent. convertible bonds due 2016 with an upside option (the “**New Convertibles Bonds**”). On 1 October 2009, the upside option of the New Convertibles Bonds was exercised and the issue size of the New Convertibles Bonds was increased by an additional U.S.\$100 million, bringing the total issue size to U.S.\$500 million subsequent to the approval obtained at the extraordinary general meeting held on 29 October 2009.

On 16 November 2009, the Issuer announced the signing of an agreement to acquire 3,853 hectares of planted almond orchards and 48,259 megalitres of permanent water rights from Timbercorp Orchard Trust #3 and #5 at a total acquisition price of A\$160 million. The transaction was completed in January 2010.

On 21 December 2009, the Issuer allotted and issued 5,633,004 new Shares, credited as fully paid, at an issue price of S\$2.51 per Share to eligible shareholders who had elected to participate in the scrip dividend scheme approved by the shareholders of the Issuer on 29 October 2009 in respect of the first and final dividend of S\$0.035 per Share declared by the Issuer on 27 August 2009.

On 12 January 2010, the Issuer announced the acquisition of 99.5 per cent. of the outstanding shares and voting rights in Crown Flour Mills Limited (“**CFM**”), together with its wheat milling and noodle manufacturing facilities along with accompanying additional assets. The Issuer announced its intention to invest an additional U.S.\$5.5 million to expand CFM’s wheat handling and milling capacity and CFM is expected to process 400,000 tonnes of wheat by 2013. The acquisition was completed in January 2010.

On 11 February 2010, the Issuer announced its intention to invest U.S.\$31.5 million to set up a greenfield 500 metric tonne per day wheat mill near Port Tema, Ghana. The construction of the wheat mill commenced in September 2010.

On 12 February 2010, the Issuer announced the issue of S\$250,000,000 in aggregate principal amount of 4.07 per cent. fixed rate notes due 2013, issued under its initial S\$800,000,000 multicurrency medium term note programme.

On 17 May 2010, the Issuer acquired an additional 10 million shares of NZFSU from Rural Portfolio Investment at a price of N.Z.\$0.41 per share for a total consideration of N.Z.\$4.1 million. The additional shares purchased by the Issuer represented an additional 4.1 per cent. stake in NZFSU and immediately following the acquisition, the Issuer's holding in NZFSU was 18.45 per cent.

On 8 June 2010, the Issuer announced the acquisition of the dehydrated and vegetable products business and operating assets of Gilroy Foods & Flavors ("**Gilroy**") from ConAgra Foods, Inc. ("**ConAgra**"), including its dehydrated onion, garlic, capsicum, Controlled Moisture (TM) vegetables, GardenFrost (R) purees, RediMade (TM) shelf-stable purees and fresh vegetable operations, for a total cash consideration of U.S.\$250 million (the "**Gilroy Acquisition**"). As part of the Gilroy Acquisition, the Issuer entered into a long term supply agreement to cater to ConAgra's ongoing requirements for dehydrated vegetable products. The Gilroy Acquisition was completed on 20 July 2010 for a total cash consideration of approximately U.S.\$250 million.

In June 2010, the Issuer announced the formation of several subsidiaries through which the Group intends to undertake certain commodity financial services ("**Commodity Financial Services**") businesses, which the Issuer believes will leverage its understanding of commodity and derivative markets and risk management skills.

On 19 July 2010, the Issuer issued a notice to NZFSU of its intention to make a cash offer at N.Z.\$0.55 per share, representing a 38 per cent. premium over the three-month average trading price of N.Z.\$0.40 (excluding the purchase by the Issuer of 10 million shares at N.Z.\$0.41 per share on 17 May 2010), for all of the shares in NZFSU that it did not already own (the "**NZFSU Offer**"). The NZFSU Offer was subject to certain conditions, including the Issuer achieving a minimum 50.1 per cent. shareholding in NZFSU following the NZFSU Offer and the approval by the Overseas Investment Office of New Zealand. On 24 August 2010, the Issuer gave notice that it had varied the NZFSU Offer by increasing the consideration offered for each NZFSU share to N.Z.\$0.70 (the "**Revised NZFSU Offer**"). The board of directors of NZFSU recommended its shareholders to accept the Revised NZFSU Offer on 2 September 2010. The Issuer announced that the Revised NZFSU Offer had become unconditional on 20 September 2010. As at 27 September 2010, the Issuer's shareholding in NZFSU was 77.98 per cent. of the issued share capital of NZFSU. The total consideration paid by the Issuer for the additional 59.53 per cent. of NZFSU shares from the Revised NZFSU Offer was N.Z.\$101.8 million. The Revised NZFSU Offer brought the Issuer's total investment in NZFSU to N.Z.\$120.3 million, including the purchase of the initial shareholding.

On 10 August 2010, the Issuer announced that it had exercised its option to mandatorily convert the Fresh Bonds into Shares pursuant to the terms and conditions of the Fresh Bonds. The Issuer announced on 27 August 2010 that all the holders of the outstanding Fresh Bonds had exercised their respective rights to convert their Fresh Bonds into Shares and all the Fresh Bonds had been cancelled by the Issuer as at 27 August 2010.

On 12 August 2010, the Issuer issued an aggregate of U.S.\$250,000,000 7.5 per cent. bonds due 2020.

On 17 August 2010, the Issuer announced that it would invest U.S.\$43.5 million in Côte d'Ivoire to set up a greenfield cocoa processing facility in Abidjan, as well as a primary processing and warehousing facility in San Pedro. The investment would be fully funded by a combination of internal accruals and borrowings.

On 20 August 2010, the Issuer announced that it had entered into a strategic partnership agreement with the government of the RoG in relation to plans to develop a special economic zone at Nkok for timber processing (the "**SEZ Project**"). Under the strategic partnership, the Issuer had invested U.S.\$12 million equity in the SEZ Project for a 60 per cent. interest in a joint venture entity, whilst the government of the RoG held the remaining 40 per cent. interest.

On 27 August 2010, the Issuer announced that syndication for the U.S.\$300 million term loan facility (the "**U.S. Syndicated Facility**") for its United States subsidiary, Olam Holdings Partnership, had been oversubscribed with commitments received from a group of 13 international banks. The U.S. Syndicated Facility is guaranteed by the Issuer and was launched as a three-year amortising term loan of U.S.\$300 million. Pursuant to an oversubscription, Olam Holdings Partnership decided to increase the size of the U.S. Syndicated Facility to U.S.\$350 million. This is Olam Holdings Partnership's first syndicated loan in the U.S. Proceeds from the U.S. Syndicated Facility will be used to finance the working capital needs of Olam Holdings Partnership and its subsidiaries in the United States and for general corporate purposes.

On 13 November 2010, the Issuer announced that it had entered into a joint venture (the "**Palm Plantation JV**") with the government of the RoG to initially develop in phase I, 50,000 hectares of palm plantation in the RoG with an investment of U.S.\$236 million. The Issuer will hold 70 per cent. interest in the joint venture company to be set up, and the remaining 30 per cent. will be held by the government of the RoG. As part of the agreement, the government of the RoG has committed to the Palm Plantation JV, a land bank of 300,000 hectares for palm and rubber plantation development in multiple phases. The Palm Plantation JV includes setting up milling plants

to extract crude palm oil, which will be sold in Africa and exported to the European Union. In its announcement, the Issuer stated that the project is expected to achieve 100 per cent. Roundtable on Sustainable Palm Oil (“**RSPO**”)<sup>(1)</sup> certification and therefore have a unique value proposition for the markets.

On 13 November 2010, the Issuer also announced that it had entered into a joint venture with the government of the RoG (the “**Fertiliser JV**”) to construct a port-based ammonia-urea fertiliser complex in the RoG (the “**Project**”) for a total investment of U.S.\$1.3 billion and concurrently signed a 25-year natural gas fixed-price contract with the government of the RoG to secure a guaranteed quantity and quality of gas as feedstock for the urea plant.

On 3 December 2010, the Issuer announced that it had entered into an 80:20 joint venture with the Lababidi Group (“**LG**”) to set up a port-based sugar refinery in Nigeria. The total cost of the project is approximately U.S.\$200 million and the joint venture expects to fund the project cost with 50 per cent. equity (U.S.\$100 million) and 50 per cent. debt (U.S.\$100 million).

On 15 December 2010, the Issuer announced that it had acquired 100 per cent. of the equity share capital of tt Timber International (“**tt Timber**”), a subsidiary of the Dalhoff Larsen Horneman A/S Group (“**DLH**”), for a total consideration of Euro 29.6 million. DLH supplies timber and timber products manufactured from sustainably produced raw materials. tt Timber owns forest concession rights for 1.3 million hectares of natural tropical hardwood forest in the Democratic Republic of Congo (the “**RoC**”) and 300,000 hectares in the RoG.

On 31 January 2011, the Issuer announced that it planned to acquire 100 per cent. of equity interests in Britannia Food Ingredients Holdings Limited (“**BFI**”) and Britannia Storage and Distribution Limited (“**BSD**”) for a combined enterprise value of 33.5 million Sterling (approximately U.S.\$50 million). The Issuer will initially acquire 85 per cent. of equity capital in BFI and 100 per cent. of BSD, and then acquire the remaining 15 per cent. interest in BFI within the next three years at a pre-agreed valuation.

On 28 March 2011, the Issuer announced that pursuant to the Fertiliser JV agreement, it had signed an implementation and assignment agreement and a definitive gas supply contract with the government of the RoG for a cumulative quantity of 0.75 trillion cubic feet of natural gas for the current phase of the Project, for 25 years at a competitive fixed price.

On 11 April 2011, the Issuer announced that Tata Chemicals Limited (“**TCL**”), a part of the Tata group of companies, will invest U.S.\$290 million to acquire a 25.1 per cent. equity stake in the Project, resulting in a reduction of the Issuer’s and the government of the RoG’s shareholding in the Project to 62.9 per cent. and 12 per cent. respectively. TCL will be primarily responsible for project management during the erection and commissioning of the plant as well as the operation and maintenance of the plant for the first three years post commercial production. Sales and marketing of ammonia and urea products will be jointly undertaken by the Issuer, the government of the RoG and TCL through a joint venture agreement in which the Issuer and the government of the RoG will hold equal stakes. On 8 September 2011, the Issuer and TCL announced the completion of the gas due diligence for the Project. On 28 March 2014, the Issuer and TCL announced that a termination agreement has been signed and that TCL would not proceed with its proposed 25.1 per cent. equity stake in the Project. The decision was made due to a change in TCL’s investment focus away from overseas fertiliser manufacturing and Olam’s intention to move to a minority and non-consolidated position in the Project.

The Issuer issued a notice dated 21 April 2011 to NZFSU of its intention to make a cash offer at N.Z.\$0.70 per share, representing a 25 per cent. premium over the three-month average trading price of N.Z.\$0.56, for all of the shares in NZFSU that it did not already own (the “**2011 NZFSU Offer**”). The 2011 NZFSU Offer turned unconditional on 20 September 2011.

On 27 May 2011, the Issuer announced the launch of its fully underwritten U.S.\$1.25 billion syndicated term loan facility, comprising two tranches, namely (i) a U.S.\$625 million three-year tranche and (ii) a U.S.\$625 million five-year tranche. The proceeds of this facility were used towards the refinancing of existing debt, as well as for working capital and for general corporate funding requirements of the Issuer, including capital expenditure and expansion of its supply chain management business. The Issuer announced on 29 July 2011 that the syndication of this facility, which represented the largest syndicated financing for the Issuer at that time, was completed.

On 7 June 2011, the Issuer announced that it had launched an equity fund raising exercise (the “**Equity Fund Raising**”) to raise a total of approximately S\$740 million by way of a combination of three equal tranches of approximately S\$250 million each. This comprised of a private placement of up to 94,408,000 new Shares to

(1) RSPO is a non-profit association that unites stakeholders from seven sectors of the palm oil industry — oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation non-governmental organisations and social or developmental non-governmental organisations — to develop and implement global standards for sustainable palm oil.



institutional and other investors, a pro rata and non-renounceable preferential offering of up to 97,292,951 new Shares to entitled shareholders and the issue of up to 94,408,000 new Shares to Breedens, an indirect wholly-owned subsidiary of Temasek Holdings. The Equity Fund Raising was completed on 11 July 2011.

On 31 August 2011, the Issuer announced that it had agreed to acquire 100 per cent. shareholding of Hemarus Industries Limited, together with its 3,500 tons crush per day (“**TCD**”) sugar milling facility, a 20 megawatt co-generation facility and accompanying assets in India for a total purchase consideration of U.S.\$73.8 million (INR 3,400 million). In addition, the Issuer announced that it will invest a further U.S.\$6.6 million to enhance the sugar milling capacity to 5,000 TCD.

On 12 September 2011, the Issuer, TCL and the government of the RoG announced that their joint venture company, Gabon Fertiliser Company had signed a pre-construction services agreement with Technip S.A. (“**Technip**”) as the main contractor for the Project. Technip will provide the licensed technologies of Haldor Topsoe A/S for the ammonia plant, Saipem S.p.A. for the urea plant and Uhde Fertilizer Technology B.V. (UFT) for the urea granulation plant.

On 24 October 2011, the Issuer announced that it had acquired the bulk spices and private label assets and businesses of Vallabhdas Kanji Limited (“**VKL**”) for a total consideration of U.S.\$18 million. The assets acquired include VKL’s spice processing facility in Cochin, India, VKL’s pepper grinding factory in Vietnam and VKL’s sales and distribution operations in North America.

On 10 November 2011, the Issuer announced the proposed acquisition of 100 per cent. of equity interests in Progida Pazarlama A.S. (“**Progida**”) for an enterprise value of 66 million Turkish Lira. Progida is one of the world’s leading manufacturers of natural and semi-finished Turkish hazelnut kernels and it supplies such kernels to confectionary manufacturers globally. Turkey is the world’s largest producers of hazelnuts, and accounts for 70 per cent. of the global hazelnut production. On 19 December 2011, the Issuer announced the completion of this acquisition.

On 1 December 2011, the Issuer announced that it would invest U.S.\$49.2 million to set up a 6,000 hectare greenfield, fully integrated, mechanised and irrigated paddy farming and rice milling facility in Nasarawa State, one of the main rice growing belts in Nigeria.

On 2 December 2011, the Issuer announced the proposed expansion of its wheat milling capacity at CFM, for a total outlay of about U.S.\$50 million.

On 22 December 2011, the Issuer announced that it plans to acquire 75.2 per cent. interest in Macao Commodities Trading, S.L. (“**MCT**”) for a consideration of €15 million. The Issuer has the option to acquire the remaining 24.8 per cent. interest in MCT in five years’ time. MCT is a leading supplier of cocoa powder, cocoa beans, desiccated coconut, dried fruits, vegetable fats, dairy products, chocolate, beverage and biscuit industries in the Iberian region. The acquisition was completed in December 2011.

On 30 January 2012, the Issuer announced that it had formed a partnership with the Russian Dairy Company LCC (“**RUSMOLCO**”), a growing player in the Russian dairy industry, for the large-scale development of dairy and grains farming in the Penza region of Russia, and that it proposes to acquire, a 75 per cent. interest in RUSMOLCO for a consideration of approximately U.S.\$75 million.

On 9 February 2012, the Issuer announced that it plans to acquire a 100 per cent. equity interest in Titanium Holding Company SA (“**Titanium**”) and its subsidiaries for a consideration of U.S.\$167 million (subject to capital adjustments at completion). Titanium owns Nigeria’s second largest biscuits and candy franchise and had a turnover of approximately U.S.\$162 million in 2011.

On 1 March 2012, the Issuer announced that it had completed the issuance of S\$275,000,000 in aggregate principal amount of seven per cent. perpetual capital securities (“**Perpetual Bonds**”).

On 19 March 2012, the Issuer announced that it intends to enter into a partnership with the government of the ROG to develop, over two phases, approximately 50,000 hectares of rubber plantations in the ROG. The parties propose to form a joint venture company, in which the Issuer and the government of the ROG will hold 80 per cent. and 20 per cent. equity interest respectively. The total investment amount is estimated to be U.S.\$183,000,000.

On 29 May 2012, the Issuer announced that it had entered into an agreement on 28 May 2012 to invest U.S.\$240 million in its first sugar milling asset in Brazil, by acquiring Usina Açucareira Passos S.A. for an estimated U.S.\$128.8 million and by investing an additional capital expenditure of U.S.\$111.5 million over the next five years.

On 7 June 2012, the Issuer announced that it had acquired a 100 per cent. equity interest in Kayass Enterprises S.A. (“**Kayass**”), for a consideration of approximately U.S.\$66.5 million (subject to working capital adjustments



at completion). Kayass' principal business interest is in the manufacturing and marketing of branded dairy products and beverages in Nigeria. Kayass owns several brands and operates two plants in Lagos — a dairy products and beverages manufacturing plant and a milk powder packaging facility.

On 8 June 2012, the Issuer announced that it had commenced a share buyback programme pursuant to its share buyback mandate (the “**Mandate**”) renewed at the annual general meeting of the Issuer on 28 October 2011. Under the Mandate for market purchases, the Issuer may purchase up to 10 per cent. of its Shares (excluding treasury shares), or up to 244,230,986 Shares, at a maximum price of 105 per cent. of the average closing price of the last five market days at the time of acquisition. Such purchased Shares may be held as treasury shares or cancelled, as the Issuer may decide from time to time. The share buyback programme is expected to be funded from the Issuer's existing resources.

On 13 June 2012, the Issuer announced that it intends to enter into a 50:50 joint venture with Lansing Trade Group LLC, a leading independent commodity merchandising company in the U.S. The joint venture, to be known as Lansing Olam Canada focused on merchandising Canadian grains and oilseeds to meet the food and feed demand in North America as well as international markets. On 2 January 2014, the Issuer announced that it had disposed its entire 50.0 per cent. stake in Lansing Olam Canada by way of a share repurchase arrangement for a cash consideration of U.S.\$5.4 million.

On 18 June 2012, the Issuer announced that it had entered into a 50:50 joint venture, known as GrowCocoa, with Blommer Chocolate Company, the largest cocoa processor and ingredient chocolate supplier in North America. GrowCocoa will be headquartered in the United States of America.

On 6 July 2012, the Issuer announced that it had established the Programme. Between 17 July and 7 November 2012, the Company issued the following notes pursuant to the Programme:

- S\$350,000,000 5.80 per cent. fixed rate notes due 2019 on 17 July 2012;
- S\$250,000,000 2.50 per cent. fixed rate notes due 2013 on 6 September 2012;
- U.S.\$500,000,000 5.75 per cent. fixed rate notes due 2017 on 20 September 2012;
- S\$400,000,000 6.00 per cent. fixed rate notes due 2022 on 25 October 2012 (the “**Series 4 Tranche 1 Notes**”); and
- S\$100,000,000 6.00 per cent. fixed rate notes due 2022 on 7 November 2012, to be consolidated and form a single series with the Series 4 Tranche 1 Notes (the “**Series 4 Tranche 2 Notes**” and, together with the Series 4 Tranche 1 Notes, the “**Series 4 Notes**”).

On 18 September 2012, the Issuer announced that it had acquired 100 per cent. of the equity interest in Northern Coffee Corporation Ltd, owner of the largest coffee estate in Zambia for approximately U.S.\$6.15 million through a bidding process organised by the Zambia Development Authority (“**ZDA**”). A further U.S.\$40 million will be committed by the Group as capital expenditure and pre-operative expenditure to fully develop 2,000 hectares of Arabica coffee plantation over the next five years. The first 300 hectares are expected to be planted in FY 2013.

On 2 October 2012, the Issuer announced that it had notified NZFSU of its intention to make a cash offer at NZ\$0.75 per share for all of the shares in NZFSU that it did not already own. At that time, the Issuer was the largest shareholder in NZFSU with 85.93 per cent. shareholding following the takeover offer for NZFSU that closed in June 2011. Following the notice of compulsory acquisition issued by the Issuer on 26 November 2012, the Issuer announced on 27 December 2012 the completion of the compulsory acquisition. Following the completion, the Issuer now owns 100 per cent. of outstanding shares in NZFSU and NZFSU was delisted on the NZX Main Board.

On 5 October 2012, the Issuer announced that it had acquired 50 per cent. of shares and voting rights in Acacia Investments (“**AI**”) for a total consideration of U.S.\$35 million. AI is a business group based in the United Arab Emirates with a significant presence in edible oil refining and distribution in East Africa.

On 30 November 2012, the Issuer announced that it had acquired 100 per cent. equity interest in Dehydro Foods Limited, a leading processor of dehydrated onions and herbs in Egypt, for U.S.\$30.8 million including an estimated amount of U.S.\$3.5 million for net working capital.

On 3 December 2012, the Issuer announced a renounceable underwritten rights issue (“**Rights Issue**”) of U.S.\$750 million 6.75 per cent. Bonds due 2018 (“**2013 Bonds**”) with 387,365,079 free detachable warrants on shares of the Issuer (“**Warrants**”), each Warrant carrying the right to subscribe for one new Share (“**New Share**”) in the Issuer at an exercise price of U.S.\$1.291 for each New Share, on the basis of 313 Bonds of

principal amount of U.S.\$1.00 each with 162 Warrants for every 1,000 Shares. If all the Warrants are exercised, the Company will raise up to an incremental U.S.\$500 million of gross proceeds. The Rights Issue was completed on 29 January 2013.

On 21 December 2012, the Issuer announced that it has acquired the soluble coffee assets and business of Seda Solubles (“**Seda**”) for U.S.\$52 million through a bidding process under a court-managed scheme of receivership in Spain. Seda is a leading producer of soluble coffee and coffee related products with a fully integrated production platform.

On 13 March 2013, the Issuer announced that it had sold Taraori Rice Mills Private Limited, the holding company for its rice milling assets in India, to Spanish rice and pasta manufacturer, Ebro Foods, for U.S.\$14.5 million. The basmati rice mill, located in Haryana, India was acquired by the Issuer in 2008.

On 26 March 2013, the Issuer announced the opening of its A\$60 million almond hulling and processing plant in Carwarp, Victoria, Australia. The 12,000 square metre facility is expected to have a processing capacity of 40,000 metric tonnes of almond kernels per annum.

On 26 April 2013, the Issuer announced that it had acquired a 95 per cent. equity interest in PT Sumber Daya Wahana (“**Sumber Daya**”) for Indonesian Rupiah 27.625 billion (U.S.\$2.86 million). Sumber Daya is a company incorporated in Indonesia and has cocoa plantation rights in 3,420 hectares of land in Seram Island, Maluku province, Indonesia.

On 9 May 2013, the Issuer announced that it has entered into a joint venture with Sanyo Foods Co. Ltd of Japan (“**Sanyo Foods**”) to set up a joint venture company in Nigeria to manufacture and distribute instant noodles in Nigeria and across sub-Saharan Africa. Sanyo Foods will invest U.S.\$20 million in cash for a 25.5 per cent. equity interest through issue of new shares by the joint venture company that will house the Issuer’s instant noodles assets and business in Nigeria, and the Issuer will hold the balance majority ownership of 74.5 per cent. in the joint venture company with management control. The joint venture is expected to draw the strengths of both partners with the Issuer’s expanding marketing and distribution network across Nigeria and its pan-Africa presence as well as Sanyo Foods’ technology in the development and manufacturing of instant noodle products, and new market development experience.

On 28 August 2013, the Issuer announced that it has signed a five-year U.S.\$120 million loan agreement with International Finance Corporation (a member of the World Bank Group) to finance upgrades and expansion of five food processing facilities in Nigeria and India.

On 28 August 2013, the Issuer announced the completion of a three-year U.S.\$400 million revolving credit facility (“**RC Facility**”) for its U.S. subsidiary Olam Holdings Partnership (“**OHP**”). Proceeds from the RC Facility will be used to refinance existing debt, as well as to finance the working capital needs of OHP and its subsidiaries in the US and for general corporate purposes.

On 1 November 2013, the Issuer announced that Queensland Cotton Corporation Pty Ltd, a wholly-owned subsidiary of the Issuer, has sold its Dirranbandi cotton gin in Queensland to Cubbie Ginners Pty Ltd for A\$20.0 million. It was announced that the sale of the gin was based on ensuring the best strategic and economic outcome for the company, and that the sale was also in line with the Issuer’s strategy to unlock value and redeploy capital in higher growth areas, thereby optimising the cotton business for the Group.

On 13 November 2013, the Issuer announced that Olam Almonds Australia Pty Ltd, a wholly-owned subsidiary of the Issuer, has entered into a sale and lease-back agreement for its approximately 12,000 hectares of almond orchards for a cash consideration of A\$200.0 million with Adveq Almond Trust, an Australian trust structure owned by a group of investors led by Adveq Real Assets Harvested Resources, LP. The sale and lease-back of almond orchard land and trees as well as related farming and irrigation infrastructure in Victoria, Australia would be for a period of 18 years and can be extended or renewed by mutual consent. The transaction was completed on 11 February 2014 and the issuer received cash proceeds of S\$233.1 million and recorded a one-time gain in its profit and loss statement of S\$63.2 million.

On 9 December 2013, the Issuer announced that it will issue 10,461,081 additional Warrants to holders of the Warrants on the basis of 27 additional Warrants for every 1,000 Warrants held by the holders of the Warrants. The additional Warrants were issued on 12 December 2013.

On 23 December 2013, the Issuer announced that it had entered into an agreement to sell up to a 14.99 per cent. stake in Open Country Dairy Limited (“**OCD**”), New Zealand to Talley’s Group Limited for up to NZ\$46.5 million. The transaction released cash for the Issuer while still maintaining product off-take arrangements with OCD, which are strategically important for the Issuer’s dairy supply chain business. The partial takeover offer by Talley’s Group Limited closed on 24 May 2014. As a result of the transaction, the Issuer will receive cash proceeds of NZ\$32.1 million and will have a 15.19 per cent. residual stake in OCD.

On 22 January 2014, the Issuer announced the repurchase of an aggregate principal amount of S\$39,200,000 of Perpetual Bonds and the repurchase of an aggregate principal amount of S\$15,000,000 of the Series 4 Notes by way of on-market purchases. The Perpetual Bonds and the Series 4 Notes were repurchased at an average price of 92.38 and 92.96 respectively, in line with the Issuer's balance sheet optimisation objective.

On 24 January 2014, the Issuer announced that it had entered into an agreement with a consortium of Chinese investors to sell part of its forestry and saw milling assets in Gabon for a gross consideration of U.S.\$18.0 million. It was announced that the divestment, which is a part of Olam's revised strategy to restructure the wood products portfolio, includes the sale of two saw mills in the Makokou region of Gabon, 2.5 hectares of land in the Special Economic Zone (SEZ) at Nkok, Gabon and associated forestry concessions. The transaction resulted in a one-off loss of S\$14.6 million from the sale of assets and associated restructuring charges.

On 14 March 2014, it was announced that Temasek Holdings, through its indirect wholly-owned subsidiary, Breedens, intends to make a voluntary conditional cash offer (the "**Offer**") for (i) all the Shares of the Issuer, (ii) new Shares unconditionally issued or to be issued pursuant to the valid conversion of outstanding New Convertibles Bonds and (iii) new Shares unconditionally issued or to be issued pursuant to the valid exercise of the options granted under the Olam Employee Share Option Scheme. The Offer turned unconditional as to acceptances on 24 April 2014 and closed on 23 May 2014. Following the close of the Offer, Temasek Holdings and its subsidiaries and associated companies owned approximately 58.53 per cent. of the Issuer and the Issuer became a subsidiary of Temasek Holdings.

On 28 March 2014, the Issuer announced that the RoG will invest an additional U.S.\$56.8 million towards equity and increase its stake in the Palm ("**OPG**") and Rubber ("**ORG**") joint ventures with the Issuer in the RoG. On completion of this transaction, Olam will own 60% equity interest in both OPG and ORG joint ventures, with RoG holding the remaining 40%. It was announced that the transactions are in line with the Issuer's strategic plan to unlock value by seeking strategic partners to co-share investments in capital intensive and long gestation projects, and is expected to release cash of approximately U.S.\$30.0 million for the Issuer and will result in a gain of U.S.\$14.5 million that will be credited to capital reserves on completion.

On 25 April 2014, the Issuer announced that its wholly-owned subsidiary NZFSU has sold dairy farm land in the Western and the Eastern regions in Uruguay for a total cash consideration of U.S.\$53.7 million. NZFSU owns dairy farms in the Western, Eastern and Central regions in Uruguay on 28,478 hectares of farm land and approximately 1,769 hectares of farm land in the West of Uruguay together with 6,002 hectares of farm land in the East of Uruguay were sold. It was announced that the Issuer expected to receive gross cash proceeds of U.S.\$53.7 million and book a one-time pre-tax gain of approximately U.S.\$18.0 million upon completion of these transactions.

On 16 May 2014, the Issuer announced that it will be investing U.S.\$61.0 million to establish a new cocoa processing facility in Indonesia to enable the Issuer to leverage the strength of its Indonesian cocoa sourcing network and participate in the growth of Asian cocoa consumption. The new cocoa processing facility would have an initial capacity of 60,000 metric tonnes and will produce cocoa butter, cocoa cake and high quality cocoa powders, and is expected to commence operations in early 2016. The plant will primarily grind Indonesian beans sourced through the Issuer's traceable cocoa network, which includes the 32,000 farmers who form the core of its sustainable supply chain in the country, as well as from its plantation on Seram Island acquired in 2013. In addition, beans will be supplied from the Issuer's farm-gate networks in Africa.

On 19 May 2014, the Issuer announced that it had secured a U.S.\$2.22 billion 364-day committed unsecured revolving credit facility ("**Unsecured RC Facility**"). Proceeds from the Unsecured RC Facility will be applied towards refinancing of existing debt and meeting working capital and general corporate funding requirements of the Issuer.

On 23 June 2014, the Issuer announced that it had entered into a partnership with Mitsubishi Corporation of Japan ("**MC**") in which MC will invest U.S.\$64.0 million for an 80.0% equity interest in the Issuer's wholly owned subsidiary, Olam Grains Australia ("**OGA**"). The partnership is intended to leverage growth opportunities in the Australian Grains business. Subject to standard closing conditions, the transaction is expected to be completed in early FY 2015.

On 27 June 2014, the Issuer announced that it had entered into an agreement to sell a 20% equity stake in Gabon Special Economic Zone SA ("**GSEZ**") to the RoG. The transaction was in line with the Group's strategy to jointly invest with partners in projects that involve large capital expenditure and long gestation.

On 27 June 2014, the Issuer announced had entered into an agreement to sell a 100% equity stake in its subsidiary Compagnie Forestière des Abeilles SA ("**CFA**") to Transport Bois et Négoce International ("**TBNI**"), a Gabonese timber company for a consideration of U.S.\$6.0 million. The divestment was in line with the Company's strategy to restructure the Wood Products portfolio.

## **Competitive Strengths**

### **The Group is a leading global supplier of agricultural products and food ingredients**

The Group is a leading, global, selectively-integrated supply chain manager of agricultural products and food ingredients which operates in more than 65 countries and sources and supplies products across 16 platforms to more than 13,600 customers worldwide. The Group is one of the leading global market players in respect of several product groups. For example, the Group is:

- one of the largest suppliers by market share in the global trade of raw cashew nuts;
- one of the largest suppliers by market share in the global trade of Robusta coffee;
- one of the top three suppliers by market share in the global trade of cocoa;
- one of the largest suppliers by market share in the global trade of teak wood;
- one of the largest suppliers by market share in the global trade of cotton;
- one of the largest almond orchard owner in Australia;
- one of the top three global suppliers by market share in the global trade of rice; and
- one of the top five global suppliers by market share in the global trade of peanuts.

Through its market leadership positions, the Group has a detailed understanding of its customers' product requirements, which enables it to offer differentiated products, supply chain solutions and value-added services including organic certification, product traceability, customised quality, vendor- managed inventory systems ("VMI") and risk management solutions. As a result, the Group believes that it has established strong relationships with its end-customers, including several multinational corporations which own internationally recognised brands such as Kraft Foods, Nestlé, Lavazza, Mars, Tchibo and Planters, and that its customers value it as a reliable counterparty and a long-term business partner.

### **The Group has a proven and flexible business model that allows it to achieve rapid and cost-effective growth**

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

The Group operates across the entire supply chain in almost all of its 16 platforms. The Group sources and exports out of Africa, Asia and the Middle East, Europe and North and South America, and operates trading and marketing operations in the Destination Markets. The Group's business model enables it to have the following competitive advantages:

#### ***Rapid Organic and Inorganic Growth***

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

#### ***Cost Sharing***

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



***Diversified and well-balanced portfolio which is recession resistant and has allowed the Issuer to perform consistently across commodity and economic cycles***

The Group integrates its knowledge and expertise across products, geographic markets and supply chain activities to create a diversified portfolio of products and services. The Group has a well-diversified and balanced portfolio operating in 16 platforms across four main product groups, namely (i) edible nuts, spices and beans; (ii) confectionery and beverage ingredients; (iii) food staples and packaged foods; and (iv) industrial raw materials. In any given product segment, the Group consciously selects a mixture of northern and southern hemisphere Origins so that its trading and marketing infrastructure is constantly utilised and that sourcing activities for such products can be conducted throughout the year. The Group is present in key producing countries around the world which allows it to service its customers better in terms of quality, quantity and timeliness. In FY 2013, the Group sourced 40.8 per cent. of volumes from Asia and the Middle East, 15.8 per cent. from Africa, 26.4 per cent. from Europe and 17.0 per cent. from the Americas. The Group's geographical diversity results in it not being over-exposed to any single Origin for any given product.

In addition, the Group seeks to export products out of countries that it also imports into in order to help hedge against currency risks. This is particularly relevant where the currencies in question are not traded on foreign exchange markets as this process allows the Group to create a natural hedge against currency movements. The Group's sales are well diversified geographically and in FY 2013, the Group derived 40.8 per cent. of its sales from Asia and the Middle East, 22.9 per cent. from Africa, 21.0 per cent. from Europe and 15.3 per cent. from the Americas.

The Group realises stable dollar margins for every tonne that it moves, hence the Group's core supply chain business is mainly driven by volumes and has limited exposure to price volatility. In FY 2013, approximately 78.0 per cent. of the Group's sales were contributed by the food category, where demand is relatively inelastic and recession resistant. This has contributed to the Group generating profits in all years since its IPO, including in both 2008 and 2009, in which years the global financial crisis and the commodity down cycle occurred respectively, as well as in the first half of FY 2012 where economic conditions were also challenging.

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

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

***Control of the supply chain***

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

***Provision of value-added services***

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

***Potential to increase the Group's margins***

In regions where the Group does not currently perform its own logistics services, further end-to-end integration capabilities allow the Group to potentially increase its margins by reducing the role of third-party intermediaries, including agricultural raw material processors and logistics service providers. Participation across the entire supply chain also helps the Group to secure a minimum level of margin. The investments in upstream and midstream segments of the value chain also have the potential of increasing the overall margins of the Group.

**The Group combines both origination capabilities with capabilities in the Destination Markets, thus providing a competitive edge over its competitors**

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



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

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

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

### **The Group has a professional and experienced management team**

The Group has consistently attracted high quality professionals to work in the challenging emerging market conditions in which it operates. The Issuer's executive directors and executive officers each have an average of over 15 years experience in the industry. The Group has more than 700 managers in its global talent pool, most of whom have spent a certain minimum number of years working in an Origin Country. Through extensive on-the-ground experience and rigorous training and promotion systems, the Group's managers have developed a common vision and understanding of its values and goals. These help to foster better intra-business communication, disciplined operational management and an entrepreneurial spirit.

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

The Group is able to retain its personnel by making an effort to promote internally. As at the Latest Practicable Date, a total of 480,127,237 Shares (direct and deemed) were held by directors of the Issuer and there were a total of 20,000,000 un-issued Shares comprising of options granted to directors of the Issuer under the employee share option scheme. This has helped to align their interests with those of the Issuer and foster a sense of commitment.

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

The Issuer raised net proceeds of approximately S\$185 million in its IPO in 2005. In April 2008, the Issuer raised approximately S\$300 million through a preferential offering of new Shares to existing investors. On 15 July 2009, the Issuer raised S\$437.5 million through an issue of new Shares to Breedens and Aranda, both indirect wholly-owned subsidiaries of Temasek Holdings. In June 2011, the Issuer carried out the Equity Fund Raising which raised approximately S\$740 million through a private placement of new Shares to institutional and other investors, a *pro rata* and non-renounceable preferential offering of new Shares to entitled shareholders and the issue of new Shares to Breedens. In January 2013, the Issuer carried out the Rights Issue which raised approximately U.S.\$697.5 million, and is expected to raise further gross proceeds of U.S.\$500 million if all the Warrants issued during the Rights Issue are exercised. Breedens announced a voluntary conditional cash offer on 14 March 2014 which closed on 23 May 2014. Following the close of the Offer, Temasek Holdings and its subsidiaries and associated companies owned approximately 58.53 per cent. of the Issuer and the Issuer became a subsidiary of Temasek Holdings.

The Group's ability to attract reputable investors and raise equity financing has provided it with funds to finance its investments and M&A activities and has also contributed to the Group's ability to obtain narrower spreads on its bank borrowings.

## Strategies

The Group's strategic intent and vision is to be a leading, global, selectively integrated supply chain manager of agri-commodities and food ingredients by:

- serving growers and customers globally;
- pursuing select scalable and attractive niches in upstream and value-added midstream processing; and
- capitalising on the Group's emerging markets expertise.

### FY 2014 – 2016 Strategic Plan

On 25 April 2013, the Issuer announced the outcome of its annual strategy review and Strategic Plan for the three-year period FY 2014 to FY 2016. The 2013 strategy review was an intensive process that was based on a clear understanding of the evolving market context and its resulting impact on the Issuer's strategic options and performance targets. This review was particularly broad in its considerations as the Issuer actively consulted and considered feedback from both internal and external sources and various stakeholders. This process also reviewed past strategies and their impact, including its 2009 Strategic Plan that was updated in 2011.

The review concluded that while the Group was in a strong position to leverage positive global trends in the agri-commodity sector, it would benefit from re-balancing its growth objectives with an increased focus on accelerating the generation of positive free cash flow. It also reaffirmed the value of the Group's strategy of building a core global supply chain business, while selectively integrating into high-value upstream and mid/downstream segments.

As part of the FY 2014 – 2016 Strategic Plan, the Group has established four key priorities and six specific pathways to achieve these priorities:

#### 4 Priorities



#### 6 Pathways



#### *1. Reshape portfolio and reduce complexity*

In this pathway, the Group will continue to invest for growth in select businesses including edible nuts, spices & vegetable ingredients, cocoa, coffee and grains, while it seeks to prioritise cash flow generation in certain other businesses like natural fibres and rice. The plan also envisages that the Group will seek to grow certain platforms through alliances with strategic partners such as Packaged Foods, palm, rubber, fertiliser and Special Economic Zone ("SEZ"). In the wood and dairy businesses, the Group will right-size these through a targeted restructuring of select aspects of these two platforms. In this plan, the Group also intends to grow the sugar business in a more asset-light manner.

The re-focused priorities for each of the businesses in the FY 2014 – FY 2016 period are expected to deliver an optimal mix of growth and cash generation, reduce overall portfolio complexity and enhance the intrinsic value of the overall portfolio.

## ***2. Recalibrate pace of investments***

The 2009 and 2011 strategic plans involved front-loading investments in the earlier part of the plan cycle and reducing capital investments towards the later years of FY 2015 and FY 2016. The Group will now take steps to re-balance investments between long gestation projects and faster high-yielding projects in the FY 2014 – FY 2016 period while continuing to extract full value from existing investments.

## ***3. Optimise balance sheet***

During the first three years (FY 2010 – 2012) of the 2009 Strategic Plan, the Group had made multiple investments in select higher return upstream and midstream projects. The Group now intends to monetise some of these to reduce its fixed asset intensity, generate positive cash flows, improve returns, while still capturing the economic value generated by these assets. The Group has already established proof of concept with the successful sale-and-lease-back of the US almond orchard land, providing an effective template to execute similar structures for other related assets.

In addition, the Group will scale down operations in select sub-scale profit centres and countries and release working capital from these businesses that can be deployed in other parts of the Group to improve working capital efficiency.

## ***4. Pursue opportunities for unlocking intrinsic value***

The Group 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 further to its full potential. This will be achieved through selective joint ventures, strategic alliances, equity carve-outs and de-consolidations. In addition, the Group will continue to review its portfolio and divest any non-core assets, as it did recently with the sale of the basmati rice milling facility in India.

## ***5. Improve operating efficiencies***

As part of the 2009 and 2011 strategic growth plans, the Group invested significantly in people, processes and capabilities, resulting in an increase in the fixed cost base of the Group ahead of the returns expected from these investments. The Group continues to view these investments as critical for the long-term sustained growth of the Group.

Under the FY 2014 – 2016 Strategic Plan, the Group will extract operating leverage arising from economies of scale over the plan period. In addition, the plan envisages specific steps to reduce existing overhead costs, such as seeking efficiencies through offshore shared services. The Group will also streamline and extract greater leverage from manufacturing overheads.

## ***6. Enhance stakeholder communication***

The Group has always committed to the highest standards of corporate disclosure and transparency, and will now enhance its efforts by:

- (i) supplementing existing disclosure with additional details on investment performance;
- (ii) setting up a calendar of field visits to various the Group operations globally;
- (iii) organising Investor Days for platform-wise presentations; and
- (iv) evaluating the structure and content of the Group's results announcements for easier interpretation and analysis.

## **Business Overview**

### **The Group's Business Approach**

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

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

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

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

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

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

### The Group's Agricultural Products Supply Chain

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



As at the Latest Practicable Date, the Group sources and supplies products across 16 business platforms.

The Group has a diversified customer base of over 13,600 customers, which include multi-national food companies, textile manufacturers, wood and furniture component industries, importers and distributors of products in the Destination Markets, none of which account for more than five per cent. of its revenue for each of FY 2012 and FY 2013 (the **"Periods Under Review"**).

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

### Origination

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

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

To be close to its product sources, the Group sets up procurement offices in the main growing areas of the Origins in which it operates. Most of the Group's procurement offices have warehousing facilities, weighing

stations, quality checking facilities and trained staff that check the quality and weight before the products are accepted. In this way, the Group is able to exercise control over the procurement process and manage the physical flow of products from the point of origin. The products which the Group procures are then cleaned, graded, dried, processed and bagged before they are transported to the port town for export shipments or to an interim location for further processing or aggregation.

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

- it is able to screen the quality of the products to remove any admixture products before transporting them to the processing plant or to the port, thus saving on transportation costs;
- it is able to sort the products by location-specific quality, which enables it to offer value-added services to its customers such as providing tailored product grades. For example, some of its customers may request a type of cocoa bean grown only in certain parts of Côte d'Ivoire. With the Group's origination expertise and depth, it is able to provide such value-added services;
- it is able to provide traceability, because it knows how and where the particular products were cultivated. The Group believes that its customers value this service as a means of ensuring that their products comply with socially responsible business practices, an increasing concern of many of its customers;
- it is able to obtain certification of organic products;
- it is able to gain proprietary market information on crop quality and size. Such information is valuable for the Group's own business decisions and can also be sold to its customers; and
- it is able to establish close relationships with suppliers which helps assure a stable supplier network. The Group works closely with farmers to improve the efficiency and reliability of the farmer's cultivation practices.

## **Processing**

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

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

## **Exporting**

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

## **Shipping and Logistics**

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

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

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



## **Importing and Distribution**

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

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

## **Marketing**

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

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

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

## **Upstream / Midstream**

In addition to the core supply chain trading business, the Group has selectively integrated into the adjacent upstream and midstream segments of the value chain to enhance margins and returns.

## **Risk Management**

### **Overview**

The Issuer's risk management system combines a strict adherence to the basic principles of risk, with a healthy respect for the markets and forward-thinking risk mitigation measures. The Issuer believes that its risk management system has been instrumental in its growth and expansion.

The Issuer's risk management system takes a holistic approach to enterprise-wide risk, monitoring from the Farm Gate to the Factory Gate, across the up-, mid- and downstream business segments. This entails monitoring risks ranging from outright, basis, credit, counterparty and currency, to processing efficiency and asset utilisation risks. Emphasis is placed on understanding the linkages between these risks and the diversification benefits from an operation model that spans across 65 countries and 16 platforms. Due consideration is given to the relative impacts of various categories of risk, which enables the Issuer to identify and act upon the major ones.

The Issuer places limits within a risk capital deployment framework using a risk capital versus equity capital benchmark. The product limit-setting process is based on various factors such as risk capital versus equity capital, risk capital versus profit potential, volatility of past earnings and maximum loss limits derived from scenario and stress testing. The number of years in business, strength of the management team, prevailing market conditions and the macro-economic outlook are also taken into account. The overall risk capital deployment is approved by the BRC (as defined below), while individual business-related limits are reviewed and approved by the ERC (as defined below). Risk capital deployment across profit centres within business units also takes into account the degree of fragmentation, tenor, quality of counterparties, and regulatory efficiency and enforcement. This process of risk limit-setting forms the basic pillar on which the Issuer's risk management system is executed.

The Issuer's risk management system tracks various categories of risk across over 200 profit centres on a daily, weekly and quarterly basis throughout the year. This allows the Risk Office (as defined below) to go beyond consolidated Value-at-Risk ("VaR") and other risk metrics to the actual origination of risk and to suggest

specific mitigation or downsizing measures. This also resulted in the Issuer's risk management processes being moved to the unit level, with each member of the management team being fully aware of his or her limits and positions, and being fully conversant with the risks being run. There is a healthy respect for risk and an understanding of the need to generate an adequate risk-adjusted return.

The Issuer has laid out risk policies that guide newcomers on the risks they will be required to manage and the risk systems that require timely and accurate reporting. The Issuer's middle office ensures that exposures reported are in line with those actually confirmed by brokers and other counterparties. With this framework in place, limit adherence is monitored and stringent actions are taken against any breaches. Any proposed increase in any limit would require specific approval from the Risk Office to ensure that it is within the Issuer's risk appetite and norms laid down by the ERC and the BRC.

### Risk Governance Structure

The Issuer has an institutionalised process in the governance of risk management matters, having established a Board-level Risk Committee ("**BRC**") that is comprised of three Non-Executive and Independent Directors and two Executive Directors. The BRC is the apex body within the Group for risk management matters.

The purpose of the BRC is to assist the Board with (i) examining the effectiveness of the Group's risk management plans, systems, processes and procedures and (ii) reviewing Group-wide risk policies, guidelines and limits, as well as risk exposure and risk treatment plans. The Board is responsible for approving the overall risk capital of the Issuer at the start of the financial year. Risk capital, expressed as a percentage of the equity capital of the Group, refers to the maximum potential loss if all the trading risks across all product-types and geographic regions materialise at the same time.

The BRC is supported by the Executive Risk Committee ("**ERC**"). The ERC is comprised of seven key executives of the senior management team and is mandated to allocate the risk capital approved by the BRC across various products, countries and risk categories, vet risk budgets and recommend risk policies including volatility measurement processes and selection of price series.

Finally, the Issuer has an independent risk office ("**Risk Office**"), which is responsible for identifying, assessing, measuring and monitoring risks, to provide the Issuer's senior management and the Board with assurance that all the risks borne by the Group are within its risk appetite. The Risk Office is responsible for risk monitoring and control on an independent basis and undertakes regular stress testing of the Group's portfolio.

### Risk Management Framework

The Group's risk management system is designed to address the various types of risks that arise in the course of its business activities in the upstream, supply chain and midstream segments. These risks can be broadly categorised as trading, upstream, quality, environmental, health and safety ("**QEHS**"), operational, sovereign, economic/financial, legal/regulatory/taxation and key person risks. The Issuer's Enterprise Risk Management Framework is comprised of all these risk categories, and is represented diagrammatically below.



As a general principle, the Issuer will purchase insurance to mitigate those risks that are insurable or economically viable, for example, sovereign risks (which includes coup, civil unrest, forced abandonment, expropriation and nationalisation risks), as well as inventory, fixed assets, storage, inland and marine transit risks.

The non-insurable risks which the Issuer is exposed to include trading, upstream, QEHS, operational, economic/financial, legal/regulatory/taxation and key person risks.

The Issuer undertakes a periodic organisation-wide risk assessment exercise, and the results of such exercise are recorded on risk scorecards at the profit centre, country, business unit and company levels. These are evaluated to identify the key risks and risk mitigation measures required to be taken.

## **Trading Risks**

Trading risks are closely monitored by the Risk Office to ensure that the relevant exposures are within the approved limits at all times. Trading risks are further sub-categorised into commodity price risk (outright and basis), credit risk and counterparty risk, and currency risk.

### ***Commodity Price Risk***

In the context of its business activities, the Issuer may be exposed to adverse changes in underlying commodity prices. The two main types of products in its portfolio comprise futures traded products such as coffee, cocoa, cotton and sugar and non-futures traded products such as rice, cashew, timber, sesame and dairy products.

The price risk on futures traded products is controlled through hedging on the relevant futures and options markets, mainly the London International Financial Futures Exchange and the Intercontinental Exchange. The basis risk for futures traded products, which is a lower order risk in comparison with outright price risk, is controlled through exposure limits on size and tenor.

The outright price risk on non-futures traded products is controlled through (i) exposure limits on size and tenor and (ii) forward contracts. In most cases, the Issuer sources these products against long term forward contracts with its key customers. In other cases, the Issuer buys against anticipated demand from its key customers, with whom it has long-standing relationships. The Issuer also creates its own hedges in some cash traded products. For example, the Issuer sells cashew kernels on forward terms as soon as raw cashews are bought at the Origin, thereby locking in the procurement or supply-chain margin.

### ***Credit Risk and Counterparty Risk***

Credit risk is controlled by setting credit limits for each counterparty based on counterparty assessments and assigned ratings. All counterparties are rated by the Issuer internally based on their creditworthiness and their payment and contract performance record with the Issuer. Where there is an absence of banks in Farm Gate locations, Farm Gate buying is normally undertaken based on advance cash payments. Advances are made to the LBAs only at the beginning of the crop arrival season and these are typically given for a tenor of one to two weeks, which is the expected buying period of the LBA. When such advances are made, the Issuer would typically be able to estimate the size of the crop and its arrival pattern in the producing countries due to its direct presence in the growing areas in the Origins. The Issuer does not buy from the LBAs on a forward basis and is therefore not exposed to the risk of non-delivery of the product due to crop failure.

On the market side, the Issuer's sales terms for majority of its customers are either against receipt of inward letters of credit or cash against the presentation of documents of title. However, due to the nature of the trade, the collection of cash from its customers typically takes between 30 and 45 days and the Issuer mitigates its credit risk through credit insurance covers in selective markets.

### ***Currency Risk***

The Issuer is exposed to currency risk, which arises from exposure to exchange rate movements where there is mismatch in the currency used to buy and sell physical products. In general, the Issuer's purchases are transacted in the local currencies of the respective Origins and its sales are transacted mainly in U.S. dollars, Sterling and Euros. However, purchases of certain products are transacted in U.S. dollars while the sale of such products is transacted in the local currencies of the Destination Markets. Where possible and as a matter of policy, the Issuer uses forward contracts to hedge its foreign currency exposures that arise from the purchase and sale of products in currencies other than U.S. dollars. Where such instruments are not available, the Issuer controls its currency exposure by setting limits on the amount and duration of such exposures. The Issuer also attempts to create natural hedges by matching the value of sales and purchases to and from the same geographical market.

For all transactions that are not dominated in U.S. dollars, currency covers are taken on a transactional basis. Every non-U.S. dollar purchase or sale is converted to U.S. dollars on the basis of these actual currency covers in the internal accounting system. Therefore, the effect of the movement in the value of these currencies is factored in the transaction cost.

## Measurement of Trading Risks

To capture and measure the level of risk that it is exposed to, the Issuer uses a VaR methodology which calculates the potential loss arising from the commodity price, credit, counterparty and currency risks to which it is exposed.

Market risk (i.e. commodity price risk and currency risk) VaR is calculated over a one-day time horizon with a 95 per cent. confidence level for each product in the portfolio. Credit and counterparty risk VaR are computed by applying default rates (based on counterparty ratings) and underlying commodity volatilities as appropriate.

To measure portfolio-level risk, the Issuer uses a conservative “Non-diversified Total VaR” methodology, which neither gives offsets for long and short positions across different businesses, nor makes any adjustment for any correlation across them.

As the VaR model uses a normal distribution for market returns, it may underestimate the probability of large market swings or “outlier” scenarios. Therefore, stress testing of the portfolio is carried out periodically to examine the impact of such scenarios on the portfolio value.

The Issuer performs two stress tests that are used at a macro level, namely factor push and price shock. Factor push is VaR calculated at a 99 per cent. confidence level, with a one-week holding period for the basis positions on futures traded products and outright position on non-futures traded products. The price shock scenario applies various holding periods across the portfolios — for futures traded products, the Issuer uses three-day holding periods for outright positions and 15-day holding periods for basis positions, and the Issuer uses 60-day holding periods for outright positions in respect of non-futures traded products.

## Tracking and Monitoring Risks

The Issuer continuously tracks and monitors the risks that arise from its business activities.

The Issuer has developed a proprietary system (“**Order Processing System**”) that allows it to capture physical purchase and sales contracts with various counterparties, as well as the derivative hedges put in place for managing the resulting price risk. The Order Processing System is an online electronic system that allows data to be fed dynamically into the exposure reporting system (“**Olam Risk System**”). Users, who are spread over multiple geographies, can access their exposures remotely over the internet. The availability of real-time analysis enhances the Issuer’s ability to manage and control its exposure to risks. The system also enables the Risk Office to monitor and control the exposures on a real-time basis.

The Issuer has built a substantial database of historical prices used for the calculation of volatilities. The Olam Risk System draws data from the Order Processing System, the Oracle Financials system and the Origin enterprise resource planning system to generate exposure reports.

The operational risks relating to internal processes, people, current and fixed assets are monitored through regular internal and external audits.

The information risks relating to information technology (“**IT**”) systems, data security and integrity are managed through detailed IT policies and control procedures. The Issuer has also formulated a disaster recovery plan for its IT systems.

One of the fundamental tools for managing and controlling risk is information. Timely and accurate information goes a long way towards combating the uncertainties in the market and ensuring readiness with an appropriate response to any situation. With the Issuer’s presence on the ground in various producing countries, as well as its presence in marketing destinations worldwide, it has regular access to a wide range of reliable sources of information on the fundamentals in the market place.

## Risk Reporting and Review

The Chairman of the BRC receives a weekly report from the Risk Office that summarises the Issuer’s various position and VaR exposures. The BRC Chairman also receives a monthly report that sets out the Issuer’s risk exposures and the stress testing impacts on the Issuer’s positions. On a quarterly basis, a comprehensive risk capital utilisation report for the preceding quarter (which covers all of the Issuer’s business units and risk categories) is produced for and provided to the BRC.

## The Group’s products

The Group categorises its businesses across 16 platforms into the following four core product groups:

- edible nuts, spices and beans;

- confectionery and beverage ingredients;
- food staples and packaged foods; and
- industrial raw materials.

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

<b>Product Group</b>	<b>Turnover Contribution (%) for FY 2012</b>	<b>Turnover Contribution (%) for FY 2013</b>
Edible nuts, spices and beans .....	15.0	15.4
Confectionery and beverage ingredients .....	34.5	25.3
Food staples and packaged foods .....	26.8	37.1
Industrial raw materials .....	23.6	22.1

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

<b>Origins</b>	<b>Percentage of Tonnage Handled (%) for FY 2012</b>	<b>Percentage of Tonnage Handled (%) for FY 2013</b>
Asia and Middle East .....	44.0	40.8
Africa .....	18.3	15.8
Europe .....	16.3	26.4
Americas .....	21.4	17.0

The Group either sources directly from the Farm Gate in the Origin Country or in close proximity to the Farm Gate for most of the products that the Group deals in. The products are then passed through the Group’s agricultural products supply chain and end up in its Destination Markets.

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

<b>Destination Markets</b>	<b>Turnover Contribution (%) for FY 2012</b>	<b>Turnover Contribution (%) for FY 2013</b>
Asia and Middle East .....	38.7	40.8
Africa .....	23.0	22.9
Europe .....	18.9	21.0
Americas .....	19.4	15.3

Descriptions of the various products, categorised by the above-mentioned four product groups, sourced and supplied by the Group are set out below:

#### **Edible nuts, spices and beans**

The following table sets out the Group’s sales volume and sales revenue in the edible nuts, spices and beans segment for FY 2012 and FY 2013:

	<b>FY 2012</b>	<b>FY 2013</b>
Sales volumes <sup>(1)</sup> (metric tonnes) .....	1,570,197	1,641,135
Sales revenue <sup>(1)</sup> (S\$’000) .....	2,562,755	3,205,127

*Note:*

(1) Numbers taken from audited financial statements for FY 2012 and FY 2013.

#### **Cashews**

The Group has a diversified sourcing operation in all cashew growing areas across 15 countries, including India, Vietnam and various Origins in West and East Africa. The success of this operation is built on the Group’s strong origination and logistics capabilities, excellent relationships with the farmers and other local suppliers, as well as an in-depth understanding of the raw seed quality and value. The Group is among the world’s largest suppliers of raw cashew nuts with around 20 per cent. market share of the current global trade flow.



The knowledge of cashew processing that the Group has built over the years in established processing centres like India and Vietnam has been transferred to the producing countries in Africa, like Côte d'Ivoire, Tanzania, Mozambique and Nigeria. The Group has also invested in a mechanised cashew processing facility in Côte d'Ivoire.

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

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

Through its marketing offices in Singapore, Rotterdam, Atlanta, Dubai, Melbourne and Durban, all the major cashew users have timely access to the Group's proprietary market information and intelligence.

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

#### ***Other edible nuts***

The Group has grown and leveraged its existing Origin and market presence to build comprehensive strengths within the peanuts supply chain. The Group has direct origination capability across most exporting Origins, including Vietnam, India, East and West Africa, South Africa, Argentina and Brazil. The Group's marketing offices in Singapore, Indonesia, Moscow, Durban, Marseilles and Rotterdam service a host of customers in most of the importing countries and Destination Markets. The Group offers the entire range of in-shell, blanched and kernel grades to meet the exacting standards of the snack and ingredient industry.

While it is a relatively recent entrant in the almond and hazelnut businesses, the Group seeks to provide its customers with a comprehensive package of product quality, delivery and other value-added services, similar to those that it provides in cashews and peanuts. The Group has further plans to grow its edible nuts business into walnuts, pecans, hazelnuts, macadamia and pine nuts. Since most of these nuts are grown in the United States, the acquisition of UB provides the Group a growth platform to enter into these nut categories. The acquisition of UB was completed in May 2007.

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

#### ***Spices and vegetable ingredients***

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

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

In August 2007, the Group made an entry into the dehydrates business through the acquisition of KFI. KFI is one of the largest producers of dehydrated garlic in China and among the top three suppliers of dehydrated garlic ingredients into the U.S. industry. In June 2010, the Group also acquired ConAgra's dehydrated and vegetable products business, Gilroy, in the United States. These acquisitions have enabled the Group to move from being a whole spices supplier to becoming a value-added ingredient supplier catering to specialised requirements of the spice processing industry. They have also provided the Group an accelerated entry into other dehydrated ingredients, where the Group can leverage its existing presence in most of the major Origins/markets. The Group acquired Dehydro Foods, an exporter of dehydrated onions from Egypt and invested in a new plant for grinding paprika and packaging capsicum pods in Peru.

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

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

### *Sesame*

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

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

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

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

### **Confectionery and beverage ingredients**

The following table sets out the Group's sales volume and sales revenue in the confectionery and beverage ingredients segment for FY 2012 and FY 2013:

	<u>FY 2012</u>	<u>FY 2013</u>
Sales volume <sup>(1)</sup> (metric tonnes) . . . . .	1,608,561	1,612,418
Sales revenue <sup>(1)</sup> (S\$'000) . . . . .	5,902,203	5,273,235

*Note:*

(1) Numbers taken from audited financial statements for FY 2012 and FY 2013.

### *Cocoa*

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

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

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

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

The Group has expanded from the processing of cocoa products in Nigeria and has commissioned a greenfield cocoa processing plant in Côte d'Ivoire. The Group has also announced an investment in a greenfield cocoa processing plant in Indonesia. Value-added activities such as cocoa butter melting and liquid delivery are being undertaken and the Group has the ability to provide high quality natural and alkalised cocoa powder to its

customers. The Group's trading team has a wealth of experience in both the physical and futures markets and close relationships with leading cocoa processors and chocolate manufacturers worldwide. To further integrate into the cocoa value chain, the Group acquired a 95.0% stake in Indonesian plantation company PT Sumber Daya Wahana.

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

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

### *Coffee*

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

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

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

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

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

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

As part of the strategy to selectively integrate along the value chain, the Group invested in a greenfield soluble coffee facility in Vietnam and acquired Seda Solubles in Spain. The Group also expanded upstream with the acquisition of Northern Coffee Corporation in Zambia and announced greenfield plantations in Laos, Tanzania and Ethiopia.

### *Sheanuts*

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

### **Food staples and packaged foods**

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

The following table sets out the Group's sales volume and sales revenue in the food staples and packaged foods segment for FY 2012 and FY 2013:

	<u>FY 2012</u>	<u>FY 2013</u>
Sales volume <sup>(1)</sup> (metric tonnes) . . . . .	5,844,984	10,753,605
Sales revenue <sup>(1)</sup> (S\$'000) . . . . .	4,586,435	7,720,913

*Note:*

(1) Numbers taken from audited financial statements for FY 2012 and FY 2013.

### ***Rice***

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

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

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

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

The Group entered into the upstream segment with a greenfield rice farming project in Nigeria. The project was chosen by The Rockefeller Foundation from amongst 150 case studies for generating agricultural growth.

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

### ***Sugar***

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

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

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

The Group entered the midstream segment with the acquisition of a sugar refinery in Indonesia and two sugar mills in India.

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

### ***Dairy Products***

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

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

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

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

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

Consistent with the Group's long-term growth strategy to expand its procurement reach into key dairy origins of Oceania and the Americas and participate in the major trade flows, the Group acquired a 24.99 per cent. equity interest in Dairy Trust Limited, New Zealand. Pursuant to the partial takeover offer by Talley's Group Limited which closed on 24 May 2014, the Issuer now has a 15.19 per cent. residual stake in OCD. In addition, the Group now participates directly in the upstream dairy farming business in Uruguay through its wholly-owned subsidiary NZFSU and in Russia through its acquisition of a 75 per cent. interest in RUSMOLCO, a dairy and grains company in Russia.

### ***Grains***

The Group continued to execute on its strategy of building a configuration of milling assets in Sub-Saharan Africa and consolidating its origination footprint in the Black Sea region. The milling assets of the Group include its acquisition of Crown Flour Mills in Nigeria and a greenfield mill in Ghana. The Group also announced two new milling projects in Senegal and Cameroon.

### ***Palm***

The Group continued to focus on supply chain trading volumes from Asia into Africa and in selected markets in Southeast Asia and the Indian sub-continent. In addition, the Group selectively expanded into the midstream segment in Africa with an acquisition of 50% equity stake in Acacia Investments and a greenfield refinery in Mozambique. The Group also invested in the upstream segment with its investments in SIFCA and a greenfield plantation in Gabon.

### ***Packaged Food Business***

The Group launched a packaged foods business ("**Packaged Foods Business**") to leverage on the Group's distribution franchise and network across African countries. The Group is focused on building its own consumer brands in the food category, which capitalises on its supply chain strengths as well as existing knowledge of African markets and operations, brands and consumers. The Packaged Foods Business is now present in Nigeria, South Africa, Ghana, Côte d'Ivoire, Togo, Benin, Mali, Niger, Burkina Faso and the RoC.

The South African operations began in late 2005 with the launch of the Enrista range of coffee mixes. Currently, the Group manufactures and sells a range of instant beverages, such as coffee mixes, cappuccino, hot chocolate etc. under its brand "Enrista". It is the largest seller of coffee mixes in South Africa and is one of the fastest growing among all players in the coffee category.

Starting operations in West African markets was a natural step for the Group owing to its existing local presence and distribution infrastructure in most markets in West Africa. The Group started its Packaged Foods Business in Nigeria and has since achieved market leadership positions in four categories – Biscuits, Candies, Tomato Paste and Seasonings.

Underscoring this growth is the building of robust distribution infrastructure in each of these markets. This has enabled the Group to offer its infrastructure to provide distribution services on an exclusive basis to select partners in each of its markets. The Group has also invested in several bolt-on acquisitions and greenfield projects in this space.

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

### **Industrial Raw Materials**

The following table sets out the Group's sales volume and sales revenue in the industrial raw materials segment for FY 2012 and FY 2013:

	<b>FY 2012</b>	<b>FY 2013</b>
Sales volume <sup>(1)</sup> (metric tonnes) . . . . .	1,650,839	1,946,307
Sales revenue <sup>(1)</sup> (S\$'000) . . . . .	4,040,810	4,601,099

*Note:*

(1) Numbers taken from audited financial statements for FY 2012 and FY 2013.



## ***Cotton***

Cotton was one of the first businesses that the Group established. The Group believes that in order to have effective control on the cotton supply chain, it is imperative to have a physical presence in the origin, strong quality focus, superior logistics and risk management skills. The Group has a global supply network of farmers, ginneries and suppliers and an established and diversified customer base across all major consumption markets.

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

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

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

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

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

## ***Wood Products***

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

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

In line with the Group’s strategic plan, the wood products business was restructured with the partial sale of timber assets in Gabon. The Group will continue to participate in selected trade flows with a focus on Forest Stewardship Council® (“FSC®”) certified products from its forestry concessions in the Republic of Congo.

The Group considers preservation of forests as a part of its social responsibility, which aligns with its long-term business objective to deal in wood products that come from sustainable and well-managed forests. The Issuer has a stated commitment to environmental sustainability and international best practice, as recognised by leading financial institutions. In establishing timber supply chain systems, contracts have statements of traceability to ensure the legality of timber and that timber is sourced from forests under recognised management systems. The Issuer operates in some countries where governance is considered weak and national policies are not resourced or enforced, and this has a clear negative impact on sustainable forest management and the timber supply chain, not only to the Issuer, but to all operators within the forestry sector.

The governments of various countries have identified investment within their forestry sector as a key resource to support their national development agendas and reduce poverty, primarily in rural but also in urban areas. International donors support this agenda through formally agreed technical and financial bilateral and multilateral agreements. The Issuer is committed to the future of its timber operations through investment into national economies, supporting the implementation of national policies to ensure they are applied as fully intended, whilst acknowledging that its priority is to ensure that all timber is procured from legal sources. The Issuer also recognises that there is a need for a defined stepped approach to achieve full sustainable forestry management in the long-term i.e. over a five-year timeframe. The Issuer believes that it best serves the interest of local and national stakeholders to be a proactive, engaged and consultative partner within the forestry sector.

The Issuer aims to provide its buyers and consumers with assurances that all its forests are managed in a responsible and sustainable manner. The Issuer engages third-party independent forest certification schemes as part of this process, and actively monitors the demand of its clients for certified products, following which it delivers labelled products accordingly. Today, the Issuer is the largest FSC® certified forestry manager in the Congo Basin with over 1.3 million hectares already certified. This makes the Issuer amongst the largest suppliers of FSC® certified tropical hardwoods in the world which is especially significant as FSC® certification is often a prerequisite in the public wood procurement policies of many governmental projects.

## **Commodity Financial Services**

In addition to the above four core product groups, the Group has introduced a fifth product group (which relates to the services provided by the Group's Commodity Financial Services business unit). The results of such unit are accounted for separately from the Group's four core product groups.

In 2003, the Group established its Commodity Financial Services business to leverage its knowledge in risk management practices in both the commodity and derivative markets. In June 2010, the Group formed a subsidiary, Invenio Commodity Financials Pte. Ltd. ("**Invenio**"), which carries out trading over the London International Financial Futures and Options Exchange, the Intercontinental Exchange and the Chicago Board of Trade.

The three core business areas operated by Invenio are (a) market making and volatility trading, (b) providing risk management solutions and (c) fund management.

### ***Market Making and Volatility Trading***

Invenio's market making and volatility trading business adopts a sell-side approach and provides markets with options on a range of commodities, including futures traded agricultural commodities, livestock, freight and emissions. This business provides two-way markets on exchange-traded options to producers, consumers, traders and asset management companies through a broker/dealer network.

### ***Risk Management Solutions***

Invenio provides a range of bespoke and over-the-counter risk management solutions to large producers and end-users of commodities (which include the Group's various business partners on the physical side of the business) to enable them to manage their commodity price risks.

### ***Fund Management***

Invenio's fund management business involves the development of macro fundamental strategies, as well as algorithmic strategies. In July 2010, Invenio launched its first relative value commodity fund, the Ektimo Commodity Relative Fund Value LP.

## **Customers**

The Group has a diversified customer base of over 13,600 customers, which include multi-national food companies, textile manufacturers, wood and furniture component industries, importers and distributors of products in the Destination Markets, none of whom account for 5 per cent. or more of its revenue for each of the periods which comprise of FY 2013, FY 2012, FY 2011 and FY 2010. The number of customers increased from approximately 3,300 in FY 2005 to over 13,600 in FY 2013 (19.4 per cent. compound annual growth rate).

The Group's revenue base is well diversified in terms of customer and geographic markets. As at the Latest Practicable Date, the Group's customers include some of the world's largest packaged food multi-national companies, including Barry Callebaut, ConAgra Foods, Planters, Unilever, Nestlé, Kraft Foods, ADM USA, Blommer Chocolate and Douwe Egberts.

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

## **Trade Licences and Government Regulations**

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

The Group requires some licences (which are issued by the relevant authorities in the various jurisdictions in which it conducts its business), including licences and permits for upstream, supply chain imports / exports and midstream processing activities. The Group intends to renew or procure the renewal of all expiring licences which are required for its day-to-day operations and the Group is not aware of any matter that would affect the renewal of such licences.

## **Intellectual Property**

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

## **Properties and Fixed Assets**

The Group owns and operates facilities across numerous countries. As at 30 June 2012 and 30 June 2013, the net carrying value of its property, plant and equipment was S\$2,620,995,000 and S\$3,427,775,000, respectively.

The rental (operating lease) expenses of the Group (principally for land, offices, warehouses, employees' residence and vessels) were S\$72,836,000 for FY 2012 and S\$50,766,000 for FY 2013.

## **Research and Development**

The Group carries out research and development activities in the areas of market research, agricultural seed research, product innovation and quality research. It also looks out for and uses, where applicable, suitable new information technology applications for its businesses and operations.

## **Insurance**

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

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

## **Competition**

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

The key types of competition are in the areas of:

- export-oriented competition (origin trade houses, farmers / producers, global trade houses and importers); and
- imports, processing and distribution-oriented competition (global trade houses, processors and importers).

## **Safety, Health and Environment Regulation**

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

## **Employees and Employee Relations**

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

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

**Litigation**

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

## DIRECTORS AND MANAGEMENT

### Directors and Management

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

### Board of Directors

The name and position of each of the Directors are set out below:

<u>Name</u>	<u>Position</u>
Rangareddy Jayachandran	Non-Executive Chairman
Narain Girdhar Chanrai	Non-Executive Director
Michael Lim Choo San	Non-Executive and Lead Independent Director
Mark Haynes Daniell	Non-Executive and Independent Director
Robert Michael Tomlin	Non-Executive and Independent Director
Jean-Paul Pinard	Non-Executive and Independent Director
Sanjiv Misra	Non-Executive and Independent Director
Wong Heng Tew	Non-Executive and Independent Director
Sunny George Verghese	Group Managing Director and CEO, Executive Director
Shekhar Anantharaman	Executive Director

The business experience of the Board is as follows:

#### **Rangareddy Jayachandran**

##### *Non-Executive Chairman*

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

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

#### **Narain Girdhar Chanrai**

##### *Non-Executive Director*

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

#### **Michael Lim Choo San**

##### *Non-Executive and Lead Independent Director*

Mr. Michael Lim is a Non-Executive and Independent Director and was appointed to the Board in September 2004. He was appointed as Lead Independent Director in May 2010. Mr. Lim is currently the Chairman of the Land Transport Authority of Singapore and Nomura Singapore Limited and holds a directorship in Nomura Holdings Inc. (Japan).



A chartered accountant by profession, Mr. Lim was PriceWaterhouse Singapore's Managing Partner from 1992 and the Executive Chairman of PricewaterhouseCoopers Singapore from 1999 until his retirement in 2003. In November 2011, Mr. Lim accepted an appointment as Chairman of the Accounting Standards Council and is concurrently the Chairman of the Singapore Accountancy Commission since 2013. He is also a member of the Public Service Commission and the Legal Service Commission. Mr. Lim was conferred the Meritorious Service Medal by the Government of the Republic of Singapore in 2010. He is the Chairman of the Issuer's Audit and Compliance and Governance and Nomination Committees and is also a member of the Risk Committee.

**Mark Haynes Daniell**

***Non-Executive and Independent Director***

Mr. Mark Daniell is a Non-Executive and Independent Director and was appointed to the Board in October 2002. He is currently the Chairman of The Raffles Family Wealth Trust Pte Ltd and The Cuscaden Group Pte Ltd, Executive Vice-Chairman of Aquarius Investment Advisors Pte Ltd and a Non-Executive Director of Sacoven Plc and Tiryaki Agro Gıda San. Ve Tic. A. Ş. Mr. Daniell has experience in investment banking, strategy, M&A and corporate transformation. He is also the author of a number of books on business strategy. His career with Bain & Company spanned over 20 years and he was formerly Managing Director of Bain & Company (Asia) Inc. He holds a Juris Doctor degree from Harvard Law School, a law degree from University College, Oxford and is a qualified Attorney in the Commonwealth of Massachusetts. He is Chairman of the Issuer's Human Resource and Compensation Committee and is a member of the Corporate Responsibility and Sustainability, Audit and Compliance and Governance and Nomination Committees.

**Robert Michael Tomlin**

***Non-Executive and Independent Director***

Mr. Robert Tomlin is a Non-Executive and Independent Director and was appointed to the Board in 2004. Mr. Tomlin is Vice Chairman of Lepercq de Neuflize Asia, a Family Office. He sits on the board of trustees of Singapore Management University and chairs the Design Singapore Council and the Singapore Repertory Theatre. Mr. Tomlin retired from UBS Investment Bank in August 2009, having served as Vice-Chairman, Asia and subsequently, Senior Advisor. Prior to this he spent 30 years with the Schroder Group, 12 of which were as CEO, South-East Asia. Mr. Tomlin holds a BA in Modern Languages from Downing College, Cambridge and is a Business Management graduate from Harvard Business School. He chairs the Issuer's Risk Committee and is a member of the Issuer's Audit and Compliance, Capital and Investment and Corporate Responsibility and Sustainability Committees.

**Jean-Paul Pinard**

***Non-Executive and Independent Director***

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

**Wong Heng Tew**

***Non-Executive and Independent Director***

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

## **Sanjiv Misra**

### ***Non-Executive and Independent Director***

Mr. Sanjiv Misra is a Non-Executive and Independent Director and was appointed to the Board in 2013. He is currently the Chairman of the Asia Pacific Advisory Board for Apollo Management, the global private equity and alternative asset management firm and a director of Edelweiss Financial Services Ltd, a company listed on the Bombay Stock Exchange. He is also President of Phoenix Advisers Pte Ltd, a boutique advisory and principal investing firm. Mr. Misra is a member of the Board of Trustees of the Singapore Management University, the Board of Directors of the National University Health System and OUE Hospitality Trust Management Pte Ltd. Mr. Misra held several senior positions, namely, Chief Executive Officer of Citigroup's Global Corporate and Investment Banking Group in Singapore and Brunei and Country Officer in Singapore, and Head of the Asia Pacific Corporate Bank, in a career spanning 11 years with the Citigroup. His career prior to Citigroup included stints with Salomon Brothers and Goldman Sachs & Co. He chairs the Issuer's Capital and Investment Committee and is a member of the Issuer's Risk and Human Resource and Compensation Committees.

## **Sunny George Verghese**

### ***Group Managing Director, CEO and Executive Director***

Mr. Sunny Verghese is the Group Managing Director and CEO and was appointed to the Board in 1996. He has been with the KC Group for over two decades and in 1989 was mandated to start the Issuer with a view to building an agricultural products business for the KC Group. Before joining the KC Group, he worked for Unilever in India. He is a member of the Issuer's Capital and Investment and Risk Committees. Mr. Verghese is currently the Chairman of the Human Capital Leadership Institute. He holds a postgraduate degree in Business Management from the Indian Institute of Management, Ahmedabad and has completed the Advanced Management Programme from the Harvard Business School.

Mr. Verghese has won several awards including Ernst & Young Entrepreneur of the Year for Singapore in 2008 and Best CEO of the Year 2011 at the Singapore Corporate Awards. He was also awarded the Public Service Medal by the Government of the Republic of Singapore in 2010.

## **Shekhar Anantharaman**

### ***Executive Director***

Mr. Shekhar Anantharaman joined the Group since 1992 and has been with the Group since 1992, and was appointed as an Executive Director to the Main Board in 1998. In June 2012, he moved into an enhanced role as Executive Director — Finance & Business Development, leading the Issuer's overall Strategy and New Business Development activities, as well as overseeing the Corporate Finance & Accounts, Banking & Treasury, Manufacturing & Technical Services, Strategic Investments, Investor Relations and Shared Services functions. Prior to this new role, Mr. Anantharaman had oversight responsibility for the Issuer's global Edible Nuts, Spices & Vegetable Ingredients and Packaged Foods businesses. He also had regional oversight for the Issuer's operations in China, Brazil, Argentina and North America, as well as the functional oversight of the Manufacturing and Technical Services (MATS) function. He has previously held senior roles in Country Management, as well as led various Corporate Functions like Finance, Treasury and IT. Mr. Anantharaman holds a degree in Aeronautical Engineering and a postgraduate degree in Business Management. He has completed the Advanced Management Programme from Harvard Business School.

## **Principal Executive Officers**

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

<u>Name</u>	<u>Title</u>
Sridhar Krishnan	Senior Managing Director and Regional Head
Gerard Anthony Manley	Managing Director, Global Head — Cocoa
Jagdish Achleshwar Prasad Parihar	Managing Director, Global Head — Risk Management, Internal Audit and Market Compliance
Vivek Verma	Managing Director, Global Head — Coffee, Dairy and Commodity Financial Services
Ashok Krishen	Managing Director, Global Head — Edible Nuts
Ashok Chandra Mohan Hegde	Managing Director, Global Head — Cotton Division and Information Systems
Venkataramani Srivathsan	Managing Director, Africa & Middle East
Ranveer Singh Chauhan	Managing Director, Global Head — Palm & Rubber

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

**Sridhar Krishnan**

***Senior Managing Director and Regional Head***

Mr. Krishnan joined the Issuer in 1991 and over the past 23 years, has held many senior positions in the Issuer covering Businesses, Geographies and Functions. He is currently Senior Managing Director and Regional Head of the Issuer and has oversight of the Issuer's operations in Australia, Asia, China, Russia and the Americas. He also oversees the Insurance, Corporate Communications and Administration functions. He was an Executive Director on the Board of the Issuer from 1998 to 2013. Mr. Krishnan holds a Bachelor's degree in Commerce, is a postgraduate in Business Management from a leading business school in India and has over 40 years' work experience.

**Gerard Anthony Manley**

***Managing Director, Global Head — Cocoa***

Mr. Gerard Anthony Manley joined the Issuer in 1998. Mr. Manley is currently the Managing Director of the Issuer's Cocoa business and has oversight for the Issuer's Sugar business. He chairs the Issuer's Executive Corporate Responsibility & Sustainability committee. Prior to joining the Issuer, Mr. Manley worked for ED & F Man Cocoa Ltd in London as a Director from 1990 to 1998. During his time at ED & F Man Cocoa Ltd, Mr. Manley was also a Director of their operations in Malaysia, Poland and Nigeria. Mr. Manley has over 30 years' experience in the Cocoa business. Mr. Manley obtained a Bachelor of Arts (Honours) in Geography from the Newcastle Upon Tyne Polytechnic in 1981 and obtained a Masters of Business Administration from the City University in London in 1988. He is the Chairman of the Federation of Cocoa Commerce and a Board member of the World Cocoa Foundation and the European Cocoa Association. He has previously served on the Boards of the London Cocoa Terminal Association and the Cocoa Association of Asia.

**Jagdish Achleshwar Prasad Parihar**

***Managing Director, Global Head — Risk Management, Internal Audit and Market Compliance***

Mr. Jagdish Achleshwar Prasad Parihar joined the KC Group in 1986 and was transferred to Chanrai International Ltd (London) in 1989 in the capacity of General Manager. Mr. Parihar is currently the Managing Director and Global Head for Risk Management, Internal Audit and Market Compliance. His portfolio during the last 18 years in Singapore involved the Natural Fibres business and regional oversight of India and Southeast Asian regions. He obtained a BSc. Degree from Gujarat University in India in 1974 and obtained a Masters degree in Management Studies from the Birla Institute of Technology and Science in Pilani, India in 1979. Mr. Parihar is the co-author of a book on Agri-business and Commodity Risk and is involved as a keynote speaker in various international risk management summits in Europe and Asia. He is the Director of International Cotton Association U.K. and a qualified commodity arbitrator.

**Vivek Verma**

***Managing Director, Global Head — Coffee, Dairy and Commodity Financial Services***

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

**Ashok Krishen**

***Managing Director, Global Head — Edible Nuts***

Mr. Ashok Krishen joined Olam Nigeria Ltd in 1992 as a Branch Coordinator. From 1994 to 1996, Mr. Krishen was the country head of Olam Ghana Limited and was Regional Controller overseeing Benin, Togo and Cameroon. He was appointed the Global Head for the Rice and Sugar division from 1996 to 2002. In 2002, he was appointed as Global Head of the Group's Cashews and Spices division. In 2007, he also assumed additional responsibility for the rest of the Edible Nuts and Vegetable Ingredients business. Since 2012, Mr. Krishen heads and is focused on growing the Issuer's enlarged Edible Nuts business. Mr. Krishen holds a Bachelor of Science (Physics) degree from the University of Kerala in India and obtained a Post Graduate Diploma in Personnel Management and Industrial Relations from the Xavier Labour Relations Institute in India in 1986.

**Ashok Chandra Mohan Hegde*****Managing Director, Global Head — Cotton***

Mr. Ashok Chandra Mohan Hegde joined Olam Benin Sarl in 1994 as a Branch Coordinator in charge of procurement and sale of commodities. Mr. Hegde was transferred to the Issuer in 1996 where he has held various positions including Country Head of Indonesia (from 1996 to 1998), Regional Controller of South East Asia (from 1998 to 2000), Managing Director of the Group's Wood Products division (from 2000 to 2008), Global Head for Risk Management and Information Systems (from 2009 to 2013) and Global Head for Rubber (from 2011 to 2013). He is currently the Global Head for Cotton. Mr. Hegde obtained a Bachelor of Engineering in Electrical & Electronics in 1988 from the University of Mysore, India and a Masters in Business Administration in 1991 from the University of Poona, India.

**Venkataramani Srivathsan*****Managing Director, Africa and Middle East***

Mr. Venkataramani Srivathsan joined Olam Nigeria Ltd in 1994. Mr. Srivathsan has held various positions in the Group including Financial Controller, Nigeria, Country Head, Ghana and subsequently, Managing Director & Regional Head for West Africa 2 (Nigeria, Cameroon and Benin). He headed the Issuer's Agri Inputs business from 2010 to 2012 and is currently the Managing Director for Africa and Middle East. He obtained a Bachelor of Commerce degree from St. Xavier's college, Tamil Nadu in 1984 and qualified as a member of The Institute of Chartered Accountants in 1989.

**Ranveer Singh Chauhan*****Managing Director, Global Head — Palm and Rubber Business***

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

**Board Committees**

The Board has six Committees namely the Audit and Compliance Committee, Governance and Nomination Committee, Human Resource and Compensation Committee, Risk Committee, Capital and Investment Committee and Corporate Responsibility and Sustainability Committee.

A brief summary of the responsibilities of each Board Committee is provided below.

**Audit and Compliance Committee**

The committee meets at least four times a year and oversees the process for evaluating the adequacy of internal controls, financial reporting and compliance and satisfies itself as to the adequacy of such processes. Other functions performed by the committee include the review of financial statements before public announcement, discussion with internal and external auditors on any issues of concern, review of scope, costs and effectiveness of external audit and ensure independence and objectivity of the auditors, review of internal control procedures and review and discussion with external auditors of any suspected fraud or irregularity.

**Governance and Nomination Committee**

The committee meets at least once a year. Its responsibilities include recommending the appointment and re-appointment of directors, conducting annual review of the independence of each director, assessing the Board's effectiveness, recommending performance criteria for evaluating Board's performance, evaluating and nominating directors to Board Committees.

**Human Resource and Compensation Committee**

The committee meets at least once a year and is responsible for developing the framework of the Issuer's remuneration policy and determining the remuneration packages of the senior executives as well as the fees of Directors. It also designs and approves the employee share participation scheme and reviews succession plans for the Board, CEO and Executive Directors.

**Risk Committee**

The committee meets at least three times a year to review the adequacy and effectiveness of the Group's risk management policies and systems, major non-compliance with risk policies and political and sovereign risks, and the management and insurance thereon. It also reviews and recommends risk limits and budgets.

**Capital and Investment Committee**

The committee meets at least four times a year. It has the mandate to review and recommend financial strategies, policies, new business risks and capital structure of the Issuer, recommend equity and debt capital raising plans and significant banking arrangements, review investment policy guidelines and capital expenditure plans, assess adequacy of foreign currency management, recommend on mergers, acquisitions and divestments and recommend on dividend policy and declarations.

**Corporate Responsibility and Sustainability Committee**

As supply chain managers of agricultural products, the Issuer's sustainability initiatives are inter-woven into its business model and are aimed at making meaningful social impact in the communities within which it operates. The committee's functions include the review and recommendation of the Issuer's policy with respect to corporate responsibility and sustainability issues, review of the Issuer's environmental policies and standards, social impact of business practices in the communities which it operates in and policies and practices on key stakeholders (suppliers, customers and employees) and regulators. The committee meets at least three times a year.



## TAXATION

*The following summary of certain Singapore, PRC, Hong Kong and European Union tax consequences of the purchase, ownership and disposition of the Notes is based upon applicable laws, regulations, rulings and decisions in effect as of the date of this Offering Circular (including administrative guidelines issued by the MAS and the IRAS), all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or any persons acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. Prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuer, the Arrangers nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.*

*In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the ITA and that interest payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available to qualifying debt securities, **provided that** the other conditions for the Qualifying Debt Securities Scheme are satisfied.*

### SINGAPORE

#### *Interest and Other Payments*

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is
  - (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or
  - (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17.0 per cent. with effect from the year of assessment 2010. The applicable rate for non-resident individuals is 20.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

Notwithstanding the above, with effect from 29 December 2009, the said deeming provisions of Section 12(6) of the ITA would not apply to payments for any arrangement, management, service or guarantee relating to any loan or indebtedness, where: (i) the arrangement, management or service is performed outside Singapore; or (ii) the guarantee is provided, for or on behalf of a person resident in Singapore or a permanent establishment in Singapore by a non-resident person who:

- (i) is not an individual, is not incorporated, formed or registered in Singapore; and
- (ii) (A) does not by himself or in association with others, carry on a business in Singapore and does not have a permanent establishment in Singapore; or
  - (B) carries on a business in Singapore (by himself or in association with others) or has a permanent establishment in Singapore, but (a) the arrangement, management or service is not performed through; or (b) the giving of the guarantee is not effectively connected with, that business carried on in Singapore or that permanent establishment.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (i) interest from debt securities derived on or after 1 January 2004;
- (ii) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (iii) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

The terms “**break cost**”, “**prepayment fee**” and “**redemption premium**” are defined in the ITA as follows:

“**break cost**” means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“**prepayment fee**” means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“**redemption premium**” means, in relation to debt securities and qualifying debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “**break cost**”, “**prepayment fee**” and “**redemption premium**” in this Singapore tax disclosure have their same meaning as in the ITA.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank, Singapore Branch, each of which was, at the time of establishment of the Programme, a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2018 (the “**Relevant Notes**”) would be “qualifying debt securities” for the purposes of the ITA, to which the following treatment shall apply:

- (I) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the “**Comptroller**”) may direct, of a return on debt securities for the Relevant Notes in the prescribed format within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the MAS and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Specified Income**”) from the Relevant Notes, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (II) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Relevant Notes in the prescribed format within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the MAS), Specified Income from the Relevant Notes derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10.0 per cent.; and
- (III) subject to:
  - (a) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or

break cost (i.e. the Specified Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

- (b) the Issuer, or such other person as the Comptroller may direct, furnishing to the MAS a return on debt securities for the Relevant Notes in the prescribed format within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

Specified Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (1) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four (4) persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as “qualifying debt securities” (unless otherwise approved by the Minister of Finance or such person as he may appoint); and
- (2) even though a particular tranche of Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from such Relevant Notes held by:
  - (a) any related party of the Issuer; or
  - (b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

The Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”) has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain conditions having been fulfilled (including the furnishing by the issuer or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities in the prescribed format within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require to the MAS), income tax exemption is granted on Specified Income derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) either –
  - (i) if they are issued before 28 June 2013, cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; or
  - (ii) if they are issued on or after 28 June 2013, cannot have their tenure shortened to less than 10 years from the date of their issue, except under such circumstances as may be prescribed by regulations; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

In addition, the tax exemption on Specified Income from QDS under the QDS Plus Scheme will not apply to any Specified Income derived from QDS issued on or after 28 June 2013 that is derived on or after the date on which the tenure of any portion of those QDS is shortened to less than 10 years from the date of their issue, where the shortening of the tenure occurs under such circumstances as may be prescribed by regulations.

The MAS Circular FSD Cir 02/2013 entitled “Extension And Refinement Of Tax Concessions For Promoting The Debt Market” issued by the MAS on 28 June 2013 also provides details in respect of the refinement of the

QDS Plus Scheme to allow debt securities with certain standard early termination clauses to qualify for the QDS Plus Scheme at the point of issuance. Examples of standard early termination clauses include clauses which provide for early termination due to a taxation event, default event, change of control event, change of shareholding event or change in listing status of an issuer. Subsequently, should the debt securities be redeemed prematurely due to standard early termination clauses (i.e. before the 10<sup>th</sup> year), the income tax exemption granted to income exempt under the QDS Plus Scheme prior to redemption will not be clawed back. Instead, the QDS Plus status of the debt securities will be revoked prospectively for outstanding debt securities, if any. The outstanding debt securities may still enjoy tax benefits under the QDS scheme if the other conditions for QDS continue to be met. Debt securities with embedded options with economic value (such as call, put, conversion or exchange options) which can be triggered at specified prices or dates and are built into the bond's pricing at the onset) which can be exercised within 10 years from the date of issuance will continue to be excluded from the QDS Plus Scheme from the onset. This refinement of the QDS Plus Scheme takes effect for debt securities that are issued on or after 28 June 2013.

In determining an investor's income that is to be exempted from tax under the QDS Plus Scheme, prescribed conditions apply in relation to how the investor's losses, expenses and capital allowances which are attributable to exempt income are to be treated.

However, even though a particular tranche of the Relevant Notes are "qualifying debt securities" which qualify under the QDS Plus Scheme, if at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived by:

- (a) any related party of the Issuer; or
- (b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

### ***Capital Gains***

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 — Financial Instruments: Recognition and Measurement ("**FRS 39**") for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal. Please see the section below on "*Adoption of FRS 39 Treatment for Singapore Income Tax Purposes*".

### ***Adoption of FRS 39 Treatment for Singapore Income Tax Purposes***

The IRAS has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**") on 30 December 2005 and last revised on 29 June 2012. Legislative amendments to give effect to the FRS 39 Circular have been enacted in Section 34A of the ITA.

The FRS 39 Circular and Section 34A of the ITA generally apply, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

According to the FRS 39 Circular, for financial assets on revenue account classified as:

- (a) "fair value through profit or loss", gains or losses recognised in the profit and loss account will be taxed or allowed as a deduction even though they are unrealised;
- (b) "available-for-sale", only the cumulative gains or losses (which had been recognised in equity) that are transferred to the profit and loss account upon derecognition will be taxed or allowed as a deduction;
- (c) "held-to-maturity" and loans, the interest income based on the amount shown in the accounts, which is calculated under the effective interest method under FRS 39, will be taxed.

The FRS 39 Circular refers to the definition of the effective interest method under FRS 39 and states that the "effective interest method" is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period and the "effective interest rate" is the rate that exactly discounts estimated future cash payments of receipts through the expected

life of the financial instruments. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

However, for debt securities which are on capital account, the FRS 39 Circular indicates that interest income reflected in the profit and loss account under FRS 39 will be adjusted to that based on the coupon/contractual rate.

In this regard, Section 34A of the ITA provides that where interest from debt securities is chargeable to tax under Section 10(1)(d) of the ITA (i.e. as passive income rather than as income from a trade or business), such interest will be computed based on the contractual interest rate and not the effective interest rate. In this section, “contractual interest rate” in relation to any financial instrument means the interest rate specified in the financial instrument. A gain from discounts or premiums on debt securities, being a gain chargeable to tax under Section 10(1)(d) of the ITA, shall be deemed to accrue only on the maturity or redemption of the debt securities and to be equal to the difference between the amount received on the maturity or redemption of the debt securities and the amount for which the debt securities were first issued. In the case of discount/premium derived from debt securities that are on capital account, adjustment will have to be made to assess such discount/premium to tax upon maturity or redemption of the debt securities in accordance with the provisions of Section 10(8A) of the ITA.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

### ***Estate Duty***

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

## **PRC**

### ***Taxation on Interest and Other Payments***

Pursuant to the Enterprise Income Tax Law effective on 1 January 2008 (the “EIT Law”) and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose actual management organs are within the territory of China shall be PRC tax resident enterprises for the purpose of the EIT Law and they shall pay enterprise income tax at the rate of 25 per cent. in respect of their income sourced from both within and outside China. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the actual management organ of the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to enterprise income tax at the rate of 25 per cent. for its income sourced from both within and outside the PRC.

As confirmed by the Issuer, as of the date of this Offering Circular, it has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law. On that basis and under existing PRC laws, non-PRC resident holders of the Notes are not subject to withholding tax, income tax or any other taxes or duties imposed by any PRC government authorities or agencies thereof in respect of (i) any payments, including principal premium, interests or other distributions made on the Notes or (ii) gains from sales of the Notes between non-residents of the PRC consummated outside the PRC, unless such holders are subject to such taxes in respect of the Notes by reason of being connected with the PRC other than by reason only of the holding of the Notes or receiving payments in connection therewith as described in this Offering Circular.

However, there is no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future or that the payments in respect of the Notes by the Issuer to any non-PRC resident enterprise will not be deemed as income sourced in the PRC. Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without establishment or business places within the PRC or with incomes that have no actual connection to its establishment or business places in the PRC shall pay enterprise income tax at the rate of 10 per cent. on income sourced in the PRC (subject to any treaty between the PRC and the jurisdiction of such non-resident enterprise), and such income tax shall be withheld by sources with the PRC payer acting as the obligatory withholder, who shall withhold the tax amount from each payment or payment due. Accordingly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future or any payment in respect of the Notes to a non-PRC resident enterprise is deemed as income sourced in the PRC, the Issuer shall withhold income tax from the payments of interest in respect of the Notes for any non-PRC Noteholder, if practicable under the then effective PRC laws and



regulations. However, the Issuer has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment in respect of the interest on the Notes, as further set out in the Terms and Conditions of the Notes other than the Perpetual Securities.

#### *Stamp duty*

No PRC stamp tax will be chargeable upon the issue or transfer (for so long as the register of holders of the Notes is maintained outside Mainland China) of a Note.

### **HONG KONG**

#### *Taxation on Interest and Other Payments*

Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business.

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “**Inland Revenue Ordinance**”) as it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal or redemption of the Notes where such sale, disposal or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest on the Notes will be subject to Hong Kong profits tax where such interest is received by or accrues to:

- (a) a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (b) a corporation carrying on a trade, profession or business in Hong Kong where such interest is arising in or derived from Hong Kong; or
- (c) a person, other than a corporation, carrying on a trade, profession or business in Hong Kong where such interest is arising in or derived from Hong Kong and is in respect of the funds of that trade, profession or business.

#### *Stamp duty*

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note.

### **EUROPEAN UNION**

#### *EU Savings Tax Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the “**Amending Directive**”). The Amending Directive broadens the scope of the requirements described in the first paragraph of this section above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive and are required to apply these new requirements from 1 January 2017. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of “interest payment” to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

### ***The proposed financial transactions tax (“FTT”)***

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”).

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The FTT, as initially implemented on this basis may not apply to dealings in the Notes.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### ***FATCA***

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V., Clearstream Banking, *société anonyme*, CDP or CMU (together, the “**Clearing Systems**”), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary or sub-custodian or Clearing System (as the case may be), given that each of the entities in the payment chain beginning with the Issuer and ending with the Clearing Systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the securities. The documentation expressly contemplates the possibility that the securities may go into definitive form and therefore that they may be taken out of the Clearing Systems. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive notes will only be printed in remote circumstances.

## PRINCIPAL SHAREHOLDERS

### Substantial Shareholders

The interests of the Directors and the substantial shareholders of the Issuer in the Shares as at the Latest Practicable Date are as follows:

#### Directors

Directors	Number of Shares				
	Direct Interest		Deemed Interest		No. of outstanding Options
	Number of Shares	%	Number of Shares	%	
Rangareddy Jayachandran	—	—	—	—	—
Narain Girdhar Chanrai <sup>(1)</sup>	—	—	355,461,088	14.58	—
Michael Lim Choo San	200,000	0.01	—	—	—
Mark Haynes Daniell	—	—	—	—	—
Robert Michael Tomlin	200,000	0.01	—	—	—
Jean-Paul Pinard	—	—	—	—	—
Wong Heng Tew	—	—	—	—	—
Sanjiv Misra	—	—	—	—	—
Sunny George Verghese	111,646,477	4.58	—	—	15,000,000
Shekhar Anantharaman	12,619,672	0.52	—	—	5,000,000

### Substantial Shareholders

Name	Number of Shares				
	Direct Interest	Deemed Interest	Total Interest	%	No. of outstanding Options
Kewalram Singapore Limited	355,461,088	—	355,461,088	14.58	—
Chanrai Investment Corporation Limited	—	355,461,088	355,461,088	14.58	—
Kewalram Chanrai Holdings Limited	—	355,461,088	355,461,088	14.58	—
GKC Trustees Limited as trustee of Girdhar Kewalram Chanrai Settlement (“ <b>GKC Settlement</b> ”)	—	355,461,088	355,461,088	14.58	—
MKC Trustees Limited as trustee of Hariom Trust (“ <b>Hariom Trust</b> ”)	—	355,461,088	355,461,088	14.58	—
DKC Trustees Limited as trustee of Dayal Damodar Chanrai Settlement (“ <b>DDC Settlement</b> ”)	—	355,461,088	355,461,088	14.58	—
Salamanca Trustees (Jersey) Ltd as trustee of PKC 2008 Settlement (“ <b>PKC 2008 Settlement</b> ”)	—	355,461,088	355,461,088	14.58	—
Narain Girdhar Chanrai	—	355,461,088	355,461,088	14.58	—
Breedens Investments Pte. Ltd.	700,254,556	—	700,254,556	28.72	—
Seletar Investments Pte Ltd	—	1,425,141,217	1,425,141,217	58.44	—
Temasek Capital (Private) Limited (“ <b>Temasek Capital</b> ”)	—	1,425,141,217	1,425,141,217	58.44	—
Temasek Holdings (Private) Limited	—	1,425,141,217	1,425,141,217	58.44	—
Orbis Group <sup>(2)</sup>	—	185,897,000	185,897,000	7.62	—

#### Notes:

The percentage referred hereinabove is based on outstanding issued shares of 2,490,857 excluding Treasury Shares.

- (1) Mr Narain Girdhar Chanrai (“**NGC**”) is the managing director of Kewalram and has been mandated by the board of directors of Kewalram to take all decisions pertaining to the exercising of the voting rights of all the shares in the Company held by Kewalram. By virtue of Section 7(6)(d) of the Act and Section 4(1) of the Securities and Futures Act, NGC is therefore deemed to be interested in the Shares held by Kewalram.
- (2) Each of OHL, Orbis World Limited and Rhone Trustees (Switzerland) SA and Rhone Trustees (Bahamas) Ltd as co-trustee of the Orbis Holding Trust is a substantial shareholder of the Company by virtue of its deemed interest in the shares managed by its subsidiaries, Orbis Investment Management Limited and Orbis Investment Management B.V.I. Limited, as fund managers of the Orbis funds. Each such fund manager has the ability to vote and acquire/dispose of the Company’s shares for and on behalf of the Orbis funds. In addition, Rhone Trustees (Switzerland) SA as trustee of the Orbis Trust is also a substantial shareholder of the Company by virtue of being entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares of OHL. Separately, Orbis Asset Management Limited as fund manager for other Orbis funds holds a deemed interest of less than 0.02% in the Company’s shares by having the ability to vote and acquire/dispose of the Company’s shares for and on behalf of such Orbis funds.

## CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg, the CMU or CDP (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Arrangers, any Dealer, the Trustee or the Agents takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Arrangers, any Dealer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

*The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.*

### **The Clearing Systems**

#### ***Euroclear and Clearstream, Luxembourg***

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant paying agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system’s rules and procedures.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Beneficial ownership in Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interest in the Notes. The Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of interests in the Notes holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer will not impose any fees in respect of the Notes, however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

## The CMU

The CMU is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service (“**CMU Members**”) of capital markets instruments (“**CMU Instruments**”) which are specified in the CMU Service Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all members of the Hong Kong Capital Markets Association and “*authorised institutions*” under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike Euroclear and Clearstream, Luxembourg), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest, distribution or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest, distribution or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU.

The Trustee and the Agents shall have no responsibility for the performance by the CMU under the rules and procedures governing its regulations.

## CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the “**CDP System**”) maintained by CDP. CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or Global Certificate or global certificate for persons holding the Notes in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the CDP System may only be effected through certain corporate depositories (“**Depository Agents**”) approved by CDP under the Companies Act, Chapter 50 of Singapore to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the CDP System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the CDP System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement. CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest, distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Arrangers, any Dealer, the Trustee, the Agents or any other person (other than CDP) will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.



## **Book-Entry Ownership**

### ***Bearer Notes***

The Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through the CMU or CDP. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg or a sub-custodian for the CMU or CDP or an Alternative Clearing System as agreed between the Issuer and the relevant Dealer. Transfers of interests in such temporary Global Notes or permanent Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of the CMU, CDP, Euroclear and Clearstream, Luxembourg or, if appropriate, the Alternative Clearing System.

### ***Registered Notes***

The Issuer may make applications to the CMU, CDP, Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Global Certificate deposited with a common depositary for, and registered in the name of, a nominee of Euroclear and/or Clearstream, Luxembourg and/or with CDP will, where applicable, have an ISIN and/or a Common Code or, if lodged with a sub-custodian for the CMU, will have a CMU Instrument Number.

All Registered Notes will initially be in the form of a Global Certificate. Definitive Certificates will only be available, in the case of Notes initially represented by a Global Certificate, in amounts specified in the relevant Pricing Supplement.

### ***Definitive Certificates***

Registration of title to Registered Notes in a name other than a depositary or its nominee for Clearstream, Luxembourg and/or Euroclear or a sub-custodian for the CMU or for CDP will be permitted only in the circumstances set forth in “*Summary of Provisions relating to the Notes and the Perpetual Securities while in Global Form*”. In such circumstances, the Issuer will cause sufficient individual definitive Registered Notes to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Registered Notes.

### ***Transfers of Registered Notes***

In the case of Registered Notes to be cleared through the CMU, CDP, Euroclear or Clearstream, Luxembourg, transfers may be made at any time by a holder of an interest in a Global Certificate in accordance with the relevant rules, regulations and operating procedures of the applicable clearing systems.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 6 July 2012 (the “**Dealer Agreement**”) between the Issuer, the Arrangers and the Dealers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as its agents. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally or severally and not jointly underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment, and any future update, of the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Application has been made for permission to deal in and for the listing of any Notes which are agreed at the time of issue to be so listed on the SGX-ST. In connection with the offer and sale of each Series of Notes, the relevant Pricing Supplement will indicate whether or not and, if so, on which stock exchange(s) the Notes will be listed. No assurances can be given that the Programme will qualify for listing on a stock exchange. In addition, no assurances can be given that if the Programme qualifies for listing on a stock exchange and the relevant Pricing Supplement indicates that such Series of Notes will be listed on a stock exchange, that such Series of Notes will qualify for listing on a stock exchange that such Notes will trade from their date of issuance until maturity (or early redemption) and that such listing will be maintained.

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity as investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

### Selling Restrictions

#### *United States of America*

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, the Notes may not be offered or sold within the United States. The Notes are being offered and sold outside of the United States in reliance on Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer, sell or, in the case of Bearer Notes, deliver the Notes, except as permitted by the Dealer Agreement. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

#### *European Economic Area — Public Offer Selling Restriction Under the Prospectus Directive*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealers; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, **provided that** no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

#### *United Kingdom*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***Hong Kong***

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than: (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

### ***Singapore***

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor under Section 274 of the SFA, (b) to a relevant person pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***PRC***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

## FORM OF PRICING SUPPLEMENT FOR NOTES OTHER THAN PERPETUAL SECURITIES

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

### Pricing Supplement dated [●]

#### OLAM INTERNATIONAL LIMITED

#### Issue of [Aggregate Principal Amount of Tranche] [Title of Notes] under the U.S.\$5,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes other than the Perpetual Securities (the “Conditions”) set forth in the Offering Circular dated [●] 2014 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular as so supplemented.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes other than the Perpetual Securities (the “Conditions”) set forth in the Offering Circular dated [●]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

*[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.]*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “ITA”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

- |    |                                   |  |
|----|-----------------------------------|--|
| 1. | Issuer                            | Olam International Limited   |
| 2. | (i)                               | [Series Number:] [●]   |
|    | (ii)                              | [Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)] [●]                  |
| 3. | Specified Currency or Currencies: | [●]  |
| 4. | Aggregate Principal Amount:       |  |
|    | (i)                               | [Series:] [●]  |
|    | (ii)                              | [Tranche:] [●]   |
| 5. | (i)                               | Issue Price: [●] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
|    | (ii)                              | Net Proceeds: [●]  |
| 6. | (i)                               | Specified Denominations: [●]   |
|    | (ii)                              | Calculation Amount: [●]  |



7. (i) Issue Date: [●]  
(ii) Interest Commencement Date: [*Specify/Issue date/Not Applicable*]
8. Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]<sup>(1)</sup>
9. Interest Basis: [[●] per cent. Fixed Rate]  
[[*specify reference rate*]/+/- [●] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (*specify*)]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Status of the Notes: Senior
14. Listing and admission to trading: [[●] (*specify*)/None]
15. Method of distribution: [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions: [Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Relevant Business Day"*]/[*not adjusted*]]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount<sup>(2)</sup>
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360/Actual/Actual(ICMA/ISDA)/other]
- (vi) [Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]]

(1) Note that for Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification, it will be necessary to use the second option.

(2) For Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong Dollar denominated Fixed Rate Notes, being rounded upwards".

(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
17.	Floating Rate Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Interest Period(s):	[●]
(ii)	Specified Interest Payment Dates:	[●]
(iii)	Interest Period Date:	[●] <i>(Not applicable unless different from Interest Payment Date)</i>
(iv)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i> ]
(v)	Business Centre(s) (Condition 5(k)):	[●]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other <i>(give details)</i> ]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[●]
(viii)	Screen Rate Determination:	
	— Reference Rate:	[●] <i>(Either LIBOR, EURIBOR, HIBOR, SIBOR, SOR or other, although additional information is required if other)</i>
	— Interest Determination Date(s):	[●] <i>(the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, euro or Hong Kong Dollars or Renminbi or first day of each Interest Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or Renminbi or the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro)</i>
	— Relevant Screen Page:	[●] <i>[(In the case of EURIBOR, if not Reuters page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)]</i>
(ix)	ISDA Determination:	
	— Floating Rate Option:	[●]
	— Designated Maturity:	[●]
	— Reset Date:	[●]
	— ISDA Definitions:	2006 (if different to those set out in the Conditions, please specify)
(x)	Margin(s):	[+/-] [●] per cent. per annum
(xi)	Minimum Rate of Interest:	[●] per cent. per annum

- (xii) Maximum Rate of Interest: [●] per cent. per annum
- (xiii) Day Count Fraction: [●]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
18. Zero Coupon Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Any other formula/basis of determining amount payable: [●]
19. Index Linked Interest Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula: [give or annex details]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: [●]
- (iv) Interest Period(s): [●]
- (v) Specified Interest Payment Dates: [●]
- (vi) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (vii) Business Centre(s): [●]
- (viii) Minimum Rate of Interest: [●] per cent. per annum
- (ix) Maximum Rate of Interest: [●] per cent. per annum
- (x) Day Count Fraction: [●]
20. Dual Currency Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

## PROVISIONS RELATING TO REDEMPTION

21. Call Option: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●]
22. Put Option: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation amount
- (iii) Notice period: [●]
23. Final Redemption Amount of each Note: [●] per Calculation amount
24. Early Redemption Amount: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes: [Bearer Notes/Registered Notes]  
[Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note]  
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] *(For this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, EUR100,000 (or its equivalent in other currencies))*  
[Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/Global Certificate]  
[Definitive Notes]
26. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 16(ii), 17(iv) and 19(vii) relate]

- |   |   |
|---|---|
| 27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):   | [Yes/No. If yes, <i>give details</i> ]  |
| 28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | [Not Applicable/ <i>give details</i> ]  |
| 29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:  | [Not Applicable/ <i>give details</i> ]  |
| 30. Redenomination, renominatisation and reconventioning provisions:  | [Not Applicable/The provisions [annexed to this Pricing Supplement] apply]                    |
| 31. Consolidation provisions:   | [Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply] |
| 32. Other terms or special conditions:  | [Not Applicable/ <i>give details</i> ]  |

## DISTRIBUTION

- |   |  |
|---|--|
| 33. (i) If syndicated, names of Managers: | [Not Applicable/ <i>give name</i> ]  |
| (ii) Stabilising Manager (if any):        | [Not Applicable/ <i>give name</i> ]  |
| 34. If non-syndicated, name of Dealer:    | [Not Applicable/ <i>give name</i> ]  |
| 35. U.S. selling restrictions:            | [Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable] The Notes are being offered and sold only in accordance with Regulation S. |
| 36. Additional selling restrictions:      | [Not Applicable/ <i>give details</i> ]   |

## OPERATIONAL INFORMATION

- |  |  |
|--|--|
| 37. [ISIN Code:  | [●]]   |
| 38. Common Code:   | [●]  |
| 39. [CMU Instrument Number:  | [●]]   |
| 40. Any clearing system(s) other than Euroclear Bank, Clearstream, Luxembourg, CDP or the CMU and the relevant identification number(s): | [Not Applicable/ <i>give name(s) and number(s)</i> ] |
| 41. Delivery:  | Delivery [against/free of] payment                   |
| 42. Additional Paying Agent(s) (if any):   | [●]  |

## GENERAL

- |   |   |
|---|---|
| 43. The aggregate principal amount of Notes in the Specified Currency issued has been translated into U.S. Dollars at the rate specified, producing a sum of: | [Not applicable/Exchange rate of Specified Currency: U.S. Dollar/U.S. Dollar equivalent: [●]] |
| 44. In the case of Registered Notes, specify the location of the office of the Registrar:   | [●]   |
| 45. In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London:                                     | [●]   |
| 46. Ratings:  | [The Notes to be issued are unrated]  |



## PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the [*specify relevant stock exchange/market*] of the Notes described herein pursuant to the U.S.\$5,000,000,000 Euro Medium Term Note Programme.

## [STABILISATION

In connection with this issue, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

## [INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor’s particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.]

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. Signed on behalf of **OLAM INTERNATIONAL LIMITED:**

By: \_\_\_\_\_  
Duly authorised

## FORM OF PRICING SUPPLEMENT FOR PERPETUAL SECURITIES

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

### Pricing Supplement dated [●]

#### OLAM INTERNATIONAL LIMITED

#### Issue of [Aggregate Principal Amount of Tranche] [Title of Perpetual Securities] under the U.S.\$5,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Perpetual Securities described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Securities (the “**Perpetual Security Conditions**”) set forth in the Offering Circular dated [●] 2014 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Perpetual Securities and must be read in conjunction with such Offering Circular as so supplemented.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Securities (the “**Perpetual Security Conditions**”) set forth in the Offering Circular dated [●]. This Pricing Supplement contains the final terms of the Perpetual Securities and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Perpetual Security Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

*[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore in which case reference to the term “interest” shall be construed to mean distribution (including Arrears of Distribution and Additional Distribution Amounts, if applicable) in relation to Perpetual Securities:]*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**ITA**”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

- |  |  |
|--|--|
| 1. Issuer  | Olam International Limited   |
| 2. (i) [Series Number:]  | [●]  |
| (ii) [Tranche Number: <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.)</i> ] | [●]  |
| 3. Specified Currency or Currencies:   | [●]  |
| 4. Aggregate Principal Amount:   |  |
| (i) [Series:]  | [●]  |
| (ii) [Tranche:]  | [●]  |
| 5. (i) Issue Price:  |  |
| (ii) Net Proceeds:   | [●] per cent. of the Aggregate Principal Amount [plus accrued distribution from <i>[insert date]</i> (in the case of fungible issues only, if applicable)] |

6. (i) Specified Denominations: [●]  
(ii) Calculation Amount: [●]
7. (i) Issue Date: [●]  
(ii) Distribution Commencement Date: [●]
8. Distributions:
- (i) Distribution Rate: [[●] per cent. Fixed Rate]  
[[specify reference rate] +/- [●] per cent.  
Floating Rate]  
[Index Linked Interest]  
[Other (specify)]  
(further particulars specified below)
- (ii) Distribution Deferral: [●]  
(iii) Cumulative Deferral: [●]  
(iv) Additional Distribution: [●]  
(v) Dividend Stopper: [●]
9. Redemption/Payment Basis: [Call Option Redemption]  
[Redemption for Accounting Reasons]  
[Redemption for Tax Deductibility Reasons]  
[Redemption in the case of Minimal Outstanding Amount]  
[Others]
10. Early Redemption Amount:
- (i) Early Redemption Amount(s) per Calculation Amount payable on redemption and/or the method of calculating the same: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (ii) Make-Whole Amount: [●]  
(iii) Reference Rate(s): [U.S. Treasuries]  
[Singapore Dollar Swap Offer Rate] [Specify in any other case]
11. Change of Distribution or Redemption/ Payment Basis: [Specify details of any provision for convertibility of Notes into another distribution or redemption/ payment basis]
12. Put/Call Option:
- [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) First Call Date: [●]  
(ii) [Additional Call Dates:] [●]
13. Status of the Perpetual Securities: [Senior Perpetual Securities/Subordinated Perpetual Securities]
14. Parity Obligations: [Not Applicable/give details]
15. Junior Obligations: [Not Applicable/give details]
16. Listing and admission to trading: [[●](specify)/None]
17. Method of distribution: [Syndicated/Non-syndicated]

## PROVISIONS RELATING TO DISTRIBUTIONS (IF ANY) PAYABLE

18. Fixed Rate Note Provisions: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Distribution Rate: [●] per cent. per annum [[subject to Condition 4(h),] payable [annually/semi-annually/quarterly/monthly] in arrear]
  - (ii) Distribution Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Center(s) for the definition of “Relevant Business Day”]/[not adjusted]]
  - (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount<sup>(1)</sup>
  - (iv) Broken Amount(s): [●] per Calculation Amount, [subject to Condition 4(h),] payable on the Distribution Payment Date falling [in/on] [●]
  - (v) Day Count Fraction: [30/360/Actual/Actual(ICMA/ISDA)/other]
  - (vi) [Distribution Determination Dates: [●] in each year (insert regular distribution payment dates, ignoring issue date in the case of a long or short first coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]
  - (vii) Other terms (including step-up and reset mechanisms) relating to the method of calculating distribution for Fixed Rate Notes: [Not Applicable/give details]
19. Floating Rate Note Provisions: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Distribution Period(s): [●]
  - (ii) Specified Distribution Payment Dates: [●]
  - (iii) Distribution Period Date: [●]  
(Not applicable unless different from Distribution Payment Date)
  - (iv) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (give details)]
  - (v) Business Centre(s): [●]
  - (vi) Manner in which the Distribution Rate(s) is/are to be determined: [Screen Rate Determination/ISDA Determination/ other (give details)]
  - (vii) Party responsible for calculating the Distribution Rate(s) and Distribution Amount(s) (if not the Calculation Agent): [●]
  - (viii) Screen Rate Determination:
    - Reference Rate: [●]  
(Either LIBOR, EURIBOR, HIBOR, SIBOR, SOR or other, although additional information is required if other)

(1) For Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Distribution Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Distribution Rate and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong Dollar denominated Fixed Rate Notes, being rounded upwards”.

—	Distribution Determination Date(s):	[●] <i>(the day falling two Business Days in London for the Specified Currency prior to the first day of such Distribution Accrual Period if the Specified Currency is not Sterling, euro or Hong Kong Dollars or Renminbi or first day of each Distribution Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or Renminbi or the day falling two TARGET Business Days prior to the first day of such Distribution Accrual Period if the Specified Currency is euro)</i>
—	Relevant Screen Page:	[●] <i>[(In the case of EURIBOR, if not Reuters page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)]</i>
(ix)	ISDA Determination:	[●]
—	Floating Rate Option:	[●]
—	Designated Maturity:	[●]
—	Reset Date:	[●]
—	ISDA Definitions:	2006 (if different to those set out in the Conditions, please specify)
(x)	Margin(s):	[+/-][●] per cent. per annum
(xi)	Minimum Rate of Distribution:	[●] per cent. per annum
(xii)	Maximum Rate of Distribution:	[●] per cent. per annum
(xiii)	Day Count Fraction:	[●]
(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating distributions on Floating Rate Notes, if different from those set out in the Conditions:	[●]
20.	Index Linked Distribution Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Index/Formula:	<i>[give or annex details]</i>
(ii)	Party responsible for calculating the Distribution Rate(s) and/or Distribution Amount(s) (if not the Calculation Agent):	[●]
(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[●]
(iv)	Distribution Period(s):	[●]
(v)	Specified Distribution Payment Dates:	[●]
(vi)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i> ]



- (vii) Business Centre(s): [●]
- (viii) Minimum Rate of Distribution: [●] per cent. per annum
- (ix) Maximum Rate of Distribution: [●] per cent. per annum
- (x) Day Count Fraction: [●]
21. Dual Currency Note Provisions: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the Distribution Rate(s) and Distribution Amount(s) (if not the Agent): [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]
- GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL SECURITIES**
22. Form of Perpetual Securities: [Bearer Notes/Registered Notes]  
  
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]  
  
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] (For *this option to be available, such Perpetual Securities shall only be issued in denominations that are equal to, or greater than, EUR100,000 (or its equivalent in other currencies)*)  
  
[Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/Global Certificate]  
  
[Definitive Notes]
23. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details] (Note that this paragraph relates to the date and place of payment)
24. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, *give details*]
25. Redenomination renominatisation and reconventioning provisions: [Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
26. Consolidation provisions: [Not Applicable/The provisions [in Perpetual Security Condition [●]] [annexed to this Pricing Supplement] apply]
27. Other terms or special conditions: [Not Applicable/*give name*]

## DISTRIBUTION

28. (i) If syndicated, names of Managers: [Not Applicable/*give name*]  
(ii) Stabilising Manager (if any): [Not Applicable/*give name*]
29. If non-syndicated, name of Dealer: [Not Applicable/*give name*]
30. U.S. selling restrictions: [Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable] The Perpetual Securities are being offered and sold only in accordance with Regulation S.
31. Additional selling restrictions: [Yes/No. If yes, *give details*]

## OPERATIONAL INFORMATION

32. [ISIN Code: [●]]
33. Common Code: [●]
34. [CMU Instrument Number: [●]]
35. Any clearing system(s) other than Euroclear Bank, Clearstream, Luxembourg, CDP and the CMU and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
36. Delivery: Delivery [against/free of] payment
37. Additional Paying Agent(s) (if any): [●]

## GENERAL

38. The aggregate principal amount of Perpetual Securities in the Specified Currency issued has been translated into U.S. Dollars at the rate specified, producing a sum of: [Not applicable/Exchange rate of Specified Currency: U.S. Dollar/U.S. Dollar equivalent: [●]]
39. In the case of Registered Notes, specify the location of the office of the Registrar: [●]
40. In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London: [●]
41. Ratings: [The Perpetual Securities to be issued are unrated]

## PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the [*specify relevant stock exchange/market*] of the Perpetual Securities described herein pursuant to the U.S.\$5,000,000,000 Euro Medium Term Note Programme.

## [STABILISATION]

In connection with this issue, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of any Stabilising Manager) may over-allot Perpetual Securities or effect transactions with a view to supporting the market price of the Perpetual Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Perpetual Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Perpetual Securities and 60 days after the date of the allotment of the Perpetual Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

## **[INVESTMENT CONSIDERATIONS**

There are significant risks associated with the Perpetual Securities including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Perpetual Securities, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Perpetual Securities unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Perpetual Securities.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.]

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement. Signed on behalf of **OLAM INTERNATIONAL LIMITED:**

By: \_\_\_\_\_  
Duly authorised

## GENERAL INFORMATION

- (1) Application has been made to the SGX-ST for permission to deal in and the quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for permission to deal in and quotation of the Notes of any Series (as defined herein) will be approved. The approval in-principle from, and admission to the Official List of, the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, the Programme and/or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Singapore in connection with the establishment of the Programme. The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 3 July 2014.
- (3) Except as disclosed in this Offering Circular, the Issuer is not involved in any litigation or arbitration proceedings that may have, a material adverse effect on the financial position of the Group, nor is the Issuer aware that any such proceedings are pending or threatened.
- (4) Except as disclosed in this Offering Circular, there has been no significant change in the financial position of the Group since 30 June 2013 and no material adverse change in the financial position of the Group since 30 June 2013.
- (5) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (6) Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records) and CDP. The Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. The relevant ISIN, the Common Code and (where applicable) the identification number for any other relevant clearing system for each series of Notes will be specified in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

The address of CDP is 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of the CMU is 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. The address of any alternative clearing system will be specified in the relevant Pricing Supplement.
- (7) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Tranche, based on the prevailing market conditions.
- (8) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the Issuing and Paying Agent’s office:
  - (i) the Trust Deed (which includes the form of the Global Notes, the Global Certificates, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons) and the Agency Agreement;
  - (ii) the Memorandum and Articles of Association of the Issuer;
  - (iii) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular and any documents incorporated by reference in the Offering Circular or such supplement or further Offering Circular.
- (9) Copies of the Issuer’s latest published annual report and accounts may be obtained, and copies of the Trust Deed will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (10) Ernst & Young LLP has audited, and rendered unqualified audit reports on, the consolidated financial statements of the Issuer for the year ended 30 June 2013. Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this Offering Circular for the inclusion herein of (i) its name; and (ii) the independent auditor’s report on the consolidated financial statements of the Issuer for the year ended 30 June 2013, in the form and context in which they appear in this Offering Circular, and reference to its name and such report in the form and context which they appear in this Offering Circular.

## INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Unaudited Financial Statements as of and for the nine months ended 31 March 2014 .....	F-2
Audited Financial Statement as of and for the years ended 30 June 2013 and 30 June 2012 .....	F-19



# OLAM INTERNATIONAL LIMITED

## Financial Statements for the Nine Months Ended 31 March 2014

### **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 – Nine Months and Third Quarter FY2014**

(in S\$'000)	Group					
	Nine Months Ended			Three Months Ended		
	31 Mar 14	31 Mar 13	% change	31 Mar 14	31 Mar 13	% change
<b>Sale of goods &amp; services</b>	<b>13,664,131</b>	<b>14,306,783</b>	<b>(4.5)</b>	<b>4,836,354</b>	<b>4,717,255</b>	<b>2.5</b>
Other Income (excl. exceptional items)	30,844	23,925	28.9	15,761	10,277	53.4
Cost of sales	(12,224,964)	(12,960,061)	(5.7)	(4,332,432)	(4,236,089)	2.3
Other expenses	(558,122)	(551,633)	1.2	(179,578)	(170,571)	5.3
Net (loss) / gain from changes in fair value of biological assets	(20,715)	49,969	n.m.	(8,666)	17,731	n.m.
Share of results from jointly controlled entities and associates	8,902	7,023	26.8	3,817	1,662	129.7
<b>Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>900,076</b>	<b>876,006</b>	<b>2.7</b>	<b>335,256</b>	<b>340,265</b>	<b>(1.5)</b>
Exceptional items*	299,807	14,825	n.m.	293,889	(12,999)	n.m.
Depreciation & Amortisation	(168,072)	(123,286)	36.3	(57,458)	(39,378)	45.9
Finance income	13,876	10,535	31.7	2,104	3,559	(40.9)
Finance costs	(414,285)	(415,167)	(0.2)	(143,259)	(149,330)	(4.1)
<b>Profit Before Tax</b>	<b>631,402</b>	<b>362,913</b>	<b>74.0</b>	<b>430,532</b>	<b>142,117</b>	<b>202.9</b>
Taxation	(64,975)	(54,512)	19.2	(37,608)	(26,846)	40.1
<b>Profit for the period</b>	<b>566,427</b>	<b>308,401</b>	<b>83.7</b>	<b>392,924</b>	<b>115,271</b>	<b>240.9</b>
<b>Attributable to:</b>						
Owners of the Company	576,655	305,827	88.6	396,133	108,506	265.1
Non-controlling interests	(10,228)	2,574	n.m.	(3,209)	6,765	n.m.
	<b>566,427</b>	<b>308,401</b>	<b>83.7</b>	<b>392,924</b>	<b>115,271</b>	<b>240.9</b>

\*For breakdown of Exceptional items, refer to the Management's Discussion and Analysis (lodged on SGXNET along with the Financial Results statement)

*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 – Nine Months and Third Quarter FY2014**

(in S\$'000)	Group			
	Nine Months Ended		Three Months Ended	
	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
<b>Profit for the period</b>	<b>566,427</b>	<b>308,401</b>	<b>392,924</b>	<b>115,271</b>
<b>Other Comprehensive Income:</b>				
Net gain on fair value changes during the period	(142,386)	139,722	(166,633)	29,616
Recognised in the profit and loss account on occurrence of hedged transactions	27,235	(62,995)	47,779	(27,060)
Foreign currency translation adjustment	(22,252)	(101,521)	653	21,870
<b>Other comprehensive income</b>	<b>(137,403)</b>	<b>(24,794)</b>	<b>(118,201)</b>	<b>24,426</b>
<b>Total Comprehensive Income</b>	<b>429,024</b>	<b>283,607</b>	<b>274,723</b>	<b>139,697</b>
<b>Attributable to:</b>				
Owners of the Company	435,399	282,609	280,278	135,306
Non-controlling interests	(6,375)	998	(5,555)	4,391
	<b>429,024</b>	<b>283,607</b>	<b>274,723</b>	<b>139,697</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 Mar 14	30 Jun 13	31 Mar 14	30 Jun 13
<b>Non-current assets</b>				
Property, plant and equipment	3,524,181	3,427,775	2,122	2,557
Intangible assets	689,480	686,516	37,535	33,393
Biological assets	1,042,348	781,742	-	-
Investment in subsidiary companies	-	-	2,493,100	2,007,203
Interests in jointly controlled entities and associates	421,708	557,693	246,553	413,026
Long term investment	392,209	-	392,209	-
Deferred tax assets	27,345	34,832	1,533	-
Other non-current assets	23,408	20,256	-	-
	<b>6,120,679</b>	<b>5,508,814</b>	<b>3,173,052</b>	<b>2,456,179</b>
<b>Current assets</b>				
Amounts due from subsidiary companies	-	-	1,847,619	2,258,023
Trade receivables	2,226,762	2,372,900	1,038,592	984,391
Margin accounts with brokers	403,906	-	335,324	-
Inventories	4,944,352	4,154,271	896,826	459,060
Advance payments to suppliers	538,196	598,470	212,938	215,033
Advance payments to subsidiary companies	-	-	1,889,306	2,079,753
Cash and short-term fixed deposits	1,022,633	1,591,009	554,763	1,126,575
Derivative financial instruments	641,007	606,062	420,870	353,326
Other current assets	585,710	552,658	39,048	87,971
	<b>10,362,566</b>	<b>9,875,370</b>	<b>7,235,286</b>	<b>7,564,132</b>
<b>Current liabilities</b>				
Trade payables and accruals	(1,490,333)	(1,747,963)	(465,898)	(927,715)
Margin accounts with brokers	-	(9,114)	-	(35,683)
Borrowings	(3,758,769)	(2,965,559)	(1,970,617)	(748,503)
Derivative financial instruments	(714,908)	(395,295)	(566,558)	(180,764)
Provision for taxation	(66,885)	(49,728)	(17,439)	(21,976)
Other current liabilities	(326,197)	(269,241)	(72,367)	(98,794)
	<b>(6,357,092)</b>	<b>(5,436,900)</b>	<b>(3,092,879)</b>	<b>(2,013,435)</b>
<b>Net current assets</b>	4,005,474	4,438,470	4,142,407	5,550,697
<b>Non-current liabilities</b>				
Deferred tax liabilities	(243,511)	(240,877)	-	(4,843)
Borrowings	(5,748,047)	(5,882,679)	(4,390,352)	(5,153,194)
	<b>(5,991,558)</b>	<b>(6,123,556)</b>	<b>(4,390,352)</b>	<b>(5,158,037)</b>
<b>Net assets</b>	<b>4,134,595</b>	<b>3,823,728</b>	<b>2,925,107</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	233,264	276,939	233,264	276,939
Reserves	1,784,002	1,433,964	710,886	590,943
	3,998,223	3,691,860	2,925,107	2,848,839
Non-controlling interests	136,372	131,868	-	-
<b>Total equity</b>	<b>4,134,595</b>	<b>3,823,728</b>	<b>2,925,107</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 Mar 14		30 Jun 13	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Overdrafts	-	331,144	-	261,146
Loans	29,064	3,383,209	88,306	2,336,096
Medium Term Notes	-	-	-	248,054
Finance Lease	-	5,346	-	4,402
Bonds	-	10,006	-	27,555
<b>Total</b>	<b>29,064</b>	<b>3,729,705</b>	<b>88,306</b>	<b>2,877,253</b>

**Amounts repayable after one year**

	31 Mar 14		30 Jun 13	
	Secured	Unsecured	Secured	Unsecured
	(in S\$'000)	(in S\$'000)	(in S\$'000)	(in S\$'000)
Medium / Long Term Loans	158,761	2,039,003	143,087	2,211,107
Medium Term Notes	-	1,705,049	-	1,724,505
Bonds	-	1,792,273	-	1,782,417
Finance Lease	-	52,961	-	21,563
<b>Total</b>	<b>158,761</b>	<b>5,589,286</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			
	Nine Months Ended		Three Months Ended	
	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
<b>Cash flow from operating activities</b>				
<b>Profit before taxation</b>	<b>631,402</b>	<b>362,913</b>	<b>430,532</b>	<b>142,117</b>
Adjustments for:				
Amortisation of intangible assets and depreciation of property, plant and equipment	168,072	123,289	57,458	39,382
Cost of share-based payment	7,528	13,927	2,348	4,526
Fair value of biological assets	20,715	(49,969)	8,666	(17,731)
Gain on disposal of property, plant and equipment	(104,971)	(28,608)	(100,636)	70
Biological assets written off	25,926	-	25,926	-
Fixed assets written off	743	-	743	-
Interest income	(13,876)	(10,535)	(2,104)	(3,559)
Interest expense	414,285	415,167	143,259	149,330
Net measurement of derivative instruments	6,559	7,531	2,845	3,086
Gain on remeasurement of investments to fair value upon ceasing equity accounting	(271,022)	-	(271,022)	-
Share of results from jointly controlled entities and associates	(8,902)	(7,023)	(3,817)	(1,662)
Gain on bond buy back	(957)	(5,986)	(957)	(5,986)
<b>Operating cash flow before reinvestment in working capital</b>	<b>875,502</b>	<b>820,706</b>	<b>293,241</b>	<b>309,573</b>
(Increase)/ decrease in inventories	(723,380)	(139,916)	(466,726)	97,510
Decrease/ (increase) in receivables and other current assets	273,426	296,107	(11,636)	17,843
Decrease/ (increase) in advance payments to suppliers	50,863	(71,199)	46,017	3,108
Increase in margin account with brokers	(412,518)	(498,451)	(273,840)	(123,471)
Decrease in payables and other current liabilities	(564,911)	(586,165)	(95,427)	(178,399)
<b>Cash flow generated (used in)/ from operations</b>	<b>(501,018)</b>	<b>(178,918)</b>	<b>(508,371)</b>	<b>126,164</b>
Interest income received	13,876	10,535	2,104	3,559
Interest expense paid	(417,024)	(394,020)	(153,965)	(176,113)
Tax paid	(38,100)	(17,579)	(10,862)	(15,116)
<b>Net cash flow used in operating activities</b>	<b>(942,266)</b>	<b>(579,982)</b>	<b>(671,094)</b>	<b>(61,506)</b>
<b>Cash flow from investing activities</b>				
Proceeds from disposal of property, plant and equipment	308,956	84,747	272,559	6,311
Purchase of property, plant and equipment	(492,746)	(564,791)	(171,942)	(190,203)
Purchase of intangible assets	(12,397)	(8,731)	(8,068)	(6,208)
Acquisition of subsidiaries, net of cash acquired	-	(132,370)	-	-
Net proceeds from jointly controlled entities and associates	3,122	(44,024)	1,912	(5,507)
Proceeds from sale of minority interest in subsidiary	25,080	-	-	-
<b>Net cash flow used in investing activities</b>	<b>(167,985)</b>	<b>(665,169)</b>	<b>94,461</b>	<b>(195,607)</b>
<b>Cash flow from financing activities</b>				
Dividends paid on ordinary shares by the Company	(95,551)	(96,217)	-	-
Proceeds from borrowings, net	633,826	998,222	304,725	(354,929)
Proceeds from rights issue of bonds and warrants	-	860,752	-	860,752
Payment of capital securities distribution	(19,002)	(19,250)	(9,298)	(9,546)
Payment for capital securities, bonds buy back	(36,211)	(34,030)	(36,211)	(34,030)
Acquisition of non controlling interest	-	(25,836)	-	-
<b>Net cash flow provided by/ (used in) financing activities</b>	<b>483,062</b>	<b>1,683,641</b>	<b>259,216</b>	<b>462,247</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>(10,898)</b>	<b>(16,369)</b>	<b>1,668</b>	<b>9,347</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(638,087)</b>	<b>422,121</b>	<b>(315,749)</b>	<b>214,481</b>
Cash and cash equivalents at the beginning of the period	1,285,532	601,762	963,194	809,402
<b>Cash and cash equivalents* at the end of the period</b>	<b>647,445</b>	<b>1,023,883</b>	<b>647,445</b>	<b>1,023,883</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.

9 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 March 2014:</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	-	-	-	-	-	-	-	576,655	576,655	576,655	(10,228)	566,427
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	(142,386)	-	-	(142,386)	(142,386)	-	(142,386)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	27,235	-	-	27,235	27,235	-	27,235
Foreign currency translation adjustment	-	-	-	-	(26,105)	-	-	-	(26,105)	(26,105)	3,853	(22,252)
<b>Other comprehensive income for the financial period, net of tax</b>												
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,105)</b>	<b>(115,151)</b>	<b>-</b>	<b>-</b>	<b>(141,256)</b>	<b>(141,256)</b>	<b>3,853</b>	<b>(137,403)</b>
<b>Contributions by and distributions to owners</b>												
Buy back of capital securities	-	-	(38,552)	2,341	-	-	-	-	2,341	(36,211)	-	(36,211)
Share-based expense	-	-	-	-	-	-	7,528	-	7,528	7,528	-	7,528
Dividends on ordinary shares	-	-	-	-	-	-	-	(95,551)	(95,551)	(95,551)	-	(95,551)
Accrued capital securities distribution	-	-	13,879	-	-	-	-	(13,879)	(13,879)	-	-	-
Payment of capital securities distribution	-	-	(19,002)	-	-	-	-	-	-	(19,002)	-	(19,002)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(43,675)</b>	<b>2,341</b>	<b>-</b>	<b>-</b>	<b>7,528</b>	<b>(109,430)</b>	<b>(99,561)</b>	<b>(143,236)</b>	<b>-</b>	<b>(143,236)</b>
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>												
Sale of minority interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
<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>-</b>	<b>-</b>	<b>14,201</b>	<b>14,201</b>	<b>10,879</b>	<b>25,080</b>
<b>At 31 March 2014</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>233,264</b>	<b>138,877</b>	<b>(404,638)</b>	<b>(188,325)</b>	<b>97,839</b>	<b>2,140,249</b>	<b>1,784,002</b>	<b>3,998,223</b>	<b>136,372</b>	<b>4,134,595</b>

9 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 March 2013:</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	-	-	-	-	-	-	-	305,827	305,827	305,827	2,574	308,401
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	139,722	-	-	139,722	139,722	-	139,722
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(62,995)	-	-	(62,995)	(62,995)	-	(62,995)
Foreign currency translation adjustment	-	-	-	-	(99,945)	-	-	-	(99,945)	(99,945)	(1,576)	(101,521)
<b>Other comprehensive income for the financial period, net of tax</b>												
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(99,945)</b>	<b>76,727</b>	<b>-</b>	<b>-</b>	<b>(23,218)</b>	<b>(23,218)</b>	<b>(1,576)</b>	<b>(24,794)</b>
<b>Contributions by and distributions to owners</b>												
Purchase of treasury shares	-	-	-	-	(99,945)	76,727	-	305,827	282,609	282,609	998	283,607
Share-based expense	-	-	-	8,268	-	-	-	-	8,268	8,268	-	8,268
Dividends on ordinary shares	-	-	-	-	-	-	13,927	-	13,927	13,927	-	13,927
Accrued capital securities distribution	-	-	-	-	-	-	-	(96,436)	(96,436)	(96,436)	-	(96,436)
Payment of capital securities distribution	-	-	14,503	-	-	-	-	(14,503)	(14,503)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(4,747)</b>	<b>8,268</b>	<b>-</b>	<b>-</b>	<b>13,927</b>	<b>(110,939)</b>	<b>(88,744)</b>	<b>(93,491)</b>	<b>-</b>	<b>(93,491)</b>
<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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,126)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,126)</b>	<b>(4,126)</b>	<b>(21,710)</b>	<b>(25,836)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(4,747)</b>	<b>4,142</b>	<b>-</b>	<b>-</b>	<b>13,927</b>	<b>(110,939)</b>	<b>(92,870)</b>	<b>(97,617)</b>	<b>(21,710)</b>	<b>(119,327)</b>
<b>At 31 March 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>272,139</b>	<b>124,235</b>	<b>(444,726)</b>	<b>(48,463)</b>	<b>86,254</b>	<b>1,620,206</b>	<b>1,337,506</b>	<b>3,590,602</b>	<b>101,440</b>	<b>3,692,042</b>

9 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 March 2014:</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	-	-	-	-	-	-	-	368,737	368,737	368,737
<b>Other comprehensive income</b>										
Net gain on fair value changes during the financial period	-	-	-	-	-	(169,980)	-	-	(169,980)	(169,980)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	41,910	-	-	41,910	41,910
Foreign currency translation adjustment	-	-	-	-	(21,163)	-	-	-	(21,163)	(21,163)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,163)</b>	<b>(128,070)</b>	<b>-</b>	<b>-</b>	<b>(149,233)</b>	<b>(149,233)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,163)</b>	<b>(128,070)</b>	<b>-</b>	<b>368,737</b>	<b>219,504</b>	<b>219,504</b>
<b>Contributions by and distributions to owners</b>										
Buy back of capital securities	-	-	(38,552)	2,341	-	-	-	-	2,341	(36,211)
Share-based expense	-	-	-	-	-	-	7,528	-	7,528	7,528
Dividends on ordinary shares	-	-	-	-	-	-	-	(95,551)	(95,551)	(95,551)
Accrued capital securities distribution	-	-	13,879	-	-	-	-	(13,879)	(13,879)	-
Payment of capital securities distribution	-	-	(19,002)	-	-	-	-	-	-	(19,002)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(43,675)</b>	<b>2,341</b>	<b>-</b>	<b>-</b>	<b>7,528</b>	<b>(109,430)</b>	<b>(99,561)</b>	<b>(143,236)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(43,675)</b>	<b>2,341</b>	<b>-</b>	<b>-</b>	<b>7,528</b>	<b>(109,430)</b>	<b>(99,561)</b>	<b>(143,236)</b>
<b>At 31 March 2014</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>233,264</b>	<b>140,486</b>	<b>(235,958)</b>	<b>(202,888)</b>	<b>97,839</b>	<b>911,407</b>	<b>710,886</b>	<b>2,925,107</b>

9 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
At 31 March 2013:		2,077,038	(96,081)	276,886	129,877	(210,221)	(128,785)	72,327	632,954	496,152	2,753,995
At 1 July 2012		-	-	-	-	-	-	-	171,740	171,740	171,740
Profit for the period											
Other comprehensive income											
Net gain on fair value changes during the financial period		-	-	-	-	-	151,809	-	-	151,809	151,809
Recognised in the profit and loss account on occurrence of hedged transactions		-	-	-	-	-	(77,971)	-	-	(77,971)	(77,971)
Foreign currency translation adjustment		-	-	-	-	(65,897)	-	-	-	(65,897)	(65,897)
Other comprehensive income for the financial period, net of tax		-	-	-	-	(65,897)	73,838	-	-	7,941	7,941
Total comprehensive income for the period		-	-	-	-	(65,897)	73,838	-	171,740	179,681	179,681
Contributions by and distributions to owners											
Issuance of warrants		-	-	-	8,268	-	-	-	-	8,268	8,268
Share-based expense		-	-	-	-	-	-	13,927	-	13,927	13,927
Dividends on ordinary shares		-	-	-	-	-	-	-	(96,436)	(96,436)	(96,436)
Accrued capital securities distribution		-	-	14,503	-	-	-	-	(14,503)	-	-
Payment of capital securities distribution		-	-	(19,250)	-	-	-	-	-	-	(19,250)
Total contributions by and distributions to owners		-	-	(4,747)	8,268	-	-	13,927	(110,939)	(88,744)	(93,491)
Total transactions with owners in their capacity as owners		-	-	(4,747)	8,268	-	-	13,927	(110,939)	(88,744)	(93,491)
At 31 March 2013		2,077,038	(96,081)	272,139	138,145	(276,118)	(54,947)	86,254	693,755	587,089	2,840,185

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 March 2014:</b>												
<b>At 1 January 2014</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>
Profit for the period	-	-	-	-	-	-	-	396,133	396,133	396,133	(3,209)	392,924
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	(166,633)	-	-	(166,633)	(166,633)	-	(166,633)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	47,779	-	-	47,779	47,779	-	47,779
Foreign currency translation adjustment	-	-	-	-	2,999	-	-	-	2,999	2,999	(2,346)	653
<b>Other comprehensive income for the financial period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,999</b>	<b>(118,854)</b>	<b>-</b>	<b>-</b>	<b>(115,855)</b>	<b>(115,855)</b>	<b>(2,346)</b>	<b>(118,201)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,999</b>	<b>(118,854)</b>	<b>-</b>	<b>396,133</b>	<b>280,278</b>	<b>280,278</b>	<b>(5,555)</b>	<b>274,723</b>
<b>Contributions by and distributions to owners</b>												
Buy back of capital securities	-	-	(38,552)	2,341	-	-	-	-	2,341	(36,211)	-	(36,211)
Share-based expense	-	-	-	-	-	-	2,348	-	2,348	2,348	-	2,348
Dividends on ordinary shares	-	-	-	-	-	-	-	1,384	1,384	1,384	-	1,384
Accrued capital securities distribution	-	-	4,175	-	-	-	-	(4,175)	(4,175)	-	-	-
Payment of capital securities distribution	-	-	(9,298)	-	-	-	-	-	-	(9,298)	-	(9,298)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(43,675)</b>	<b>2,341</b>	<b>-</b>	<b>-</b>	<b>2,348</b>	<b>(2,791)</b>	<b>1,898</b>	<b>(41,777)</b>	<b>-</b>	<b>(41,777)</b>
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(43,675)</b>	<b>2,341</b>	<b>-</b>	<b>-</b>	<b>2,348</b>	<b>(2,791)</b>	<b>1,898</b>	<b>(41,777)</b>	<b>-</b>	<b>(41,777)</b>
<b>At 31 March 2014</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>233,264</b>	<b>138,877</b>	<b>(404,638)</b>	<b>(188,325)</b>	<b>97,839</b>	<b>2,140,249</b>	<b>1,784,002</b>	<b>3,998,223</b>	<b>136,372</b>	<b>4,134,595</b>



3 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 \$'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 March 2013:</b>												
<b>At 1 January 2013</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>
Profit for the period	-	-	-	-	-	-	-	108,506	108,506	108,506	6,765	115,271
<b>Other comprehensive income</b>												
Net gain on fair value changes during the financial period	-	-	-	-	-	29,616	-	-	29,616	29,616	-	29,616
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(27,060)	-	-	(27,060)	(27,060)	-	(27,060)
Foreign currency translation adjustment	-	-	-	-	24,244	-	-	-	24,244	24,244	(2,374)	21,870
<b>Other comprehensive income for the financial period, net of tax</b>												
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,244</b>	<b>2,556</b>	<b>-</b>	<b>-</b>	<b>26,800</b>	<b>26,800</b>	<b>(2,374)</b>	<b>24,426</b>
<b>Contributions by and distributions to owners</b>												
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Share-based expense	-	-	-	8,268	-	-	-	-	8,268	8,268	-	8,268
Dividends on ordinary shares	-	-	-	-	-	-	4,526	-	4,526	4,526	-	4,526
Accrued capital securities distribution	-	-	-	-	-	-	-	(219)	(219)	(219)	-	(219)
Payment of capital securities distribution	-	-	4,799	-	-	-	-	(4,799)	(4,799)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>(9,546)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,546)</b>	<b>-</b>	<b>(9,546)</b>
<b>Changes in ownership interests in subsidiaries</b>												
<b>Total transactions with owners in their capacity as owners</b>												
<b>At 31 March 2013</b>	<b>2,077,038</b>	<b>(96,081)</b>	<b>272,139</b>	<b>124,235</b>	<b>(444,726)</b>	<b>(48,463)</b>	<b>86,254</b>	<b>1,620,206</b>	<b>1,337,506</b>	<b>3,590,602</b>	<b>101,440</b>	<b>3,692,042</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
At 31 March 2014:		2,077,038	(96,081)	276,939	138,145	(222,494)	(75,079)	95,491	564,637	500,700	2,758,596
At 1 January 2014		-	-	-	-	-	-	-	349,561	349,561	349,561
Profit for the period		-	-	-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	(146,713)	-	-	(146,713)	(146,713)
Net gain on fair value changes during the financial period		-	-	-	-	-	18,904	-	-	18,904	18,904
Recognised in the profit and loss account on occurrence of hedged transactions		-	-	-	-	(13,464)	-	-	-	(13,464)	(13,464)
Foreign currency translation adjustment		-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the financial period, net of tax		-	-	-	-	(13,464)	(127,809)	-	-	(141,273)	(141,273)
Total comprehensive income for the period		-	-	-	-	(13,464)	(127,809)	-	349,561	208,288	208,288
Contributions by and distributions to owners		-	-	-	-	-	-	-	-	-	-
Buy back of capital securities		-	-	(38,552)	2,341	-	-	-	-	2,341	(36,211)
Share-based expense		-	-	-	-	-	-	2,348	-	2,348	2,348
Dividends on ordinary shares		-	-	-	-	-	-	-	1,384	1,384	1,384
Accrued capital securities distribution		-	-	4,175	-	-	-	-	(4,175)	-	-
Payment of capital securities distribution		-	-	(9,298)	-	-	-	-	-	-	(9,298)
Total contributions by and distributions to owners		-	-	(43,675)	2,341	-	-	2,348	(2,791)	1,898	(41,777)
Total transactions with owners in their capacity as owners		-	-	(43,675)	2,341	-	-	2,348	(2,791)	1,898	(41,777)
At 31 March 2014		2,077,038	(96,081)	233,264	140,486	(235,958)	(202,888)	97,839	911,407	710,886	2,925,107

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
At 31 March 2013:										
At 1 January 2013	2,077,038	(96,081)	276,886	129,877	(313,923)	(57,656)	81,728	539,648	379,674	2,637,517
Profit for the period	-	-	-	-	-	-	-	159,125	159,125	159,125
Other comprehensive income										
Net gain on fair value changes during the financial period	-	-	-	-	-	37,872	-	-	37,872	37,872
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(35,163)	-	-	(35,163)	(35,163)
Foreign currency translation adjustment	-	-	-	-	37,805	-	-	-	37,805	37,805
Other comprehensive income for the financial period, net of tax	-	-	-	-	37,805	2,709	-	-	40,514	40,514
Total comprehensive income for the period	-	-	-	-	37,805	2,709	-	159,125	199,639	199,639
Contributions by and distributions to owners										
Issuance of warrants	-	-	-	8,268	-	-	-	-	8,268	8,268
Share-based expense	-	-	-	-	-	-	4,526	-	4,526	4,526
Dividends on ordinary shares	-	-	-	-	-	-	-	(219)	(219)	(219)
Accrued capital securities distribution	-	-	4,799	-	-	-	-	(4,799)	(4,799)	-
Payment of capital securities distribution	-	-	(9,546)	-	-	-	-	-	-	(9,546)
Total contributions by and distributions to owners	-	-	(4,747)	8,268	-	-	4,526	(5,018)	7,776	3,029
Total transactions with owners in their capacity as owners	-	-	(4,747)	8,268	-	-	4,526	(5,018)	7,776	3,029
At 31 March 2013	2,077,038	(96,081)	272,139	138,145	(276,118)	(54,947)	86,254	693,755	587,089	2,840,185

- 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.

	Mar 14	Mar 13
<b>Shares to be issued upon exercise of:</b>		
Conversion right of convertible bonds	241,610,738	247,442,146
Warrants	397,826,160	387,365,079
Share options	128,840,000	136,344,000
<b>Total no. of shares</b>	<b>768,276,898</b>	<b>771,151,225</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.

	Mar 14	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			
	Nine Months Ended		Three Months Ended	
	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
(a) Based on weighted average no. of shares (cents/share)	23.55	12.19	16.40	4.34
(b) Based on fully diluted basis (cents/share)	23.03	12.14	15.26	4.32
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	2,636,690,999	2,400,068,155	2,666,014,150	2,400,472,638

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.

(In cents per share)	Group		Company	
	As at 31 Mar 14	As at 30 Jun 13	As at 31 Mar 14	As at 30 Jun 13
Net asset value (NAV) per ordinary share based on issued share capital as at end of the period	163.70	151.16	119.76	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 March 2014.

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			
	Nine Months Ended		Three Months Ended	
	31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13
<b>Other Income</b>	<b>30,844</b>	<b>23,925</b>	<b>15,761</b>	<b>10,277</b>
Other Income	379,766	68,333	346,993	19,885
Less: Finance income	(13,876)	(10,535)	(2,104)	(3,559)
Less: Exceptional items	(335,046)	(33,873)	(329,128)	(6,049)
<b>Cost of sales</b>	<b>(12,224,964)</b>	<b>(12,960,061)</b>	<b>(4,332,432)</b>	<b>(4,236,089)</b>
Cost of goods sold	(10,987,849)	(11,636,947)	(3,950,167)	(3,888,130)
Shipping and logistics	(1,111,035)	(1,178,611)	(334,017)	(293,103)
Commission and claims	(119,521)	(136,972)	(45,403)	(51,770)
Net measurement of derivative instruments	(6,559)	(7,531)	(2,845)	(3,086)
<b>Other expenses</b>	<b>(558,122)</b>	<b>(551,633)</b>	<b>(179,578)</b>	<b>(170,571)</b>
Employee benefit expenses	(330,880)	(330,101)	(114,262)	(100,199)
Other operating expenses excl. Amortisation	(262,481)	(240,580)	(100,555)	(89,420)
Exceptional items	35,239	19,048	35,239	19,048
<b>Depreciation &amp; Amortisation</b>	<b>(168,072)</b>	<b>(123,286)</b>	<b>(57,458)</b>	<b>(39,378)</b>
Depreciation	(152,836)	(111,323)	(51,430)	(35,355)
Amortisation (formerly part of Other operating expenses)	(15,236)	(11,963)	(6,028)	(4,023)

**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 March 2014 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

15 May 2014

# Report of the Directors

The directors present their report to the shareholders together with the audited financial statements of Olam International Limited (the “Company”) and its subsidiary companies (the “Group”) for the financial year ended 30 June 2013.

## Directors

The directors of the Company in office at the date of this report are:-

R. Jayachandran  
Narain Girdhar Chanrai  
Michael Lim Choo San  
Robert Michael Tomlin  
Mark Haynes Daniell  
Wong Heng Tew  
Tse Po Shing Andy  
Jean-Paul Pinard  
Sunny George Verghese  
Sridhar Krishnan  
Shekhar Anantharaman

## Arrangements to enable directors to acquire shares and debentures

Except as disclosed in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

## Directors’ interests in shares and debentures

According to the register kept by the Company for the purposes of section 164 of the Singapore Companies Act, Chapter 50 (the “Act”), particulars of interests of directors who held office at the end of the financial year in shares, debentures and share options of the Company and related corporations (other than subsidiary companies) are as follows:-

Name of directors	Held in the name of the director or nominee			Deemed interest		
	As at 1.7.2012	As at 30.6.2013	As at 21.7.2013	As at 1.7.2012	As at 30.6.2013	As at 21.7.2013
<b>The Company</b>						
<b>Olam International Limited</b>						
<b>(a) Ordinary shares</b>						
Narain Girdhar Chanrai	—	—	—	483,493,065 <sup>(1)</sup>	483,493,065 <sup>(1)</sup>	483,493,065 <sup>(1)</sup>
Tse Po Shing Andy	200,000	200,000	200,000	—	—	—
Sunny George Verghese	110,646,477	111,646,477	111,646,477	—	—	—
Sridhar Krishnan	15,856,879 <sup>(2)</sup>	15,856,879 <sup>(2)</sup>	15,856,879 <sup>(2)</sup>	—	—	—
Shekhar Anantharaman	16,038,498 <sup>(2)</sup>	16,038,498 <sup>(2)</sup>	16,038,498 <sup>(2)</sup>	—	—	—
Robert Michael Tomlin	—	200,000	200,000	—	—	—
Michael Lim Choo San	—	200,000	200,000	—	—	—
<b>(b) Notes issued</b>						
Michael Lim Choo San <sup>(3)</sup>	\$500,000	—	—	—	—	—
R. Jayachandran <sup>(4)</sup>	—	—	—	\$6,000,000	\$6,000,000	\$6,000,000
Narain Girdhar Chanrai <sup>(5)</sup>	\$250,000	\$250,000	\$250,000	—	—	—
<b>(c) US\$250,000,000 7.5% Bonds due 2020 (“Bonds”) issued in denominations of US\$100,000</b>						
R. Jayachandran <sup>(6)</sup>	—	—	—	US\$1,500,000	US\$1,500,000	US\$1,500,000
Robert Michael Tomlin <sup>(7)</sup>	US\$500,000	—	—	—	—	—

## Directors' interests in shares and debentures (cont'd)

Name of directors	Held in the name of the director or nominee			Deemed interest		
	As at 1.7.2012	As at 30.6.2013	As at 21.7.2013	As at 1.7.2012	As at 30.6.2013	As at 21.7.2013
<b>The Company</b>						
<b>Olam International Limited</b>						
<b>(d) \$275,000,000 7.0% Perpetual Capital Securities ("Capital Securities") issued in denominations of \$250,000 and in higher integral multiples of \$1,000 in excess thereof</b>						
R. Jayachandran <sup>(9)</sup>	–	–	–	\$1,000,000	\$1,000,000	\$1,000,000
Robert Michael Tomlin <sup>(9)</sup>	\$365,000	–	–	–	–	–
<b>(e) US\$500,000,000 6.0% Convertible Bonds due 2016 ("Convertible Bonds") issued in denominations of US\$100,000</b>						
Robert Michael Tomlin <sup>(10)</sup>	–	US\$500,000	US\$500,000	–	–	–
<b>(f) Euro Medium Term Note Programme</b>						
Narain Girdhar Chanrai <sup>(11)</sup>	–	US\$500,000	US\$500,000	–	–	–
<b>(g) US\$750,000,000 6.75% Bonds due 2018 ("Bonds") issued in denominations of US\$1.00 each</b>						
Tse Po Shing Andy	–	US\$163,000	US\$163,000	–	–	–
Sunny George Verghese	–	US\$34,945,346	US\$34,945,346	–	–	–
Sridhar Krishnan	–	US\$1,264,059	US\$1,264,059	–	–	–
Shekhar Anantharaman	–	US\$4,600,000	US\$4,600,000	–	–	–
Robert Michael Tomlin <sup>(12)</sup>	–	US\$183,000	US\$183,000	–	–	–
Narain Girdhar Chanrai	–	–	–	–	US\$151,334,000 <sup>(1)</sup>	US\$151,334,000 <sup>(1)</sup>
Michael Lim Choo San	–	US\$563,000	US\$563,000	–	–	–
<b>(h) 387,365,079 Warrants issued at an exercise price of US\$1.291 for each new share</b>						
Tse Po Shing Andy	–	84,364	84,364	–	–	–
Sunny George Verghese	–	18,086,727	18,086,727	–	–	–
Sridhar Krishnan	–	654,241	654,241	–	–	–
Shekhar Anantharaman	–	2,500,000	2,500,000	–	–	–
Robert Michael Tomlin <sup>(12)</sup>	–	500,000	500,000	–	–	–
Narain Girdhar Chanrai	–	–	–	–	78,326,000 <sup>(1)</sup>	78,326,000 <sup>(1)</sup>
Michael Lim Choo San	–	292,000	292,000	–	–	–
Jean-Paul Pinard	–	500,000	500,000	–	–	–
<b>(i) Options to subscribe for ordinary shares</b>						
Mark Haynes Daniell	100,000	–	–	–	–	–
Michael Lim Choo San	100,000	–	–	–	–	–
Robert Michael Tomlin	100,000	–	–	–	–	–
Wong Heng Tew	100,000	–	–	–	–	–
Sunny George Verghese	15,000,000	15,000,000	15,000,000	–	–	–
Sridhar Krishnan	3,100,000	3,100,000	3,100,000	–	–	–
Shekhar Anantharaman	5,000,000	5,000,000	5,000,000	–	–	–

<sup>(1)</sup> The interests in shares and debentures held by Kewalram Singapore Limited ("Kewalram"). Narain Girdhar Chanrai ("NGC") is the Managing Director of Kewalram and has been mandated by the Board of Directors of Kewalram to take all decisions pertaining to the shares and debentures in the Company held by Kewalram. By virtue of section 7(6)(d) of the Act and section 4(1) of the Securities and Futures Act 2001, NGC is therefore deemed to be interested in the shares and debentures held by Kewalram.

## Directors' interests in shares and debentures (cont'd)

- <sup>(2)</sup> These shares include shares that were jointly registered under Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose ("the Trustees") and are held in trust for the management (including the directors) and employees of the Group pursuant to the Olam International Limited Employee Share Subscription Scheme 2004 ("ESSS"). Under the ESSS, a total of 1,418,826 (2012: 1,418,826) shares are jointly registered under the Trustees and are held in trust for the management (including the directors) and employees of the Group with the balance being held in the director's own name as at 30 June 2013.
- <sup>(3)</sup> This refers to Notes issued under Series 48 of the S\$800,000,000 Multicurrency Medium Term Note Programme established by the Company, comprising \$250,000,000 in principal amount of 4.07% notes due 2013 issued in denominations of \$250,000. The Notes matured on 12 February 2013.
- <sup>(4)</sup> This refers to Notes issued under Series 52 of the S\$800,000,000 Multicurrency Medium Term Note Programme established by the Company, comprising \$250,000,000 in principal amount of 6.0% notes due 2018. The Notes are issued in denominations of \$250,000. R. Jayachandran is deemed to be interested in the \$6,000,000 Notes registered in the name of Eljay Holdings Ltd. by virtue of section 7 of the Act in shares over which he and his spouse have an interest.
- <sup>(5)</sup> This refers to Notes issued under Series 52 of the S\$800,000,000 Multicurrency Medium Term Note Programme established by the Company, comprising \$250,000,000 in principal amount of 6.0% notes due 2018. The Notes are issued in denominations of \$250,000.
- <sup>(6)</sup> R. Jayachandran is deemed to be interested in the US\$1,500,000 Bonds registered in the name of Eljay Holdings Ltd. by virtue of section 7 of the Companies Act in shares over which he and his spouse have an interest.
- <sup>(7)</sup> The interest in the US\$500,000 Bonds was registered in the name of Robert Michael Tomlin and in his spouse's name.
- <sup>(8)</sup> R. Jayachandran is deemed to be interested in the \$1,000,000 Capital Securities registered in the name of Eljay Holdings Ltd. by virtue of section 7 of the Act in shares over which he and his spouse have an interest.
- <sup>(9)</sup> The interest in the \$365,000 Capital Securities was registered in the name of Robert Michael Tomlin and in his spouse's name.
- <sup>(10)</sup> The interest in the US\$500,000 Convertible Bonds was registered in the name of Robert Michael Tomlin and in his spouse's name.
- <sup>(11)</sup> This refers to Notes issued under Series 3 of the US\$2,000,000,000 Euro Medium Term Note Programme ("EMTN") established by the Company, comprising US\$500,000,000 in principal amount of 5.75% fixed rate notes due 2017. The Notes are issued in denominations of US\$200,000.
- <sup>(12)</sup> The interest in the US\$183,000 Bonds and 500,000 warrants were registered in the name of Robert Michael Tomlin and in his spouse's name.

Except as disclosed in this report, no director who held office at the end of the financial year had interest in shares, share options, warrants, notes, bonds or capital securities of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

## Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.



## Employee share subscription scheme

The Olam International Limited Employee Share Subscription Scheme 2004 ("the ESSS") was implemented on 26 October 2004. The ESSS comprised 73,913,044 ordinary shares of \$0.23 per share, which were fully allotted and issued by the Company.

## Olam employee share option scheme

The Olam Employee Share Option Scheme ("the ESOS") was approved by the shareholders on 4 January 2005 at the Extraordinary General Meeting of the Company. The ESOS Rules were amended on 29 October 2008 at the Extraordinary General Meeting of the Company. Under the amended rules, the directors (including Non-Executive Directors and Independent Directors) and employees of the Group are eligible to participate in the ESOS, and all subsequent options issued to the Group's employees and Executive Directors shall have a life of ten years instead of five. For Options granted to the Company's Non-Executive Directors and Independent Directors, the Option Period shall be no longer than five years. Controlling Shareholders and associates of Controlling Shareholders are not eligible to participate in the ESOS.

The objectives of the ESOS are to provide an opportunity for employees of the Group, directors (including Non-Executive Directors and Independent Directors) or full-time employees of the Company, to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and a higher standard of performance, and to give recognition to employees of the Group who have contributed to the success and development of the Company and/or the Group.

Subject to any adjustment as stated in the ESOS, the subscription price for each share in respect of which a Market Price Option is exercisable shall be at a price (the "Market Price") equal to the average of the last dealt prices for a share, as determined by reference to the daily official list or any other publication published by SGX-ST, for the five consecutive Market days immediately preceding the offering date of that option, rounded up to the nearest whole cent.

Each Option shall be exercisable, in whole or in part, during the option period as follows:-

- (a) in the case of a Market Price Option, a period commencing after the first anniversary of the Offering Date and expiring on the tenth anniversary of such Offering Date.
- (b) in the case of an Incentive Option, a period commencing after the second anniversary of the Offering Date and expiring on the tenth anniversary of such Offering Date.

It is provided that, in the case of Non-Executive Directors or Independent Directors, such option period shall not extend beyond the fifth anniversary of such offering date or any maximum period that may be prescribed by law.

In the event of an Option being exercised in part, the balance of the Option not exercised shall continue to be exercisable until such time as it lapses in accordance with the ESOS.

As at the date of this report, the ESOS is administered by the Human Resource & Compensation Committee, which comprises the following directors:-

Mark Haynes Daniell – Chairman  
R. Jayachandran  
Wong Heng Tew  
Jean-Paul Pinard

During the financial year ended 30 June 2013, there were no ordinary shares issued pursuant to the exercise of options granted under the ESOS.

## Olam employee share option scheme (cont'd)

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS outstanding as at 30 June 2013 are as follows:-

Expiry date	Exercise price (\$)	Number of options
21 July 2019	2.28	41,260,000
17 February 2020	2.35	15,000,000
23 July 2020	2.64	4,450,000
17 December 2020	3.10	1,880,000
14 March 2021	2.70	1,655,000
30 December 2021	2.16	5,220,000
15 June 2022	1.76	63,400,000
10 April 2023	1.67	1,175,000
<b>Total</b>		<b>134,040,000</b>

The details of options granted to the directors of the Group, are as follows:-

Name of Participant	Options granted during financial year under review	Exercise Price for options granted during the financial year under review	Aggregate options granted since the commencement of the scheme to the end of financial year under review	Aggregate options exercised since the commencement of the scheme to the end of financial year under review	Aggregate options outstanding as at the end of financial year under review
Mark Haynes Daniell	—	—	100,000	—	—
Michael Lim Choo San	—	—	100,000	—	—
Robert Michael Tomlin	—	—	100,000	—	—
Wong Heng Tew	—	—	100,000	—	—
Sunny George Verghese	—	—	30,000,000	15,000,000	15,000,000
Sridhar Krishnan	—	—	3,900,000	800,000	3,100,000
Shekhar Anantharaman	—	—	5,800,000	800,000	5,000,000

The options granted to Mark Haynes Daniell, Michael Lim Choo San, Robert Michael Tomlin and Wong Heng Tew, who are Independent and Non-Executive Directors of the Company, were approved by the shareholders of the Company at the Annual General Meeting held on 29 October 2007. These options are exercisable in tranches of 25%, 35% and 40% on or after the first, second and third anniversaries of 29 October 2007. The options expired on 29 October 2012 (five years after the date of the grant).

The 15,000,000 options granted to Sunny George Verghese in 2005 are exercisable in three equal tranches of 5,000,000 each on or after the first, second and third anniversaries respectively of the date of the admission of the Company to the official list of the SGX-ST (11 February 2005) at the exercise price of \$0.62 if the vesting conditions are met. These options were exercised in financial year 2012. The 15,000,000 options granted to Sunny George Verghese in financial year 2010 are exercisable in three equal tranches of 5,000,000 each on or after the first, second and third anniversaries of the grant date (17 February 2010) at the exercise price of \$2.35. The options will expire ten years after the date of grant.

The 1,500,000 options granted to Sridhar Krishnan and 1,750,000 options granted to Shekhar Anantharaman in financial year 2010 are exercisable in tranches of 25% and 75% at the end of the third and fourth anniversary respectively from the date of grant (21 July 2009) at the exercise price of \$2.28 if the vesting conditions are met. The 1,600,000 options granted to Sridhar Krishnan and 3,250,000 options granted to Shekhar Anantharaman in financial year 2012 are exercisable in tranches of 25% and 75% at the end of the third and fourth anniversary respectively from the date of grant (15 June 2012) at the exercise price of \$1.76 if the vesting conditions are met. The options will expire ten years after the date of grant.

### Olam employee share option scheme (cont'd)

Apart from that which is disclosed above, no directors or employees of the Group received 5% or more of the total number of options available under the ESOS.

The options granted by the Company do not entitle the holder of the options, by virtue of such holding, to any right to participate in any share issue of any other company.

There were no Incentive Options granted from commencement of ESOS to the financial year end under review.

There were no options granted at a discount.

There were no options granted to controlling shareholders of the Company and their associates.

### Invenio Equity Participation Scheme

Invenio Holdings Pte. Ltd. ("Invenio"), a subsidiary of the Company, had implemented the Invenio Equity Participation Scheme (the "Invenio Equity Scheme") which was approved and adopted by the shareholders of Invenio on 13 January 2011.

The Invenio Equity Scheme was set up to incentivise and reward selected eligible employees and give participants an opportunity to have a personal equity interest in Invenio and, amongst other objectives, motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to Invenio and its subsidiaries (the "Invenio Group").

Participation in the Scheme is restricted to directors and employees of the Invenio Group (including associated companies over which Invenio has control), and employees of the Company or its subsidiaries who have been seconded or deputed to Invenio and who hold an executive position in Invenio. Controlling shareholders of the Company and their associates are not eligible to participate in the Invenio Equity Scheme.

Employees selected to participate receive an initial allotment of Invenio shares for which they will pay a fixed multiple of then prevailing book value at the relevant time, as specified in the Invenio Equity Scheme. Subsequently, a portion of up to 50% of any cash or other incentive due to them as employees under any performance-based bonus or incentive scheme initiated by the Invenio Group for its employees will be paid to them in the form of Invenio shares allotted to them, valued at a fixed multiple of the then-prevailing book value at the relevant time, in accordance with the Invenio Equity Scheme.

The shares will be ordinary shares in Invenio, ranking pari passu with other ordinary shares in Invenio's issued share capital in respect of all entitlements, including dividends or other distributions, save that the Invenio Equity Scheme provides for certain obligations and restrictions on transfer of the shares by Participants.

The details of the awards granted under the Scheme are as follows:-

Year of Award	No. of Holders	No. of Shares
2011	18	2,670,000

During the current financial year, Invenio purchased 65,000 shares from one (1) employee under the Scheme and held them as treasury shares. There were no new shares granted during the financial year under review.

## Audit and Compliance Committee

The Audit and Compliance Committee (the “ACC”) comprises four Independent Directors and a Non-Executive Director. The members of the ACC are Michael Lim Choo San (Chairman), Robert Michael Tomlin, Mark Haynes Daniell, Wong Heng Tew and Narain Girdhar Chanrai. The ACC performed the functions specified in section 201B of the Act, the Singapore Code of Corporate Governance and the Listing Manual of the Singapore Exchange.

The ACC held six meetings during the year under review. The ACC met with the Company’s external and internal auditors to discuss the scope of their work, the results of their examination and their evaluation of the Company’s internal accounting control systems.

The ACC reviewed the following:-

- audit plans of the internal and external auditors of the Company, and ensured the adequacy of the Company’s system of accounting controls and the cooperation given by the Company’s management to the external and internal auditors;
- quarterly and annual financial statements of the Group and the Company prior to their submission to the Board of Directors for adoption;
- the Company’s material internal controls, including financial, operational, compliance controls and risk management via reviews carried out by the internal auditors;
- legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes, and any reports received from regulators;
- independence and objectivity of the external auditors;
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange); and
- the scope and results of the audit.

Further, the ACC

- held meetings with the external auditors and the management in separate executive sessions to discuss any matters that these groups believed should be discussed privately with the ACC;
- made their recommendations to the Board of Directors in relation to the external auditors re-appointment and their compensation for the renewed period be approved; and
- reported actions and minutes of the ACC meetings to the Board of Directors with such recommendations as the ACC considered appropriate.

The ACC had full access and cooperation of the management and full discretion to invite any director or executive officer to attend its meetings.

The ACC also reviewed the cost effectiveness of the audit conducted by the external auditors and the nature and extent of all non-audit services performed by the external auditors, and has confirmed that such services would not affect their independence.

The ACC has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting. In appointing the auditors of the Company and its subsidiaries, the Company has complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange.

Further details regarding the functions of the ACC are disclosed in the Report on Corporate Governance in the Company’s Annual Report to shareholders.

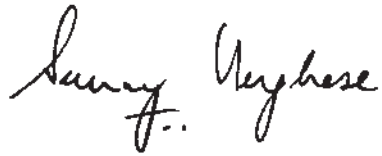
## Auditors

Ernst & Young LLP has expressed their willingness to accept re-appointment as independent auditors.

On behalf of the Board,



**R. Jayachandran**  
Director



**Sunny George Verghese**  
Director

Singapore  
30 September 2013



# Statement by the Directors

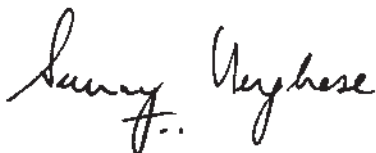
We, R. Jayachandran and Sunny George Verghese, being two of the directors of Olam International Limited ("the Company"), do hereby state that, in the opinion of the directors:-

- (i) the accompanying balance sheets, profit and loss accounts, statements of comprehensive income, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2013 and the results of the business, changes in equity of the Group and of the Company, and cash flows of the Group for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board,



**R. Jayachandran**  
Director



**Sunny George Verghese**  
Director

Singapore  
30 September 2013

# Independent Auditor's Report

For the financial year ended 30 June 2013  
To the Members of Olam International Limited

## Report on the financial statements

We have audited the accompanying financial statements of Olam International Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 104 to 194, which comprise the balance sheets of the Group and the Company as at 30 June 2013, profit and loss accounts, statements of comprehensive income and statements of changes in equity of the Group and the Company and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet, profit and loss account, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2013 and of the results and changes in equity of the Group and the Company and cash flows of the Group for the year ended on that date.

## Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



**Ernst & Young LLP**

Public Accountants and Chartered Accountants  
Singapore  
30 September 2013

# Profit and Loss Accounts

for the year ended 30 June 2013

	Note	Group		Company	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Sale of goods and services	4	20,801,798	17,093,751	13,415,672	10,910,670
Other income	5	106,853	51,473	92,371	99,412
		20,908,651	17,145,224	13,508,043	11,010,082
Cost of goods sold	6	(17,053,837)	(13,866,578)	(11,914,548)	(9,821,832)
Shipping and logistics		(1,689,818)	(1,439,984)	(675,880)	(426,200)
Commission and claims		(163,710)	(127,287)	(124,487)	(96,611)
Net gain from changes in fair value of biological assets	12	96,286	110,874	–	–
Employee benefits expenses	29	(466,181)	(426,170)	(123,702)	(126,965)
Depreciation	10	(175,878)	(128,691)	(1,656)	(1,519)
Net measurement of derivative instruments	7	(5,699)	21,163	610	(75)
Other operating expenses	7	(455,294)	(450,557)	(147,167)	(134,917)
Finance costs	8	(518,353)	(437,550)	(357,421)	(250,074)
		(20,432,484)	(16,744,780)	(13,344,251)	(10,858,193)
Share of results from jointly controlled entities and associates	14	20,484	37,466	–	–
<b>Profit before taxation</b>		496,651	437,910	163,792	151,889
Income tax expense	9	(105,134)	(34,085)	(29,734)	(28,873)
<b>Profit for the financial year</b>		391,517	403,825	134,058	123,016
<b>Attributable to:</b>					
Owners of the Company		362,618	370,908	134,058	123,016
Non-controlling interests		28,899	32,917	–	–
		391,517	403,825	134,058	123,016
<b>Earnings per share attributable to owners of the Company (cents)</b>					
Basic	24	14.36	14.96		
Diluted	24	14.27	14.95		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statements of Comprehensive Income

for the year ended 30 June 2013

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Profit for the financial year</b>	<b>391,517</b>	403,825	<b>134,058</b>	123,016
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain on fair value changes during the financial year	<b>131,458</b>	480,258	<b>164,010</b>	470,719
Recognised in the profit and loss accounts on occurrence of hedged transactions	<b>(79,442)</b>	(282,699)	<b>(110,043)</b>	(276,237)
Foreign currency translation adjustments	<b>(37,298)</b>	24,526	<b>(4,574)</b>	80,717
Share of other comprehensive income of jointly controlled entities and associates	<b>4,174</b>	2,838	–	–
<b>Other comprehensive income for the financial year, net of tax</b>	<b>18,892</b>	224,923	<b>49,393</b>	275,199
<b>Total comprehensive income for the financial year</b>	<b>410,409</b>	628,748	<b>183,451</b>	398,215
<b>Attributable to:</b>				
Owners of the Company	<b>378,983</b>	593,018	<b>183,451</b>	398,215
Non-controlling interests	<b>31,426</b>	35,730	–	–
	<b>410,409</b>	628,748	<b>183,451</b>	398,215

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Balance Sheets

at 30 June 2013

		Group		Company	
	Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	10	3,427,775	2,620,995	2,557	2,724
Intangible assets	11	686,516	660,157	33,393	24,411
Biological assets	12	781,742	631,339	–	–
Subsidiary companies	13	–	–	2,007,203	1,567,661
Deferred tax assets	9	34,832	37,735	–	–
Investments in jointly controlled entities and associates	14	557,693	482,864	413,026	378,566
Other non-current assets	20	20,256	9,163	–	–
		5,508,814	4,442,253	2,456,179	1,973,362
<b>Current assets</b>					
Amounts due from subsidiary companies	15	–	–	2,258,023	2,092,954
Trade receivables	16	2,372,900	1,596,796	984,391	394,663
Inventories	18	4,154,271	4,410,014	459,060	738,291
Advance payments to suppliers	19	598,470	320,556	215,033	98,153
Advance payments to subsidiary companies	19	–	–	2,079,753	1,750,052
Cash and short-term deposits	32	1,591,009	1,110,856	1,126,575	703,960
Derivative financial instruments	34	606,062	1,302,200	353,326	867,718
Other current assets	20	552,658	645,307	87,971	105,607
		9,875,370	9,385,729	7,564,132	6,751,398
<b>Current liabilities</b>					
Trade payables and accruals	21	(1,747,963)	(1,133,893)	(927,715)	(494,101)
Borrowings	23	(2,965,559)	(3,148,333)	(748,503)	(1,207,680)
Provision for taxation		(49,728)	(33,493)	(21,976)	(18,184)
Derivative financial instruments	34	(395,295)	(1,115,711)	(180,764)	(981,232)
Other current liabilities	22	(269,241)	(193,101)	(98,794)	(77,247)
Margin accounts with brokers	17	(9,114)	(140,567)	(35,683)	(77,011)
		(5,436,900)	(5,765,098)	(2,013,435)	(2,855,455)
<b>Net current assets</b>		4,438,470	3,620,631	5,550,697	3,895,943
<b>Non-current liabilities</b>					
Deferred tax liabilities	9	(240,877)	(194,071)	(4,843)	(1,496)
Borrowings	23	(5,882,679)	(4,341,051)	(5,153,194)	(3,113,814)
		(6,123,556)	(4,535,122)	(5,158,037)	(3,115,310)
<b>Net assets</b>		3,823,728	3,527,762	2,848,839	2,753,995
<b>Equity attributable to owners of the Company</b>					
Share capital	25	2,077,038	2,077,038	2,077,038	2,077,038
Treasury shares	25	(96,081)	(96,081)	(96,081)	(96,081)
Perpetual capital securities	25	276,939	276,886	276,939	276,886
Reserves		1,433,964	1,147,767	590,943	496,152
		3,691,860	3,405,610	2,848,839	2,753,995
Non-controlling interests		131,868	122,152	–	–
<b>Total equity</b>		3,823,728	3,527,762	2,848,839	2,753,995

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Statements of Changes in Equity

for the year ended 30 June 2013

	Attributable to owners of the Company										Total non-controlling interests	Total equity
2013 Group	Share capital (Note 25) \$'000	Treasury shares (Note 25) \$'000	Perpetual capital securities (Note 25) \$'000	Capital reserves <sup>(1)</sup> \$'000	Foreign currency translation reserves <sup>(2)</sup> \$'000	Fair value adjustment reserves <sup>(3)</sup> \$'000	Share-based compensation reserves <sup>(4)</sup> \$'000	Revenue reserves \$'000	Total reserves \$'000	Total \$'000	\$'000	\$'000
At 1 July 2012	2,077,038	(96,081)	276,886	120,093	(344,781)	(125,190)	72,327	1,425,318	1,147,767	3,405,610	122,152	3,527,762
Profit for the financial year	-	-	-	-	-	-	-	362,618	362,618	362,618	28,899	391,517
Other comprehensive income												
Net gain on fair value changes during the financial year	-	-	-	-	-	131,458	-	-	131,458	131,458	-	131,458
Recognised in the profit and loss accounts on occurrence of hedged transactions	-	-	-	-	-	(79,442)	-	-	(79,442)	(79,442)	-	(79,442)
Foreign currency translation adjustments	-	-	-	-	(39,825)	-	-	-	(39,825)	(39,825)	2,527	(37,298)
Share of other comprehensive income of jointly controlled entities and associates	-	-	-	(1,900)	6,074	-	-	-	4,174	4,174	-	4,174
Other comprehensive income for the financial year, net of tax	-	-	-	(1,900)	(33,751)	52,016	-	-	16,365	16,365	2,527	18,892
Total comprehensive income for the year	-	-	-	(1,900)	(33,751)	52,016	-	362,618	378,983	378,983	31,426	410,409
Contributions by and distributions to owners												
Issuance of warrants (Note 25)	-	-	-	8,268	-	-	-	-	8,268	8,268	-	8,268
Share-based expense	-	-	-	-	-	-	17,984	-	17,984	17,984	-	17,984
Dividends on ordinary shares (Note 26)	-	-	-	-	-	-	-	(95,609)	(95,609)	(95,609)	-	(95,609)
Accrued capital securities distribution	-	-	19,303	-	-	-	-	(19,303)	(19,303)	-	-	-
Payment of capital securities distribution	-	-	(19,250)	-	-	-	-	-	-	(19,250)	-	(19,250)
Total contributions by and distributions to owners	-	-	53	8,268	-	-	17,984	(114,912)	(88,660)	(88,607)	-	(88,607)
Changes in ownership interests in subsidiaries												
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	7,012	7,012
Acquisition of non-controlling interests	-	-	-	(4,126)	-	-	-	-	(4,126)	(4,126)	(28,722)	(32,848)
Total changes in ownership interests in subsidiaries	-	-	-	(4,126)	-	-	-	-	(4,126)	(4,126)	(21,710)	(25,836)
Total transactions with owners in their capacity as owners	-	-	53	4,142	-	-	17,984	(114,912)	(92,786)	(92,733)	(21,710)	(114,443)
At 30 June 2013	2,077,038	(96,081)	276,939	122,335	(378,532)	(73,174)	90,311	1,673,024	1,433,964	3,691,860	131,868	3,823,728

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

2012 Group	Attributable to owners of the Company									Total \$'000	Total non- controlling interests \$'000	Total equity \$'000
	Share capital (Note 25) \$'000	Treasury shares (Note 25) \$'000	Perpetual capital securities (Note 25) \$'000	Capital reserves <sup>(1)</sup> \$'000	Foreign currency translation reserves <sup>(2)</sup> \$'000	Fair value adjustment reserves <sup>(3)</sup> \$'000	Share- based compensation reserves <sup>(4)</sup> \$'000	Revenue reserves \$'000	Total reserves \$'000			
<b>At 1 July 2011</b>	1,577,110	–	–	129,586	(378,825)	(322,749)	54,194	1,186,026	668,232	2,245,342	57,020	2,302,362
Profit for the financial year	–	–	–	–	–	–	–	370,908	370,908	370,908	32,917	403,825
<u>Other comprehensive income</u>												
Net gain on fair value changes during the financial year	–	–	–	–	–	480,258	–	–	480,258	480,258	–	480,258
Recognised in the profit and loss accounts on occurrence of hedged transactions	–	–	–	–	–	(282,699)	–	–	(282,699)	(282,699)	–	(282,699)
Foreign currency translation adjustments	–	–	–	–	21,713	–	–	–	21,713	21,713	2,813	24,526
Share of other comprehensive income of jointly controlled entities and associates	–	–	–	(9,493)	12,331	–	–	–	2,838	2,838	–	2,838
<b>Other comprehensive income for the financial year, net of tax</b>	–	–	–	(9,493)	34,044	197,559	–	–	222,110	222,110	2,813	224,923
<b>Total comprehensive income for the year</b>	–	–	–	(9,493)	34,044	197,559	–	370,908	593,018	593,018	35,730	628,748
<u>Contributions by and distributions to owners</u>												
Issue of shares for cash	490,220	–	–	–	–	–	–	–	–	490,220	–	490,220
Issue of shares on exercise of share option	9,708	–	–	–	–	–	–	–	–	9,708	–	9,708
Issue of perpetual capital securities	–	–	270,451	–	–	–	–	–	–	270,451	–	270,451
Purchase of treasury shares	–	(96,081)	–	–	–	–	–	–	–	(96,081)	–	(96,081)
Share-based expense	–	–	–	–	–	–	18,133	–	18,133	18,133	–	18,133
Dividends on ordinary shares (Note 26)	–	–	–	–	–	–	–	(125,181)	(125,181)	(125,181)	–	(125,181)
Accrued capital securities distribution	–	–	6,435	–	–	–	–	(6,435)	(6,435)	–	–	–
<b>Total contributions by and distributions to owners</b>	499,928	(96,081)	276,886	–	–	–	18,133	(131,616)	(113,483)	567,250	–	567,250
<u>Changes in ownership interests in subsidiaries</u>												
Acquisition of subsidiary	–	–	–	–	–	–	–	–	–	–	29,402	29,402
<b>Total changes in ownership interests in subsidiaries</b>	–	–	–	–	–	–	–	–	–	–	29,402	29,402
<b>Total transactions with owners in their capacity as owners</b>	499,928	(96,081)	276,886	–	–	–	18,133	(131,616)	(113,483)	567,250	29,402	596,652
<b>At 30 June 2012</b>	2,077,038	(96,081)	276,886	120,093	(344,781)	(125,190)	72,327	1,425,318	1,147,767	3,405,610	122,152	3,527,762

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## STATEMENTS OF CHANGES IN EQUITY

2013 Company	Attributable to owners of the Company									
	Share capital (Note 25) \$'000	Treasury shares (Note 25) \$'000	Perpetual capital securities (Note 25) \$'000	Capital reserves <sup>(1)</sup> \$'000	Foreign currency translation reserves <sup>(2)</sup> \$'000	Fair value adjustment reserves <sup>(3)</sup> \$'000	Share-based compensation reserves <sup>(4)</sup> \$'000	Revenue reserves \$'000	Total reserves \$'000	Total equity \$'000
<b>At 1 July 2012</b>	2,077,038	(96,081)	276,886	129,877	(210,221)	(128,785)	72,327	632,954	496,152	2,753,995
Profit for the financial year	-	-	-	-	-	-	-	134,058	134,058	134,058
<u>Other comprehensive income</u>										
Net loss on fair value changes during the financial year	-	-	-	-	-	164,010	-	-	164,010	164,010
Recognised in the profit and loss accounts on occurrence of hedged transactions	-	-	-	-	-	(110,043)	-	-	(110,043)	(110,043)
Foreign currency translation adjustments	-	-	-	-	(4,574)	-	-	-	(4,574)	(4,574)
<b>Other comprehensive income for the financial year, net of tax</b>	-	-	-	-	(4,574)	53,967	-	-	49,393	49,393
<b>Total comprehensive income for the year</b>	-	-	-	-	(4,574)	53,967	-	134,058	183,451	183,451
<u>Contributions by and distributions to owners</u>										
Issuance of warrants (Note 25)	-	-	-	8,268	-	-	-	-	8,268	8,268
Share-based expense	-	-	-	-	-	-	17,984	-	17,984	17,984
Dividends on ordinary shares (Note 26)	-	-	-	-	-	-	-	(95,609)	(95,609)	(95,609)
Accrued capital securities distribution	-	-	19,303	-	-	-	-	(19,303)	(19,303)	-
Payment of capital securities distribution	-	-	(19,250)	-	-	-	-	-	-	(19,250)
<b>Total contributions by and distributions to owners</b>	-	-	53	8,268	-	-	17,984	(114,912)	(88,660)	(88,607)
<b>Total transactions with owners in their capacity as owners</b>	-	-	53	8,268	-	-	17,984	(114,912)	(88,660)	(88,607)
<b>At 30 June 2013</b>	2,077,038	(96,081)	276,939	138,145	(214,795)	(74,818)	90,311	652,100	590,943	2,848,839

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

2012 Company	Attributable to owners of the Company									
	Share capital (Note 25) \$'000	Treasury shares (Note 25) \$'000	Perpetual capital securities (Note 25) \$'000	Capital reserves <sup>(1)</sup> \$'000	Foreign currency translation reserves <sup>(2)</sup> \$'000	Fair value adjustment reserves <sup>(3)</sup> \$'000	Share-based compensation reserves <sup>(4)</sup> \$'000	Revenue reserves \$'000	Total reserves \$'000	Total equity \$'000
<b>At 1 July 2012</b>	1,577,110	–	–	129,877	(290,938)	(323,267)	54,194	641,554	211,420	1,788,530
Profit for the financial year	–	–	–	–	–	–	–	123,016	123,016	123,016
<u>Other comprehensive income</u>										
Net loss on fair value changes during the financial year	–	–	–	–	–	470,719	–	–	470,719	470,719
Recognised in the profit and loss accounts on occurrence of hedged transactions	–	–	–	–	–	(276,237)	–	–	(276,237)	(276,237)
Foreign currency translation adjustments	–	–	–	–	80,717	–	–	–	80,717	80,717
<b>Other comprehensive income for the financial year, net of tax</b>	–	–	–	–	80,717	194,482	–	–	275,199	275,199
<b>Total comprehensive income for the year</b>	–	–	–	–	80,717	194,482	–	123,016	398,215	398,215
<u>Contributions by and distributions to owners</u>										
Issue of shares for cash	490,220	–	–	–	–	–	–	–	–	490,220
Issue of shares on exercise of share option	9,708	–	–	–	–	–	–	–	–	9,708
Issue of perpetual capital securities	–	–	270,451	–	–	–	–	–	–	270,451
Purchase of treasury shares	–	(96,081)	–	–	–	–	–	–	–	(96,081)
Share-based expense	–	–	–	–	–	–	18,133	–	18,133	18,133
Dividends on ordinary shares (Note 26)	–	–	–	–	–	–	–	(125,181)	(125,181)	(125,181)
Accrued capital securities distribution	–	–	6,435	–	–	–	–	(6,435)	(6,435)	–
<b>Total contributions by and distributions to owners</b>	499,928	(96,081)	276,886	–	–	–	18,133	(131,616)	(113,483)	567,250
<b>Total transactions with owners in their capacity as owners</b>	499,928	(96,081)	276,886	–	–	–	18,133	(131,616)	(113,483)	567,250
<b>At 30 June 2012</b>	2,077,038	(96,081)	276,886	129,877	(210,221)	(128,785)	72,327	632,954	496,152	2,753,995

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

<sup>(1)</sup> **Capital reserves**

Capital reserves represent the premium paid and discounts on acquisition of non-controlling interests, residual amount of convertible bonds net of proportionate share of transaction costs, after deducting the fair value of the debt and derivative component on the date of issuance, the share of capital reserve of a jointly controlled entity and warrants arising from the Rights Issue (Note 25).

<sup>(2)</sup> **Foreign currency translation reserves**

The foreign currency translation reserves are used to record exchange differences arising from the translation of the financial statements of the Company and the Group's foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the share of foreign currency translation reserves of jointly controlled entities and associates.

<sup>(3)</sup> **Fair value adjustment reserves**

Fair value adjustment reserves record the portion of the fair value changes on derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be effective hedges.

<sup>(4)</sup> **Share-based compensation reserves**

Share-based compensation reserves represent the equity-settled shares and share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled shares and share options and is reduced by the expiry of the share options.



# Consolidated Cash Flow Statement

for the year ended 30 June 2013

	2013 \$'000	2012 \$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	496,651	437,910
Adjustments for:-		
Allowance for doubtful debts	9,578	22,560
Amortisation of intangible assets and depreciation of property, plant and equipment	199,312	150,614
Share-based expense	17,984	18,133
Fair value of biological assets (Note 12)	(96,286)	(110,874)
(Gain)/loss on disposal of property, plant and equipment	(36,367)	5,090
Impairment of goodwill and intangible assets	1,916	–
Interest income	(16,674)	(20,037)
Interest expense	518,353	437,550
Inventories written down, net	115	15,041
Net measurement of derivative instruments	5,699	(21,163)
Negative goodwill arising from acquisition of subsidiary/assets	–	(3,191)
Share of results from jointly controlled entities and associates	(20,484)	(37,466)
Gain on bond buy back (Note 5)	(6,020)	–
<b>Operating cash flows before reinvestment in working capital</b>	<b>1,073,777</b>	<b>894,167</b>
Decrease/ (increase) in inventories	320,658	(609,890)
Increase in receivables and other current assets	(679,187)	(12,073)
Increase in advance payments to suppliers	(280,865)	(105,527)
(Decrease)/ increase in margin account with brokers	(132,233)	602,099
Increase/(decrease) in payables and other current liabilities	432,156	(181,537)
<b>Cash flows from operations</b>	<b>734,306</b>	<b>587,239</b>
Interest income received	16,674	20,037
Interest expense paid	(461,313)	(371,505)
Tax paid	(39,495)	(48,308)
<b>Net cash flows from operating activities</b>	<b>250,172</b>	<b>187,463</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	109,355	10,277
Purchase of property, plant and equipment (Note 10)	(940,255)	(874,931)
Purchase of intangibles (Note 11)	(14,903)	(18,019)
Acquisition of subsidiaries, net of cash acquired (Note 11)	(129,185)	(342,796)
Investment in associates and jointly controlled entities	(44,266)	(22,883)
Acquisition of non-controlling interests (Note 13)	(31,298)	–
<b>Net cash flows used in investing activities</b>	<b>(1,050,552)</b>	<b>(1,248,352)</b>
<b>Cash flows from financing activities</b>		
Dividends paid on ordinary shares by the Company	(95,609)	(125,181)
Proceeds from borrowings, net	780,636	662,567
Proceeds from issuance of shares on exercise of share options	–	9,708
Proceeds from rights issue of bonds and warrants (Note 23)	860,752	–
Payment of capital securities distribution	(19,250)	–
Proceeds from issuance of shares for cash	–	490,220
Proceeds from issuance of perpetual capital securities	–	270,451
Payment for bond buy back	(34,030)	–
Purchase of treasury shares	–	(96,081)
<b>Net cash flows from financing activities</b>	<b>1,492,499</b>	<b>1,211,684</b>
<b>Net effect of exchange rate changes on cash and cash equivalents</b>	<b>(8,349)</b>	<b>15,889</b>
Net increase in cash and cash equivalents	683,770	166,684
Cash and cash equivalents at beginning of year	601,762	435,078
<b>Cash and cash equivalents at end of year (Note 32)</b>	<b>1,285,532</b>	<b>601,762</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Notes to the Financial Statements

30 June 2013

## 1. Corporate information

Olam International Limited ("the Company") is a limited liability company, which is domiciled and incorporated in Singapore. The Company is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The principal activities of the Company are those of sourcing, processing, packaging and merchandising of agricultural products. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

The registered office of the Company is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The place of business of the Company is at 9 Temasek Boulevard, #11-02 Suntec Tower Two, Singapore 038989.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet, profit and loss account, statement of comprehensive income and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements are presented in Singapore Dollars (\$) or SGD) and all values in the tables are rounded to the nearest thousand (\$'000) as indicated.

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 July 2012. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

## 2. Summary of significant accounting policies (cont'd)

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for financial year beginning on
Improvements to FRSs 2012:	
– Amendments to FRS 1 Presentation of Financial Statements	1 July 2013
– Amendments to FRS 16 Property, Plant and Equipment	1 July 2013
– Amendments to FRS 32 Financial Instruments: Presentation	1 July 2013
Revised FRS 19 Employee Benefits	1 July 2013
FRS 113 Fair Value Measurements	1 July 2013
Amendments to FRS 101 Government Loans	1 July 2013
Amendment to FRS 107 Offsetting of Financial Assets and Financial Liabilities	1 July 2013
INT FRS 120 Stripping Costs in the Production Phase of a Surface Mine	1 July 2013
Revised FRS 27 Separate Financial Statements	1 July 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 July 2014
FRS 110 Consolidated Financial Statements	1 July 2014
FRS 111 Joint Arrangements	1 July 2014
FRS 112 Disclosures of Interest in Other Entities	1 July 2014
Amendment to FRS 32 Offsetting of Financial Assets and Financial Liabilities	1 July 2014
Amendments to FRS 36 Recoverable Amount Disclosures for Non-Financial Assets	1 July 2014
Amendments to FRS 110, 111 and 112 Transition guidance to FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 111 Joint Arrangements	1 July 2014
Amendments to FRS 110, 111 and 27 Investment Entities	1 July 2014
INT FRS 121 Levies	1 July 2014

Except for the Amendments to FRS 111 and revised FRS 28, FRS 112, FRS 113 and Amendment to FRS 107, the directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 111 and revised FRS 28, FRS 112, FRS 113 and Amendment to FRS 107 are described below.

#### FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures

FRS 111 and the revised FRS 28 are effective for financial year beginning on 1 July 2014.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associates.

Currently, the Group's investments in jointly controlled entities are accounted for using the equity method. Upon adoption of FRS 111, the Group does not expect any impact to the Group's financial statements presentation.

## 2. Summary of significant accounting policies (cont'd)

### 2.3 Standards issued but not yet effective (cont'd)

#### FRS 112 Disclosure of Interests in Other Entities

FRS 112 is effective for financial year beginning on 1 July 2014.

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. The Group is currently determining the impact of the disclosure requirements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group upon adoption of this standard.

#### FRS 113 Fair Value Measurement

FRS 113 is effective for financial year beginning on 1 July 2013.

FRS 113 Fair Value Measurement provides a single source of guidance for all fair value measurements. FRS 113 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted by FRS. The adoption of FRS 113 does not have any impact to the financial position and financial performance of the Group.

#### Amendment to FRS 107 Offsetting of Financial Assets and Financial Liabilities

Amendment to FRS 107 Offsetting of Financial Assets and Financial Liabilities is effective for financial year beginning on 1 July 2013.

The Amendments to FRS 107 provides disclosure requirements that are intended to help investors and other financial statement users better assess the effect or potential effect of offsetting arrangements on a company's financial position. The new disclosures require information about the gross amount of financial assets and liabilities before offsetting and the amounts set off in accordance with offsetting model in FRS 32. As the Amendments only affect disclosures, it will not have any impact to the financial position or financial performance of the Group upon adoption.

### 2.4 Functional and foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Company's functional currency is the United States Dollar ("USD"), which reflects the economic substance of the underlying events and circumstances of the Company. Although the Company is domiciled in Singapore, most of the Company's transactions are denominated in USD and the selling prices for the Company's products are sensitive to movements in the foreign exchange rate with the USD.

## 2. Summary of significant accounting policies (cont'd)

### 2.4 Functional and foreign currency (cont'd)

#### (a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

#### (b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the balance sheet date and their profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

#### (c) *Translation to the presentation currency*

The financial statements are presented in Singapore Dollar ("SGD") as the Company's principal place of business is in Singapore.

The financial statements are translated from USD to SGD as follows:-

- Assets and liabilities for each balance sheet presented are translated at the closing rate ruling at that balance sheet date;
- Income and expenses for each profit and loss account are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All exchange differences arising on the translation are included in the foreign currency translation reserves.



## 2. Summary of significant accounting policies (cont'd)

### 2.5 Subsidiary companies, basis of consolidation and business combinations

#### (a) *Subsidiary companies*

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less any impairment losses.

A list of the Group's significant subsidiary companies is shown in Note 13.

#### (b) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

## 2. Summary of significant accounting policies (cont'd)

### 2.5 Subsidiary companies, basis of consolidation and business combinations (cont'd)

#### (c) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not re-measured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date. The accounting policy for goodwill is set out in Note 2.10(a).

### 2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company's interest in a subsidiary that does not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 2.7 Jointly controlled entities

The Group has interests in joint ventures that are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

The consolidated financial statements include the Group's share of the total recognised gains and losses of its jointly controlled entities on an equity accounted basis from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds the carrying amount of the investment, the investment is reported as nil and recognition of losses is discontinued except to the extent of the Group's commitment.

## 2. Summary of significant accounting policies (cont'd)

### 2.7 Jointly controlled entities (cont'd)

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment loss. The carrying amounts of the jointly controlled entities are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated and any impairment loss is recognised whenever the carrying amount exceeds the recoverable amount. The impairment loss is charged to profit or loss.

Upon loss of joint control, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the former joint venture entity upon loss of joint venture control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### 2.8 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in the associate is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The Group's share of the profit or loss of its associates is shown on the face of profit or loss after tax and non-controlling interests in the subsidiaries of associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

## 2. Summary of significant accounting policies (cont'd)

### 2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, all items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land and buildings are depreciable over the shorter of the estimated useful life of the asset or the lease period.

Depreciation of an asset begins when it is available for use and is computed on a straight line basis over the estimated useful life except for ginning assets of Queensland Cotton Holdings, which are depreciated using the units of use method. The estimated useful life of the assets is as follows:-

Leasehold land and buildings	– 20 to 50 years
Plant and machinery	– 5 to 20 years; 30 years for ginning assets
Motor vehicles	– 3 to 5 years
Furniture and fittings	– 5 years
Office equipment	– 5 years
Computers	– 3 years

Capital work-in-progress is not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

### 2.10 Intangible assets

#### (a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit and loss account. Impairment losses recognised for goodwill are not reversed in subsequent periods.

## 2. Summary of significant accounting policies (cont'd)

### 2.10 Intangible assets (cont'd)

#### (a) *Goodwill (cont'd)*

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.4.

#### (b) *Other intangible assets*

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or that are not yet available for use are not subject to amortisation and they are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

### 2.11 Biological assets

Biological assets are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the profit or loss.

## 2. Summary of significant accounting policies (cont'd)

### 2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.13 Financial assets

#### *Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

#### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:-

##### *(a) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.



## 2. Summary of significant accounting policies (cont'd)

### 2.13 Financial assets (cont'd)

#### *Subsequent measurement (cont'd)*

##### *(a) Financial assets at fair value through profit or loss (cont'd)*

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

##### *(b) Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

#### *Derecognition*

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

### 2.14 Financial liabilities

#### *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification as follows:

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

## 2. Summary of significant accounting policies (cont'd)

### 2.14 Financial liabilities (cont'd)

#### *Other financial liabilities*

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

#### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts are recognised in profit or loss.

### 2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These include bank overdrafts that form an integral part of the Group's cash management.

Cash and cash equivalents carried in the balance sheets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.13.

### 2.16 Receivables and advances

Receivables and advances include trade receivables, which are on trade terms, margin accounts with brokers, receivables from subsidiary companies, advance payments to suppliers and subsidiary companies and other current assets (excluding prepayments and short term investment) are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.13.

An allowance is made for doubtful debts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.17 below.

### 2.17 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### *(a) Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment, and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

## 2. Summary of significant accounting policies (cont'd)

### 2.17 Impairment of financial assets (cont'd)

#### (a) *Financial assets carried at amortised cost (cont'd)*

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

#### (b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

### 2.18 Inventories

Inventories principally comprise commodities held for trading and inventories that form part of the Group's normal purchase, sale or usage requirements for its processing activities.

Inventories for commodity trading businesses are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in the profit or loss in the period of the change.

Other inventories are stated at the lower of cost and net realisable value. Inventories are valued on a first-in-first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for damages and slow-moving items.

For agricultural produce that is harvested, cost of inventory is stated at fair value less estimated point-of-sale costs at the time of harvest (the "initial cost"). Thereafter this inventory is carried at the lower of cost and net realisable value.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

### 2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 2. Summary of significant accounting policies (cont'd)

### 2.20 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit or loss.

### 2.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.22 Employee benefits

#### (a) *Defined contribution plan*

The Group participates in the national pension schemes as defined by the laws of countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

#### (c) *Employee share subscription/options scheme*

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment for services rendered ("equity-settled transactions").

The cost of these equity-settled transactions with employees is measured with reference to the fair value at the date on which the share subscriptions/options are granted which takes into account market conditions and non-vesting conditions.

This cost is recognised in the profit or loss, with a corresponding increase in the share-based compensation reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

## 2. Summary of significant accounting policies (cont'd)

### 2.22 Employee benefits (cont'd)

#### (c) *Employee share subscription/options scheme (cont'd)*

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

Where the terms of an equity-settled award are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for a modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

### 2.23 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### ***Operating lease***

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

#### ***Finance lease***

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

## 2. Summary of significant accounting policies (cont'd)

### 2.24 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must be met before revenue is recognised:-

#### ***Sale of goods***

Revenue from the sale of goods is recognised upon passage of title to the customer, which generally coincides with their delivery and acceptance.

#### ***Sale of services***

Revenue from services rendered is recognised upon services performed.

#### ***Interest income***

Interest income is recognised using the effective interest method.

### 2.25 Government grants, export incentives and subsidies

Government grants, export incentives and subsidies are recognised at their fair values where there is reasonable assurance that the grant will be received and all conditions attached to the grant will be complied with. When the grant relates to an expense item, it is recognised in the profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

### 2.26 Taxes

#### ***(a) Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### ***(b) Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



## 2. Summary of significant accounting policies (cont'd)

### 2.26 Taxes (cont'd)

#### (b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

#### (c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:-

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from or payable to the taxation authority is included as part of receivables or payables in the balance sheet.

## 2. Summary of significant accounting policies (cont'd)

### 2.27 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services, which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.28 Share capital and share issue expenses

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

### 2.29 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost (including directly attributable expenses) and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

### 2.30 Perpetual capital securities

The perpetual capital securities do not have a maturity date and the Company is able to elect to defer making a distribution subject to the term and conditions of the securities issue. Accordingly, the Company is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual capital securities issue and the perpetual capital securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual capital securities are deducted against the proceeds from the issue.

### 2.31 Contingencies

A contingent liability is:-

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

## 2. Summary of significant accounting policies (cont'd)

### 2.32 Derivative financial instruments and hedging activities

Derivative financial instruments include forward currency contracts, commodity futures, options, over-the-counter ("OTC") structured products, commodity physical forwards and interest rate contracts. These are used to manage the Group's exposure to risks associated with foreign currency, commodity price and interest rate fluctuations. Certain derivatives are also used for trading purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts and interest rate derivatives are calculated by reference to current forward exchange rates and interest rates respectively for contracts with similar maturity profiles. The fair values of commodity futures, options, OTC structured products and physical forwards are determined by reference to available market information and market valuation methodology. Where the quoted market prices are not available, fair values are based on management's best estimates, which are arrived at by reference to market prices.

Any gains or losses arising from changes in fair value on derivative financial instruments that are ineffective hedges or are held for trading are taken to the profit and loss account for the year.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

When the hedge accounting is applied, all hedges are classified as cash flow hedges because they are held for hedging the exposure to variability in cash flows that is attributable to highly probable risk exposure and could affect profit or loss.

For cash flow hedges that meet the criteria for hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised directly in the fair value adjustment reserves, while the ineffective portion is recognised in the profit and loss account.

Amounts taken to fair value adjustment reserves are transferred to the profit and loss account when the hedged transaction affects profit or loss, such as when a forecasted sale occurs, or when financial income or financial expense is recognised.

If the forecast transaction is no longer expected to occur, amounts previously recognised in fair value adjustment reserves are transferred to the profit and loss account. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in fair value adjustment reserves remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the profit and loss account.

## 2. Summary of significant accounting policies (cont'd)

### 2.33 Convertible bonds

When convertible bonds are issued, the total proceeds net of transaction costs are allocated to the debt component, the fair value of derivative financial instruments component and the equity component, which are separately presented on the balance sheet.

The debt component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the debt is extinguished on conversion or redemption of the bonds.

The derivative financial instruments component is determined by the fair value of the embedded derivatives on the date of issue. The fair value is reassessed at every balance sheet date and the difference is recognised in the profit and loss account.

The balance after reducing the debt component and the fair value of the embedded derivatives component from the net proceeds is presented as capital reserve under equity. The carrying amount of the equity component is not adjusted in subsequent periods. When the conversion option is exercised, the carrying amount of the equity component will be transferred to the share capital account. When the conversion option lapses, its carrying amount will be transferred to retained earnings.

### 2.34 Related parties

A related party is defined as follows:-

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:-
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

### 3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### 3.1 Judgements made in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effects on the amounts recognised in the financial statements:

##### (a) *Determination of functional currency*

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of the goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

##### (b) *Fair value of derivative financial instruments and debt components of the Rights Issue*

The Company assesses the fair value of derivative financial instruments and debt components of the Rights Issue that require judgement in determining the most appropriate valuation models and inputs including bond price, interest rate volatility and credit spread.

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimating uncertainty as at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### (a) *Taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amounts of the Group's income tax payables, deferred tax assets and deferred tax liabilities as at 30 June 2013 were \$49,728,000 (2012: \$33,493,000), \$34,832,000 (2012: \$37,735,000) and \$240,877,000 (2012: \$194,071,000) respectively.

### 3. Significant accounting judgements and estimates (cont'd)

#### 3.2 Key sources of estimation uncertainty (cont'd)

##### **(b) Impairment of investments in subsidiary companies**

The Company assesses at each reporting date whether there is an indication that the investments in subsidiaries may be impaired. This requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in subsidiary companies at the balance sheet date is disclosed in Note 13 to the financial statements.

##### **(c) Impairment of goodwill and intangible assets with indefinite useful life**

Goodwill and intangible assets with indefinite useful life are tested for impairment annually and whenever there is an indication of impairment. The Group estimates the value in use of the cash generating units to which the goodwill and intangible asset with indefinite useful life is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The impairment tests are sensitive to growth rates and discount rates. Changes in these assumptions may result in changes in recoverable values.

For goodwill and intangible assets with indefinite useful life of \$186,492,000, under the Food Staples and Packaged Foods segment, the recoverable value is sensitive to revenue growth rates and discount rates. If management's estimate of revenue growth rate decreased by a compound annual growth rate of 1.5% or management's estimate of discount rate was raised by 1.5%, the recoverable value will be reduced to the carrying amount of the goodwill and intangible assets.

##### **(d) Impairment of property, plant and equipment**

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model and requires the Group to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's property, plant and equipment at the balance sheet date is disclosed in Note 10 to the financial statements.

##### **(e) Useful lives of plant and machinery**

The cost of plant and machinery is depreciated on a straight-line basis over the plant and machinery's estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be within 5 to 20 years, with the exception of ginning assets, where the estimated useful lives of ginning assets are up to 30 years. These are common life expectancies applied in the agri-commodities industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at the balance sheet date is disclosed in Note 10 to the financial statements.

##### **(f) Employee share options**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options at the date on which they are granted. Judgement is required in determining the most appropriate valuation model for the share options granted, depending on the terms and conditions of the grant. Management is also required to use judgement in determining the most appropriate inputs to the valuation model including expected life of the option, volatility and dividend yield. The assumptions and model used are disclosed in Note 29.



### 3. Significant accounting judgements and estimates (cont'd)

#### 3.2 Key sources of estimation uncertainty (cont'd)

##### (g) *Biological assets*

The fair value of biological assets (other than annual crops and livestock) is estimated using the discounted cash flow model, which requires the Group to make an estimate of the expected future cash flows from the biological assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows, which is referenced to professional valuations. The valuation of these biological assets is particularly sensitive to discount rates.

If management's estimated discount rate that had been applied to the discounted cash flows was raised/reduced by 0.5%, the fair value of the biological assets (other than annual crops and livestock) would have decreased/increased by \$27,191,000 and \$28,645,000 respectively.

The other significant assumptions are disclosed in Note 12.

##### (h) *Impairment of loans and receivables*

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset under loans and receivables is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the end of the reporting period is disclosed in Note 36 to the financial statements.

##### (i) *Fair value of financial instruments*

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of model inputs regarding forward prices, credit risk and volatility that are not supported by observable market data. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more detail in Note 34.

### 4. Sale of goods and services

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Sale of goods	20,520,214	16,949,096	13,286,149	10,884,341
Sale of services	281,584	144,655	129,523	26,329
	20,801,798	17,093,751	13,415,672	10,910,670

Revenue from sale of goods is stated net of discounts and returns. It excludes interest income, realised gains or losses on derivatives and in respect of the Group, intra-group transactions.

Revenue from sale of services mainly represents processing income and freight charter income.

## 5. Other income

Other income included the following:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Dividend income from subsidiary	–	–	1,383	–
Miscellaneous income <sup>(1)</sup>	47,175	28,245	279	281
Gain on sale of fixed assets <sup>(2)</sup>	36,262	–	–	–
Interest income from loans and receivables	16,674	20,037	89,987	99,131
Gain on bond buy back (Note 23)	6,020	–	–	–
Fair value gain on investment held for trading	722	–	722	–
Negative goodwill arising from business combinations	–	3,191	–	–
	<b>106,853</b>	<b>51,473</b>	<b>92,371</b>	<b>99,412</b>

<sup>(1)</sup> Miscellaneous income for the Group comprised mainly income from commissions and claims.

<sup>(2)</sup> Gain on sale of fixed assets includes a gain on sale and leaseback of freehold land of the USA almond orchard plantations totalling 1,940 hectares. The initial term of the lease is for a period of 6.5 years with initial rental expense of \$3,453,000 per annum subject to annual increases based on the consumer price index ("CPI") of the United States of America ("USA").

The lease includes three options to extend for additional five year periods each, followed by one option to extend for an additional three year period. The annual rental expense for the extended periods will be the higher of the rental expense of the immediate preceding year subjected to CPI adjustments or 5% of the market value of the almond orchard plantations of the immediate preceding year.

## 6. Cost of goods sold

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
This is stated after (charging)/ crediting:				
Gains/(losses) on derivatives net of fair value changes	36,667	116,864	(47,158)	133,238
Foreign exchange gains on cost of goods sold <sup>(1)</sup>	26,247	10,450	–	–
Export incentives and subsidies received <sup>(2)</sup>	82,296	113,683	–	–
Grant income received <sup>(3)</sup>	18,838	25,903	–	–
Inventories (written down)/ written back, net (Note 18)	(115)	(15,041)	393	(1,689)

<sup>(1)</sup> Foreign exchange gains on cost of goods sold relate to foreign exchange movement arising between the time of purchase of goods and the time of sale of such goods.

<sup>(2)</sup> Export incentives and subsidies relate to income from government agencies of various countries for the export of agricultural products.

<sup>(3)</sup> Grant income relates to the conceptualisation, marketing and promotion of the special economic zone in Gabon.

## 7. Other operating expenses/net measurement of derivative instruments

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Other operating expenses are stated after (charging)/crediting:				
Fair value loss on investment held for trading	–	(1,221)	–	(1,221)
Allowance for doubtful debts:				
– Amounts due from subsidiary companies (Note 15)	–	–	(10)	–
– Trade receivables (Note 16)	(8,002)	(17,709)	(4,938)	(2,159)
– Advance payments to suppliers (Note 19)	(1,576)	(4,851)	(89)	(4,293)
– Advance payments to subsidiary companies	–	–	(4,159)	–
Amortisation of intangible assets (Note 11)	(23,434)	(21,923)	(2,770)	(1,723)
Bad debts written back:				
– Trade receivables	1,922	3,591	437	1,490
– Advance payments to suppliers	342	1,556	332	19
Bank charges	(60,208)	(52,732)	(40,570)	(36,355)
Gain/(loss) on disposal of property, plant and equipment	105	(5,090)	–	(1)
Loss on foreign exchange, net	(55,279)	(93,057)	(6,056)	(4,392)
Write off of investment in subsidiary companies	–	–	–	(5,341)
Impairment loss on:				
– Investment in subsidiary companies (Note 13)	–	–	(6,544)	–
Travelling expenses	(51,253)	(51,679)	(12,385)	(14,693)
Costs incurred for terminated projects	(19,209)	–	–	–
Transaction costs incurred in business combinations (Note 11)	(2,905)	(5,499)	(923)	–
Impairment of goodwill and intangible assets (Note 11)	(1,916)	–	–	–
Audit fees:				
– Auditor of the Company	(1,563)	(1,285)	(1,507)	(1,229)
– Other auditors	(4,253)	(3,248)	–	–
Non-audit fees:				
– Auditor of the Company	(304)	(713)	(294)	(683)
– Other auditors	(330)	(1,133)	–	–
Net measurement of derivative instruments is stated after (charging)/crediting:				
– Convertible and other bonds	610	(75)	610	(75)
– Derivatives held for trading	(6,309)	21,238	–	–
	(5,699)	21,163	610	(75)

## 8. Finance costs

Finance costs included the following:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Interest expense:				
– On bank overdrafts	17,695	12,693	55	20
– On bank loans	272,203	277,991	111,004	109,350
– On medium-term notes	98,545	29,762	98,545	29,762
– On bonds	120,576	82,072	118,381	76,617
– Others	38,535	40,208	29,436	34,325
	547,554	442,726	357,421	250,074
Less: interest expense capitalised to:				
– Property, plant and equipment	(29,201)	(5,176)	–	–
	518,353	437,550	357,421	250,074

Interest that is appropriate to be included as cost of property, plant and equipment is capitalised to capital work-in-progress and plant and machinery by various subsidiaries of the Group at rates ranging from 1.22% to 15.00% (2012: 4.50 % to 14.00%) per annum.

## 9. Income tax expense

### (a) Major components of income tax expense

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Profit and loss accounts</b>				
Current income tax:				
Singapore	29,728	28,503	29,533	28,293
Foreign	44,715	22,083	–	–
Over provision in respect of prior years	(11,705)	(4,587)	–	–
	62,738	45,999	29,533	28,293
Deferred income tax:				
Singapore	(1,105)	564	201	580
Foreign	43,501	(12,478)	–	–
Income tax expense	105,134	34,085	29,734	28,873

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Statement of comprehensive income:</b>				
Deferred income tax related to items credited directly to other comprehensive income:				
Net change in fair value adjustment reserves for derivative financial instruments designated as hedging instruments in cash flow hedges	(3,144)	(12,529)	(3,144)	(9,731)
Deferred tax recorded in other comprehensive income	(3,144)	(12,529)	(3,144)	(9,731)

## 9. Income tax expense (cont'd)

### (b) Relationship between tax expense and accounting profit

A reconciliation of the statutory tax rate to the Group's and Company's effective tax rate is as follows:-

	Group		Company	
	2013 %	2012 %	2013 %	2012 %
Statutory tax rate	17.0	17.0	17.0	17.0
Tax effect of non-deductible expenses	6.4	8.2	18.4	20.6
Higher statutory tax rates of other countries <sup>(1)</sup>	8.2	1.5	–	–
Tax effect on over provision in respect of prior years	(2.4)	(1.0)	–	–
Tax effect of income taxed at concessionary rate <sup>(2)</sup>	(6.4)	(6.1)	(18.5)	(17.4)
Tax effect on non-taxable/ exempt income <sup>(3)</sup>	(4.4)	(10.3)	(0.3)	(1.0)
Tax effect of jointly controlled entities/ associates	(0.7)	(1.3)	–	–
Tax effect of deferred tax assets not recognised	2.5	1.0	–	–
Tax effect of others, net	1.0	(1.2)	1.6	(0.2)
	21.2	7.8	18.2	19.0

<sup>(1)</sup> The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

<sup>(2)</sup> The Company is an approved company under the Global Trader Programme ("GTP") of International Enterprise Singapore and Development and Expansion Incentive ("DEI") under the International Headquarters ("IHQ") award of Singapore Economic Development Board. By virtue of this, the Company is entitled to a concessionary income tax rate of 5% for a period of 5 years from 1 July 2008 to 30 June 2013 on qualifying activities, products and income. Subsequent to year end, the Company's GTP status has been extended for a further 5 years from 1 July 2013 to 30 June 2018.

<sup>(3)</sup> There are three (2012: three) subsidiaries within the Group that are taxed at the preferential tax rate of 0% (as opposed to the local headline/ statutory tax rates ranging from 20% to 35%) by the local tax authorities for periods ranging from 2.5 to 8 years.

### (c) Deferred income tax

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Deferred tax assets	34,832	37,735	–	–
Deferred tax liabilities	(240,877)	(194,071)	(4,843)	(1,496)
Net deferred tax liabilities	(206,045)	(156,336)	(4,843)	(1,496)

## 9. Income tax expense (cont'd)

### (c) Deferred income tax (cont')

The analysis of deferred income tax is as follows:-

	Group				Company	
	Consolidated balance sheet		Consolidated profit and loss account		Balance sheet	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Deferred tax liabilities:</b>						
Differences in depreciation	193,601	141,192	47,851	34,802	847	619
Fair value adjustment on business combinations	108,922	107,502	(5,708)	(28,496)	–	–
Biological assets	40,025	28,878	10,027	7,766	–	–
Convertible bonds	5,922	5,932	–	–	5,922	5,932
Others	9,627	7,016	4,230	3,713	–	–
Gross deferred tax liabilities	358,097	290,520			6,769	6,551
<b>Deferred tax assets:</b>						
Allowance for doubtful debts	2,390	5,251	2,813	(3,889)	–	–
Inventories written-down	–	–	–	174	23	–
Revaluation of financial instruments to fair value	1,903	5,055	–	–	1,903	5,055
Unabsorbed losses	147,759	123,878	(16,817)	(25,984)	–	–
Gross deferred tax assets	152,052	134,184			1,926	5,055
Net deferred tax liabilities	(206,045)	(156,336)			(4,843)	(1,496)
Deferred income tax expense/(credit)			42,396	(11,914)		

#### Unrecognised tax losses and capital allowances

The Group has tax losses of \$130,044,000 (2012: \$80,495,000) and capital allowances of \$69,034,000 (2012: \$17,118,000) that are available for offset against future taxable profits of the companies in which the losses arose for which no deferred tax asset has been recognised. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate and there is no expiry date on the utilisation of such tax losses and capital allowances for offset against future taxable profits.

#### Unrecognised temporary differences relating to investments in subsidiaries and jointly controlled entities

At the end of the financial years ended 30 June 2013 and 30 June 2012, there is no deferred tax liability that needs to be recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries and jointly controlled entities as the Group has determined that if any undistributed earnings of its subsidiaries and jointly controlled entities are distributed in the foreseeable future, there will be no material tax impact.

#### Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements in respect the current and previous financial year (Note 26).



## 10. Property, plant and equipment

Group	Freehold land \$'000	Leasehold land and buildings \$'000	Plant and machinery \$'000	Other assets <sup>(1)</sup> \$'000	Capital work-in- progress \$'000	Total \$'000
<b>Cost</b>						
As at 1 July 2011	282,971	421,975	722,040	116,552	259,163	1,802,701
Additions	8,352	29,479	132,896	39,074	665,130	874,931
Acquired through business combinations	99,372	141,774	122,580	2,983	19,451	386,160
Disposals	(506)	(632)	(15,091)	(10,938)	(190)	(27,357)
Reclassification	38,349	30,601	99,460	2,998	(171,408)	–
Foreign currency translation adjustments	(1,081)	(14,251)	(648)	(17,023)	(24,618)	(57,621)
As at 30 June 2012 and 1 July 2012	427,457	608,946	1,061,237	133,646	747,528	2,978,814
Additions	5,017	86,159	168,616	52,795	627,668	940,255
Acquired through business combinations (Note 11)	5,552	56,327	96,457	1,932	730	160,998
Disposals	(46,516)	(8,085)	(22,593)	(9,440)	(4,040)	(90,674)
Reclassification	42,965	185,644	175,856	36,387	(440,852)	–
Foreign currency translation adjustments	(5,012)	(9,215)	(35,859)	(939)	(5,543)	(56,568)
As at 30 June 2013	429,463	919,776	1,443,714	214,381	925,491	3,932,825
<b>Accumulated depreciation and impairment loss:</b>						
As at 1 July 2011	–	41,994	129,057	54,935	–	225,986
Charge for the year	–	29,347	77,302	22,042	–	128,691
Disposals	–	(408)	(5,373)	(6,209)	–	(11,990)
Reclassification	–	8,184	(7,768)	(416)	–	–
Foreign currency translation adjustments	–	(1,311)	23,809	(7,366)	–	15,132
As at 30 June 2012 and 1 July 2012	–	77,806	217,027	62,986	–	357,819
Charge for the year	–	40,400	110,759	24,719	–	175,878
Disposals	–	(2,486)	(8,463)	(6,737)	–	(17,686)
Reclassification	–	1,251	(486)	(765)	–	–
Foreign currency translation adjustments	–	(2,983)	(7,509)	(469)	–	(10,961)
As at 30 June 2013	–	113,988	311,328	79,734	–	505,050
<b>Net carrying value</b>						
As at 30 June 2013	429,463	805,788	1,132,386	134,647	925,491	3,427,775
As at 30 June 2012	427,457	531,140	844,210	70,660	747,528	2,620,995

<sup>(1)</sup> Other assets comprise motor vehicles, furniture and fittings, office equipment and computers.

## 10. Property, plant and equipment (cont'd)

Company	Buildings \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
<b>Cost</b>							
As at 1 July 2011	139	54	881	1,812	857	5,048	8,791
Additions	379	74	163	5	35	1,232	1,888
Disposals	–	–	–	(9)	(46)	–	(55)
Foreign currency translation adjustments	5	3	29	59	27	168	291
As at 30 June 2012 and 1 July 2012	523	131	1,073	1,867	873	6,448	10,915
Additions	–	340	28	19	–	1,110	1,497
Foreign currency translation adjustments	(1)	7	(1)	(3)	(1)	15	16
As at 30 June 2013	522	478	1,100	1,883	872	7,573	12,428
<b>Accumulated depreciation</b>							
As at 1 July 2011	84	11	573	1,654	795	3,395	6,512
Charge for the year	20	17	135	111	43	1,193	1,519
Disposals	–	–	–	(9)	(46)	–	(55)
Foreign currency translation adjustments	3	1	18	54	24	115	215
As at 30 June 2012 and 1 July 2012	107	29	726	1,810	816	4,703	8,191
Charge for the year	44	66	135	50	24	1,337	1,656
Foreign currency translation adjustments	1	1	2	(2)	(1)	23	24
As at 30 June 2013	152	96	863	1,858	839	6,063	9,871
<b>Net carrying value</b>							
As at 30 June 2013	370	382	237	25	33	1,510	2,557
As at 30 June 2012	416	102	347	57	57	1,745	2,724

In the previous financial year, the Group acquired leasehold land and buildings with an aggregate cost of \$7,505,000 by means of financial lease. There were no such acquisitions under financial leases this financial year. The carrying amount of leasehold land and buildings held under financial lease at the end of the reporting period was \$25,170,000 (2012: \$28,403,000).

The Group's freehold land, buildings, plant and machinery with a carrying amount of \$349,858,000 (2012: \$191,650,000) have been pledged to secure the Group's borrowings as set out in Note 23 to the financial statements.

## 11. Intangible assets

Group	Goodwill \$'000	Customer relationships \$'000	Brands and trademark <sup>(1)</sup> \$'000	Software \$'000	Water Rights <sup>(2)</sup> \$'000	Concession Rights <sup>(3)</sup> \$'000	Others <sup>(4)</sup> \$'000	Total \$'000
<b>Cost</b>								
As at 1 July 2011	98,954	30,995	3,836	25,681	235,080	98,833	23,197	516,576
Additions	–	–	–	10,376	–	–	7,643	18,019
Acquired through business combinations	51,820	14,918	110,579	–	–	–	4,373	181,690
Foreign currency translation adjustments	2,420	1,080	710	228	(4,910)	(2,668)	(22)	(3,162)
As at 30 June 2012 and 1 July 2012	153,194	46,993	115,125	36,285	230,170	96,165	35,191	713,123
Additions	–	–	–	14,668	–	–	235	14,903
Acquired through business combinations (Note 11)	44,944	2,939	–	–	–	–	3,349	51,232
Foreign currency translation adjustments	(1,220)	(8)	(181)	(719)	(24,022)	11,651	(1,186)	(15,685)
As at 30 June 2013	196,918	49,924	114,944	50,234	206,148	107,816	37,589	763,573
<b>Accumulated amortisation and impairment</b>								
As at 1 July 2011	3,572	5,294	–	9,438	–	5,724	6,610	30,638
Amortisation	–	4,479	–	4,396	–	11,573	1,475	21,923
Foreign currency translation adjustments	266	195	–	(262)	–	240	(34)	405
As at 30 June 2012 and 1 July 2012	3,838	9,968	–	13,572	–	17,537	8,051	52,966
Amortisation	–	4,197	–	4,529	–	11,589	3,119	23,434
Impairment	1,859	–	–	57	–	–	–	1,916
Foreign currency translation adjustments	(310)	78	–	(893)	–	357	(491)	(1,259)
As at 30 June 2013	5,387	14,243	–	17,265	–	29,483	10,679	77,057
<b>Net carrying value</b>								
As at 30 June 2013	191,531	35,681	114,944	32,969	206,148	78,333	26,910	686,516
As at 30 June 2012	149,356	37,025	115,125	22,713	230,170	78,628	27,140	660,157
Average remaining amortisation period (years) – 2013	–	5 – 14	–	1 – 10	–	13 – 23	6 – 34	
Average remaining amortisation period (years) – 2012	–	6 – 15	–	2 – 10	–	6 – 24	7 – 35	

## 11. Intangible assets (cont'd)

Company	Goodwill \$'000	Brands and trademark <sup>(1)</sup> \$'000	Software \$'000	Others <sup>(4)</sup> \$'000	Total \$'000
<b>Cost</b>					
As at 1 July 2011	5,409	3,836	5,777	10,881	25,903
Additions	–	–	1,387	35	1,422
Foreign currency translation adjustments	175	123	182	210	690
As at 30 June 2012 and 1 July 2012	5,584	3,959	7,346	11,126	28,015
Additions	–	–	11,564	–	11,564
Foreign currency translation adjustments	(9)	(6)	277	(18)	244
As at 30 June 2013	5,575	3,953	19,187	11,108	39,823
<b>Accumulated amortisation</b>					
As at 1 July 2011	–	–	289	1,564	1,853
Amortisation	–	–	745	978	1,723
Foreign currency translation adjustments	–	–	(28)	56	28
As at 30 June 2012 and 1 July 2012	–	–	1,006	2,598	3,604
Amortisation	–	–	1,666	1,104	2,770
Foreign currency translation adjustments	–	–	36	20	56
As at 30 June 2013	–	–	2,708	3,722	6,430
<b>Net carrying amount</b>					
As at 30 June 2013	5,575	3,953	16,479	7,386	33,393
As at 30 June 2012	5,584	3,959	6,340	8,528	24,411
Average remaining amortisation period (years) – 2013	–	–	1 - 10	6 - 14	
Average remaining amortisation period (years) – 2012	–	–	2 - 10	7 - 15	

<sup>(1)</sup> Brands and trade marks mainly include the brand names of “OK Foods” and “OK Sweets”. The useful lives of the brands are estimated to be indefinite as management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash flows for the Group.

<sup>(2)</sup> Water rights relates to perpetual access to share of water from a specified consumptive pool.

<sup>(3)</sup> Concession rights consist of rights to harvest trees in designated areas. Amortisation is charged over the estimated useful life of the concession rights.

<sup>(4)</sup> Others comprise land use rights, tradenames, marketing agreements and non-compete fees. Land use rights relate to rights to land where the Group has acquired plantations. Amortisation is charged over the estimated useful lives of the land use rights.

## 11. Intangible assets (cont'd)

### Impairment testing of goodwill and other intangible assets

Goodwill and intangible assets with indefinite lives arising from business combinations have been allocated to the following cash-generating units ("CGU"), which are also the reportable operating segments, for impairment testing:

	Goodwill		Brands and trademark		Water rights	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Universal Blanchers	<b>62,755</b>	62,854	–	–	–	–
Olam Food Ingredients Holdings UK Limited (formerly known as "Britannia Food Ingredients Holdings Limited")	<b>7,463</b>	7,514	–	–	–	–
Queensland Cotton Holdings						
– Australian Cotton	<b>5,943</b>	6,637	–	–	–	–
– Australian Pulses	<b>1,594</b>	1,780	–	–	–	–
– USA Cotton	<b>2,390</b>	2,572	–	–	–	–
– Australian Wool	<b>2,200</b>	2,462	–	–	–	–
Olam International – Brazilian Cotton	<b>5,574</b>	5,583	–	–	–	–
Naarden Agro Products B.V	–	1,847	–	–	–	–
Olam Orchards Australia Pty Ltd	–	–	–	–	<b>206,148</b>	230,170
Olam Spices & Vegetables Ingredients	<b>8,723</b>	8,749	<b>802</b>	837	–	–
Packaged foods brands	<b>29,858</b>	29,747	<b>114,142</b>	114,288	–	–
Olam Food Ingredients Spain, S.L. (formerly known as "Olam Macao Spain, S.L.")	<b>5,535</b>	5,515	–	–	–	–
Progida Group	<b>11,850</b>	11,806	–	–	–	–
Hemarus Industries Limited	<b>1,696</b>	2,290	–	–	–	–
Kayass Enterprise S.A. (Ranona Limited)	<b>40,796</b>	–	–	–	–	–
Dehydro Foods S.A.E.	<b>4,453</b>	–	–	–	–	–
Usicam S.A.	<b>701</b>	–	–	–	–	–
	<b>191,531</b>	149,356	<b>114,944</b>	115,125	<b>206,148</b>	230,170

## 11. Intangible assets (cont'd)

### Impairment testing of goodwill and other intangible assets (cont'd)

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five year period. The discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the five year period are as follows:

	Growth rates		Discount rates	
	2013 %	2012 %	2013 %	2012 %
Universal Blanchers	2.00	2.00	10.00	10.00
Olam Food Ingredients Holdings UK Limited (formerly known as "Britannia Food Ingredients Holdings Limited")	–	–	12.50	12.50
Queensland Cotton Holdings <sup>(1)</sup>	–	–	13.00	13.00
Olam International – Brazilian Cotton	2.00	2.00	13.00	13.00
Naarden Agro Products B.V.	–	2.00	–	7.73
Olam Orchards Australia Pty Ltd	–	–	13.00	13.00
Olam Spices and Vegetables Ingredients	2.00	2.00	12.00	12.00
Packaged foods brands	3.00	3.00	12.50	12.50
Olam Food Ingredients Spain, S.L. (formerly known as "Olam Macao Spain, S.L.")	–	–	12.00	12.50
Progida Group	2.00	3.00	12.50	12.50
Hemarus Industries Limited	–	–	11.50	11.50
Kayass Enterprises S.A. (Ranona Limited)	3.00	–	12.50	–
Dehydro Foods S.A.E.	2.00	–	12.90	–
Usicam S.A.	2.00	–	12.00	–

<sup>(1)</sup> The growth rates and discount rates used are the same for all CGUs relating to Queensland Cotton Holdings.

The calculations of value in use for the CGUs are most sensitive to the following assumptions:-

*Budgeted gross margins* – Gross margins are based on average values achieved at prevailing market conditions at the start of the budget period.

*Growth rates* – The growth rates indicated are as estimated by the management based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

*Discount rates* – Discount rates reflect management's estimate of risks specific to each CGU. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

### Impairment loss recognised

During the financial year, an impairment loss was recognised to write-down the carrying amount of Naarden Agro Products B.V.'s goodwill. The Company has consolidated this business activity under another CGU for that region to drive cost efficiencies. The impairment loss of \$1,859,000 has been recognised in profit or loss under the line item "other operating expenses". There was no impairment loss in respect of the previous financial year.



## 11. Intangible assets (cont'd)

### Business combination

During the financial year, the Group entered into the following business combination:-

	Kayass Enterprises S.A. (Ranona Limited) \$'000	Dehydro Foods S.A.E. \$'000	SEDA Solubles S.L. \$'000	Other acquisitions \$'000	Total \$'000
<b>Fair value of assets and liabilities</b>					
Property, plant and equipment (Note 10)	47,619	29,614	83,426	339	160,998
Intangible assets	–	2,939	–	3,349	6,288
Inventories	3,315	2,290	2,788	–	8,393
Trade and other receivables	650	5,377	4,419	1,519	11,965
Other non-current assets	–	–	96	–	96
Cash and bank balances	38	832	357	803	2,030
	51,622	41,052	91,086	6,010	189,770
Trade and other creditors	(2,297)	(1,125)	(18,308)	(718)	(22,448)
Accruals and provisions	(4,886)	–	(342)	(486)	(5,714)
Bank overdraft	(15,890)	–	–	–	(15,890)
Borrowings	(55,346)	–	(5,118)	–	(60,464)
Deferred tax liabilities	(582)	(3,615)	(2,931)	–	(7,128)
	(79,001)	(4,740)	(26,699)	(1,204)	(111,644)
<b>Total identifiable net (liabilities)/assets at fair value</b>	(27,379)	36,312	64,387	4,806	78,126
Non-controlling interest measured based on proportionate share of net identifiable assets	–	–	(7,012)	–	(7,012)
<b>Net identifiable (liabilities)/assets</b>	(27,379)	36,312	57,375	4,806	71,114
Goodwill arising from acquisitions	39,904	4,355	–	685	44,944
	12,525	40,667	57,375	5,491	116,058
<b>Consideration transferred for the acquisitions</b>					
Cash paid	12,525	40,667	57,375	4,758	115,325
Fair value of previously held equity	–	–	–	733	733
<b>Total consideration</b>	12,525	40,667	57,375	5,491	116,058
Less: Cash and cash equivalents acquired	15,852	(832)	(357)	(803)	13,860
Less: Non-cash items	–	–	–	(733)	(733)
<b>Net cash outflow on acquisition of subsidiaries</b>	28,377	39,835	57,018	3,955	129,185

## 11. Intangible assets (cont'd)

### Business combination (cont'd)

Details of business combinations are as follows:

**(i) Kayass Industries S.A. (Ranona Limited)**

On 2 July 2012, the Group acquired a 100% equity stake in Kayass Industries S.A. (Ranona Limited).

*Trade and other receivables acquired*

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$650,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

**(ii) Dehydro Foods S.A.E. ("Dehydro")**

On 30 November 2012, the Group completed its acquisition of 100% of the equity share capital of Dehydro.

*Trade and other receivables acquired*

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$5,377,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

**(iii) Seda Solubles S.L. ("Seda")**

On 21 December 2012, Seda Outspan Iberia S.A., a wholly owned subsidiary of Olam acquired assets of the coffee production unit and certain subsidiaries of Seda.

*Trade and other receivables acquired*

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$4,419,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

*Fair value of non-controlling interests*

The Group has elected to measure non-controlling interest arising from the acquisition of certain subsidiaries of Seda at the non-controlling interest's proportionate share of these subsidiaries' identifiable net assets, respectively.

### Other acquisitions

**(a) Usicam S.A.**

On 8 April 2013, the Group completed its acquisition of the remaining 50% equity stake in Usicam S.A..

*Trade and other receivables acquired*

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$1,205,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

**(b) PT Sumber Daya Wahana**

On 30 April 2013, the Group acquired a 95% equity stake in PT Sumber Daya Wahana.

*Trade and other receivables acquired*

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$314,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

## 11. Intangible assets (cont'd)

### Business combination (cont'd)

#### Transaction costs

Total transaction costs related to all acquisitions of \$2,905,000 (2012: \$5,499,000) have been recognised in the "Other operating expenses" line item in the Group's profit and loss account for the financial year ended 30 June 2013.

#### Goodwill arising from acquisitions

Goodwill of \$44,944,000 represents the synergies expected to be achieved from integrating the value-added midstream processing business of the subsidiaries into the Group's existing supply chain business.

#### Impact of the acquisitions on profit and loss

From acquisition date, subsidiaries acquired during the financial year have contributed less than 1% to the Group's sales of goods and services and increased the Group's profits by more than 1% for the financial year. Had the acquisitions taken place at the beginning of the financial year, the sales of goods and services for the financial year would have increased by more than 1% and the Group's profit for the financial year, net of tax would have increased by more than 1%.

## 12. Biological assets

Biological assets consist of plantations, annual crops and livestock.

	Group	
	2013 \$'000	2012 \$'000
As at 1 July	631,339	453,168
Net additions <sup>(1)</sup>	97,057	46,754
Business combinations (Note 11)	–	22,630
Foreign currency translation adjustments	(42,940)	(2,087)
Net change in fair value less estimated costs to sell	96,286	110,874
As at 30 June	781,742	631,339

<sup>(1)</sup> These are mainly net additions to annual crops and livestock.

### Analysis of biological assets

Plantations consist of almonds, coffee and cocoa. The almond orchards and coffee plantations presently consist of trees aged between 1 to 24 years and 1 to 12 years respectively (2012: 1 to 24 years and 1 to 3 years respectively). The net additions include cocoa plantations that presently consist of trees aged between 10 to 12 years.

During the financial year, the Group harvested approximately 40,152 metric tonnes (2012: 33,252 metric tonnes) of almonds, which had a fair value less estimated point-of-sale costs of approximately \$353,483,000 (2012: \$212,700,000). The fair value of almonds was determined with reference to the market prices at the date of harvest.

Annual crops consist of seeds for various commodities (cotton, onions, tomatoes and other vegetables) that are given to farmers to sow and grow. Farmers take all the harvest risks and bear all the farming costs. On harvesting of the commodities, the Group has the first right to buy the produce from these farms.

At the end of the financial year, the Group's total planted area of plantations and annual crops that is yielding is approximately 27,774 (2012: 15,374) hectares and Nil (2012: 2,522) hectares respectively, excluding hectares for those commodities whose plantations are not managed by the Group.

## 12. Biological assets (cont'd)

### Analysis of biological assets (cont'd)

Livestock relates mainly to dairy cattle in Uruguay and Russia. At the end of the financial year, the Group held 48,988 (2012: 44,931) cows, which are able to produce milk (mature assets) and 38,394 (2012: 31,920) heifers and calves, being raised to produce milk in the future (immature assets). The Group produced 216.4 million litres (2012: 160.0 million litres) of milk with a fair value less estimated point-of-sale costs of \$109,647,000 (2012: \$78,701,000) during the financial year.

### Fair value determination

The fair value of biological assets (other than annual crops and livestock) is estimated with reference to a professional valuation using the present value of expected net cash flows from the biological assets. The valuations are based on following significant assumptions:

- (i) The average life of trees for plantations has been taken up to 15 to 24 years (2012: 15 to 25 years);
- (ii) Rates considered for discounting future cash flows range between 11% to 13% (2012: 12% and 13%) per annum;
- (iii) Annual rate of inflation ranging from 0% to 6% (2012: 0% to 4%) per annum;
- (iv) Location, soil type and infrastructure for determining estimated yield; and
- (v) Market prices of the biological assets which are dependent on the prevailing market prices of the products after harvest.

The annual crops have been valued using adjusted cost, which is the estimate of the yield and cost of the crop at harvest discounted for the remaining time to harvest, which approximate fair value.

The fair value of livestock is determined based on valuations by an independent professional valuer using market prices of livestock of similar age, breed and generic merit.

### Financial risk management strategies related to agricultural activities

The Group is exposed to financial risk in respect of agricultural activity. The agricultural activity of the Group consists of the management of biological assets to produce marketable output. The primary financial risk associated with this activity occurs due to the length of time between expending cash on the purchase or planting and maintenance of biological assets and on harvesting and ultimately receiving cash from the sale of the marketable output. The Group plans for cash flow requirements for such activities and manages its debt and equity portfolio actively).

## 13. Subsidiary companies

	Company	
	2013 \$'000	2012 \$'000
Quoted equity shares at cost <sup>(1)</sup>	–	122,273
Unquoted equity shares at cost	1,497,240	1,069,442
Less: Impairment loss	(13,283)	(6,739)
Foreign currency translation adjustments	(27,203)	(32,070)
	1,456,754	1,152,906
Loans to subsidiary companies	550,449	414,755
	2,007,203	1,567,661
Market value of quoted shares <sup>(1)</sup>	–	117,309

<sup>(1)</sup> The quoted equity shares at cost relates to investment in subsidiary, New Zealand Farming Systems Uruguay Limited ("NZFSU"). During the year, the Company acquired the remaining 14.07% equity stake of NZFSU and it became a wholly owned subsidiary of the Company. As a result of the acquisition, NZFSU has been delisted and accounted for as unquoted equity shares at cost.

### 13. Subsidiary companies (cont'd)

Loans to subsidiary companies denominated in currencies other than functional currency of the Company at 30 June are as follows:-

	Company	
	2013 \$'000	2012 \$'000
Australian Dollar	153,450	117,888
Euro	117,740	62,429

The Company has provided impairment loss during the financial year of \$6,544,000 (2012: \$Nil) on the investment in the subsidiaries as the carrying amount exceeds the fair value based on the net asset value of the subsidiaries.

Loans to subsidiary companies are unsecured and are not repayable within the next 12 months. The loans are non-interest bearing, except for amounts of \$440,543,000 (2012: \$310,485,000) which bear interest ranging from 2.5% to 9.0% (2012: 2.0% to 9.0%) per annum.

#### Acquisition of non-controlling interests

- (i) On 2 October 2012, the Company acquired the remaining 14.07% equity stake in NZFSU from its non-controlling interests by way of a cash consideration. As a result of the acquisition, NZSFU became a wholly owned subsidiary.
- (ii) On 31 May 2013, the Group's subsidiary company, Seda Outspan Iberia S.L., acquired the remaining 50% equity stake from its non-controlling interests, Seda Congeneracion, S.A. by way of a cash consideration and Seda Congeneracion, S.A. became a wholly owned subsidiary.

Significant subsidiary companies of Olam International Limited are as follows:-

Name of company	Country of incorporation	Principal activities	Effective percentage of equity held by the Group	
			2013 %	2012 %
Olam Cam S.A. <sup>(2)</sup>	Cameroon	(a)	100	100
Olam Ghana Limited <sup>(2)</sup>	Ghana	(a)	100	100
Olam Ivoire SA <sup>(2)</sup>	Ivory Coast	(a)	100	100
Olam Nigeria Limited <sup>(2)</sup>	Nigeria	(a)	100	100
Olam Tanzania Limited <sup>(2)</sup>	Tanzania	(a)	100	100
Outspan Ivoire SA <sup>(2)</sup>	Ivory Coast	(a)	100	100
Olam Gab SA <sup>(2)</sup>	Gabon	(a)	100	100
Olam Moçambique, Limitada <sup>(2)</sup>	Mozambique	(a)	100	100
Olam Vietnam Limited <sup>(2)</sup>	Vietnam	(a)	100	100
Olam South Africa (Proprietary) Limited <sup>(2)</sup>	South Africa	(a)	100	100
Olam Brasil Ltda <sup>(2)</sup>	Brazil	(a)	100	100
Olam Europe Limited <sup>(2)</sup>	United Kingdom	(a)	100	100
Far East Agri Pte Ltd <sup>(1)</sup>	Singapore	(b)	100	100
PT Olam Indonesia <sup>(2)</sup>	Indonesia	(a)	100	100
Outspan Brasil Importação e Exportação Ltda. <sup>(2)</sup>	Brazil	(a)	100	100
Olam Shanghai Limited <sup>(2)</sup>	China	(a)	100	100
Olam Argentina S.A. <sup>(2)</sup>	Argentina	(a)	100	100
Panasia International FZCO <sup>(2)</sup>	United Arab Emirates	(a)	100	100
Outspan Colombia S.A.S. C.I. <sup>(2)</sup>	Colombia	(a)	100	100
Olam Investments Limited <sup>(2)</sup>	Mauritius	(b)	100	100

### 13. Subsidiary companies (cont'd)

Significant subsidiary companies of Olam International Limited are as follows:-

Name of company	Country of incorporation	Principal activities	Effective percentage of equity held by the Group	
			2013 %	2012 %
Café Outspan Vietnam Limited <sup>(2)</sup>	Vietnam	(a)	100	100
LLC Outspan International <sup>(2)</sup>	Russia	(a)	100	100
Olam Investments Australia Pty Ltd <sup>(2)</sup>	Australia	(b)	100	100
Olam (Thailand) Limited <sup>(2)</sup>	Thailand	(a)	100	100
Outspan Bolovens Limited <sup>(2)</sup>	Laos	(a) & (c)	100	100
Olam Agro India Limited <sup>(2)</sup>	India	(a)	100	100
Crown Flour Mills Limited <sup>(2)</sup>	Nigeria	(a)	100	100
Olam Orchards Australia Pty Ltd <sup>(2)</sup>	Australia	(a) & (c)	100	100
Outspan México, S.A. de C.V. <sup>(3)</sup>	Mexico	(a)	100	100
Invenio Holdings Pte. Ltd. <sup>(1)</sup>	Singapore	(b) & (d)	89.29	89.04
tt Timber International AG <sup>(3)</sup>	Switzerland	(a) & (b)	100	100
NZ Farming Systems Uruguay Limited <sup>(2)</sup>	New Zealand	(a) & (b)	100	85.93
Olam Food Ingredients Holdings UK Limited (formerly known as "Britannia Food Ingredients Holdings Limited") <sup>(2)</sup>	United Kingdom	(b)	100	100
Gabon Special Economic Zone SA <sup>(2)</sup>	Gabon	(e)	60	60
Olam Palm Gabon SA <sup>(2)</sup>	Gabon	(a) & (c)	70	70
OK Foods Limited <sup>(2)</sup>	Nigeria	(a) & (b)	100	100
Olam Tarım Ürünleri Yem Maddeleri Sanayi ve Ticaret Limited Şirketi <sup>(2)</sup>	Turkey	(a) & (b)	100	100
Olam Food Ingredients Spain, S.L. (formerly known as "Olam Macao Spain, S.L.") <sup>(3)</sup>	Spain	(a)	100	100
Outspan Cyprus Limited <sup>(3)</sup>	Cyprus	(b)	100	100
Olea Investment Holdings Pte. Ltd. <sup>(1)</sup>	Singapore	(b)	80	80
Olam Cocoa Processing Cote d'Ivoire <sup>(3)</sup>	Ivory Coast	(a)	100	100
Olam (Uganda) Limited <sup>(3)</sup>	Uganda	(a)	100	100
Outspan Malaysia Sdn Bhd <sup>(3)</sup>	Malaysia	(a)	100	100
Carmel Investment Holdings Pte Ltd <sup>(1)</sup>	Singapore	(b)	80	80
Seda Outspan Iberia S.L. <sup>(2)</sup>	Spain	(a)	100	100
Ranona Limited <sup>(2)</sup>	Nigeria	(a)	100	–
Dehydro Foods S.A.E. <sup>(2)</sup>	Egypt	(a)	100	–
Usicam S.A. <sup>(3)</sup>	Cameroon	(a)	100	50
PT Sumber Daya Wahana <sup>(3)</sup>	Indonesia	(c)	95	–



### 13. Subsidiary companies (cont'd)

Significant subsidiary companies of subsidiaries of Olam International Limited are as follows:-

Name of company	Principal activities	Effective percentage of equity held by the Group	
		2013 %	2012 %
Subsidiary company of <b>Far East Agri Pte Ltd:</b>			
PT Dharmapala Usaha Sukses <sup>(2)</sup> (Indonesia)	(a)	100	100
Subsidiary company of <b>Panasia International FZCO:</b>			
Olam Senegal S.A. <sup>(3)</sup> (Senegal)	(a)	100	100
Subsidiary company of <b>Olam Investments Limited:</b>			
Olam Agro India Limited <sup>(2)</sup> (India)	(a)	100	100
Subsidiary company of <b>Olam Investments Australia Pty Ltd:</b>			
Olam Australia Pty Ltd <sup>(2)</sup> (Australia)	(b)	100	100
Subsidiary company of <b>Olam Australia Pty Ltd:</b>			
Queensland Cotton Holdings Pty Ltd <sup>(2)</sup> (Australia)	(b)	100	100
Subsidiary companies of <b>Queensland Cotton Holdings Pty Ltd:</b>			
QC International Pty Ltd <sup>(2)</sup> (Australia)	(b)	100	100
Australian Cotton Corporation Pty Ltd <sup>(2)</sup> (Australia)	(b)	100	100
Queensland Cotton Corporation Pty Ltd <sup>(2)</sup> (Australia)	(a)	100	100
Subsidiary company of <b>QC International Pty Ltd:</b>			
Olam Holdings Partnership <sup>(2)</sup> (The United States of America)	(b)	100	100
Subsidiary companies of <b>Olam Holdings Partnership:</b>			
QC (US) International, Inc. <sup>(2)</sup> (The United States of America)	(b)	100	100
Olam US Holdings, Inc. <sup>(2)</sup> (The United States of America)	(b)	100	100
Subsidiary company of <b>QC (US) International, Inc.:</b>			
Olam Cotton <sup>(2)</sup> (The United States of America)	(b)	100	100

### 13. Subsidiary companies (cont'd)

Significant subsidiary companies of subsidiaries of Olam International Limited are as follows:-

Name of company	Principal activities	Effective percentage of equity held by the Group	
		2013 %	2012 %
Subsidiary companies of <b>Olam US Holdings Inc.:</b>			
Universal Blanchers, L.L.C. <sup>(2)</sup> (The United States of America)	(a)	100	100
Olam Americas, Inc. <sup>(2)</sup> (The United States of America)	(a)	100	100
Subsidiary company of <b>Olam Americas, Inc.:</b>			
Olam West Coast, Inc. <sup>(2)</sup> (The United States of America)	(a)	100	100
Olam Tomato Processors, Inc. <sup>(2)</sup> (The United States of America)	(a)	100	100
Olam Farming, Inc. <sup>(2)</sup> (The United States of America)	(a) & (c)	100	100
Subsidiary companies of <b>Invenio Holdings Pte. Ltd.:</b>			
Invenio Commodity Financials Pte. Ltd. <sup>(1)</sup> (Singapore)	(d)	100	100
Subsidiary company of <b>Olam Food Ingredients Holdings UK Limited (formerly known as “Britannia Food Ingredients Holdings Limited”):</b>			
Olam Food Ingredients Limited (formerly known as “Britannia Food Ingredients Limited”) <sup>(2)</sup> (United Kingdom)	(a)	100	100
Subsidiary companies of <b>tt Timber International AG:</b>			
Congolaise Industrielle des Bois SA <sup>(2)</sup> (Republic of Congo)	(a)	100	100
Commerce et Industrie du Bois SA <sup>(2)</sup> (Gabon)	(a)	100	100
Subsidiary company of <b>Commerce et Industrie du Bois SA:</b>			
Gabonaise Industrielle des Bois SA <sup>(2)</sup> (Gabon)	(a)	100	100
Compagnie Forestière des Abeilles SA <sup>(2)</sup> (Gabon)	(a)	100	100
<b>Subsidiary companies of Olam Tarım Ürünleri Yem Maddeleri Sanayi Ve Ticaret Limited Şirketi:</b>			
Progıda Fındık Sanayi ve Ticaret A.Ş. <sup>(2)</sup> (Turkey)	(a)	100	100
Progıda Pazarlama A.Ş. <sup>(2)</sup> (Turkey)	(a)	100	100
Progıda Tarım Ürünleri Sanayi ve Ticaret A.Ş. <sup>(2)</sup> (Turkey)	(a)	100	100

### 13. Subsidiary companies (cont'd)

Significant subsidiary companies of subsidiaries of Olam International Limited are as follows:-

Name of company	Principal activities	Effective percentage of equity held by the Group	
		2013 %	2012 %
Subsidiary company of <b>Olam Food Ingredients Spain, S.L. (formerly known as "Olam Macao Spain, S.L.")</b>			
Solimar Food Ingredients, S.L. <sup>(3)</sup> (Spain)	(a)	100	100
Subsidiary company of <b>Outspan Cyprus Limited:</b>			
Milky Projects Limited <sup>(3)</sup> (Cyprus)	(b)	75	75
Subsidiary company of <b>Milky Projects Limited:</b>			
LLC Russian Dairy Company <sup>(2)</sup> (Russia)	(c)	100	100
Subsidiary company of <b>Gabon Special Economic Zone SA:</b>			
Société de la Zone Economique Spéciale de Port-Gentil <sup>(2)</sup> (Gabon)	(e)	60	60
Subsidiary company of <b>Olam Agro India Limited:</b>			
Hemarus Industries Limited <sup>(2)</sup> (India)	(a)	100	100
Subsidiary company of <b>Olea Investment Holdings Pte. Ltd.:</b>			
Gabon Fertilizer Company SA <sup>(2)</sup> (Gabon)	(a)	80	80
Subsidiary company of <b>Carmel Investment Holdings Pte. Ltd.:</b>			
Olam Rubber Gabon SA <sup>(2)</sup> (Gabon)	(a)	100	—
Subsidiary company of <b>Seda Outspan Iberia S.L.:</b>			
Alliance Coffee Company Liofilizados, S.L. <sup>(2)</sup> (Spain)	(a)	100	—
Seda Internacional <sup>(2)</sup> (Russia)	(a)	100	—
Seda Congeneracion, S.A <sup>(2)</sup> (Spain)	(a)	50	—

(a) Sourcing, processing, packaging and merchandising of agricultural products and inputs.

(b) Investment holding.

(c) Agricultural operations.

(d) Risk management activities.

(e) Infrastructure development.

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore.

<sup>(2)</sup> Audited by associated firms of Ernst & Young Global Limited.

<sup>(3)</sup> Audited by other CPA firms.

## 14. Investments in jointly controlled entities and associates

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Jointly controlled entities (Note 14(a))	<b>317,084</b>	255,772	<b>188,483</b>	153,654
Associates (Note 14(b))	<b>240,609</b>	227,092	<b>224,543</b>	224,912
	<b>557,693</b>	482,864	<b>413,026</b>	378,566

### (a) Investments in jointly controlled entities

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Unquoted equity shares at cost	<b>60,019</b>	901	<b>50,807</b>	904
Loans to jointly controlled entities <sup>(1)</sup>	<b>136,540</b>	152,903	<b>136,540</b>	152,903
Share of post-acquisition reserves	<b>122,735</b>	104,300	–	–
Foreign currency translation adjustments	<b>(2,210)</b>	(2,332)	<b>1,136</b>	(153)
	<b>317,084</b>	255,772	<b>188,483</b>	153,654

<sup>(1)</sup> Loans to jointly controlled entities include a loan to Nauvu Investments Pte Ltd amounting to \$136,540,000 (2012: \$152,329,000). The loans are unsecured, non-interest bearing and not expected to be repayable within the next 12 months.

Details of significant jointly controlled entities at end of financial year are as follows:-

Name of company	Country of incorporation	Principal activities	Percentage of equity held	
			2013 %	2012 %
<b>Held by the Company</b>				
Nauvu Investments Pte Ltd <sup>(1)</sup>	Singapore	(a)/(b)	<b>50</b>	50
Acacia Investment Limited <sup>(2)</sup>	United Arab Emirates	(a)/(b)	<b>50</b>	–
Usicam S.A. <sup>(3)</sup>	Cameroon	(a)	<b>–</b>	50

(a) Sourcing, processing, packaging and merchandising of agricultural products.

(b) Technical services.

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore

<sup>(2)</sup> Audited by other CPA firm. However, the principal operating subsidiary in Mozambique is audited by associated firms of Ernst & Young Global Limited

<sup>(3)</sup> Audited by other CPA firms

## 14. Investments in jointly controlled entities and associates (cont'd)

### (a) Investments in jointly controlled entities (cont'd)

#### Acacia Investment Limited ("Acacia")

During the year, the Company acquired a 50% equity stake in Acacia. The purchase consideration of \$53,331,000 has been derived by adding the carrying value of certain liabilities assumed to the cash paid of \$44,613,000.

#### Usicam S.A. ("Usicam")

During the year, the Company acquired the remaining 50% equity stake in Usicam (Note 11). Upon the acquisition, Usicam became a wholly owned subsidiary of the Group.

The Group's share of the jointly controlled entities' underlying assets and liabilities, and results are as follows:-

	Group	
	2013 \$'000	2012 \$'000
<b>Assets and liabilities:</b>		
Current assets	72,222	17,426
Long-term assets	272,025	242,643
Total assets	344,247	260,069
Current liabilities	(35,282)	(3,360)
Long-term liabilities	(159,830)	(152,093)
Total liabilities	(195,112)	(155,453)
<b>Results:</b>		
Income	46,230	44,743
Expenses	(27,925)	(3,913)
Profit after tax for the financial year	18,305	40,830

### (b) Investments in associates

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Quoted equity shares at cost	169,031	169,031	169,031	169,031
Unquoted equity shares at cost	137,940	129,922	120,470	120,470
Share of post-acquisition reserves	343	(5,492)	—	—
Foreign currency translation adjustments	(31,109)	(30,773)	(29,362)	(28,993)
Less: Impairment loss	(35,596)	(35,596)	(35,596)	(35,596)
	240,609	227,092	224,543	224,912
Market value of quoted shares	220,637	87,030	220,637	87,030

## 14. Investments in jointly controlled entities and associates (cont'd)

### (b) Investments in associates (cont'd)

Details of significant associates at end of financial year are as follows:-

Name of company	Country of incorporation	Principal activities	Percentage of equity held	
			2013 %	2012 %
<b>Held by the Company</b>				
Open Country Dairy Limited <sup>(1)</sup>	New Zealand	Processing and trading of agricultural commodities	<b>24.75</b>	24.75
PureCircle Limited <sup>(1)</sup>	Bermuda	Processing and trading of agricultural commodities	<b>18.56</b>	19.76
<b>Held by Subsidiary</b>				
Newcastle Agri Terminal Pty Ltd <sup>(1)</sup>	Australia	Infrastructure development	<b>27.16</b>	29.50

<sup>(1)</sup> Audited by other CPA firms

During the year, PureCircle Limited issued further equity which diluted the Company's interest from 19.76% to 18.56%. Management has assessed and is satisfied that the Group retains significant influence over PureCircle.

The Group's share of the associates' underlying assets and liabilities, and results are as follows:-

	Group	
	2013 \$'000	2012 \$'000
<b>Assets and liabilities:</b>		
Current assets	<b>68,451</b>	61,148
Long-term assets	<b>104,766</b>	98,444
Total assets	<b>173,217</b>	159,592
Current liabilities	<b>(27,892)</b>	(14,458)
Long-term liabilities	<b>(35,227)</b>	(47,998)
Total liabilities	<b>(63,119)</b>	(62,456)
<b>Results:</b>		
Income	<b>170,725</b>	177,332
Expenses	<b>(168,546)</b>	(180,696)
Profit/(loss) after tax for the financial year	<b>2,179</b>	(3,364)

## 15. Amounts due from subsidiary companies

	Company	
	2013 \$'000	2012 \$'000
Trade receivables	<b>741,688</b>	729,572
Loans to subsidiaries	<b>1,460,885</b>	991,994
Non-trade receivables	<b>55,450</b>	371,388
	<b>2,258,023</b>	2,092,954



## 15. Amounts due from subsidiary companies (cont'd)

Loans to subsidiaries include amounts totalling \$741,991,000 (2012: \$517,973,000) which are unsecured and bear interest ranging from 4.94% to 7.47% (2012: 5.97% to 8.09%) per annum, repayable on demand and are to be settled in cash. The remaining amounts are non-interest bearing, unsecured, repayable on demand and are to be settled in cash.

In the previous financial year, non-trade receivables included amounts totalling \$318,508,000 which were unsecured and bore interest ranging from 5.97% to 6.34% per annum, was repayable on demand and to be settled in cash. There were no such non-trade receivables in the current financial year.

The remaining amounts are non-interest bearing, unsecured, repayable on demand and are to be settled in cash.

Amounts due from subsidiary companies denominated in currencies other than functional currency of the Company at 30 June are as follows:-

	Company	
	2013 \$'000	2012 \$'000
Euro	450,237	595,616
Australian Dollar	269,783	252,165
Amounts due from subsidiary companies are stated after deducting allowance for doubtful debts of		
– Trade	1,900	1,903
– Non-trade	3,176	3,171
	5,076	5,074
The movement of the allowance accounts is as follows:-		
Movement in allowance accounts:-		
At 1 July	5,074	4,915
Charge for the year	10	–
Foreign currency translation adjustments	(8)	159
At 30 June	5,076	5,074

## 16. Trade receivables

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade receivables	2,190,808	1,417,418	984,098	394,604
GST, VAT and other indirect tax receivables	182,092	179,378	293	59
	2,372,900	1,596,796	984,391	394,663

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

## 16. Trade receivables (cont'd)

Trade receivables denominated in currencies other than functional currencies of Group companies at 30 June are as follows:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
United States Dollar	194,850	293,028	–	–
Great Britain Pound	25,493	38,694	25,493	38,694
Euro	48,255	46,903	32,825	37,539

Trade receivables include an amount of \$443,167 and \$12,469,677 due from an associate and a jointly controlled entity respectively. There were no amounts due from associates or jointly controlled entities in the previous financial year.

The Group's and the Company's trade receivables at the balance sheet date and the allowance accounts used to record the impairment are as follows:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade receivables – nominal amounts	2,218,778	1,448,210	997,892	403,811
Allowance for doubtful debts	(27,970)	(30,792)	(13,794)	(9,207)
	2,190,808	1,417,418	984,098	394,604
Movement in allowance accounts:-				
At 1 July	30,792	17,508	9,207	8,267
Charge for the year	8,002	17,709	4,938	2,159
Written off	(8,330)	(431)	–	–
Written back	(2,184)	(3,643)	(437)	(1,490)
Foreign currency translation adjustments	(310)	(351)	86	271
At 30 June	27,970	30,792	13,794	9,207

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The analysis of debtors ageing at the balance sheet date is as follows:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade receivables:-				
Less than 30 days	1,563,367	945,051	773,852	238,390
30 to 60 days	392,262	249,760	124,069	90,450
61 to 90 days	111,405	71,260	46,101	39,398
91 to 120 days	46,890	30,769	9,191	13,937
121 to 180 days	46,489	109,071	10,910	6,915
More than 180 days	30,395	11,507	19,975	5,514

## 17. Margin accounts with brokers

Margin accounts are maintained with recognised futures dealers and brokers for trades done on the futures exchanges. These margin accounts move in relation to trades done on futures, variation margins required and prices of the commodities traded.

These amounts reflect the payments made to futures dealers as initial and variation margins depending on the volume of trades done and price movements.

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Margin deposits with brokers	82,515	97,414	47,494	175,417
Amounts due to brokers	(91,629)	(237,981)	(83,177)	(252,428)
	(9,114)	(140,567)	(35,683)	(77,011)

## 18. Inventories

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Balance sheets:</b>				
Commodity inventories at fair value	1,650,197	1,345,549	282,147	297,364
Commodity inventories at the lower of cost and net realisable value	2,504,074	3,064,465	176,913	440,927
	4,154,271	4,410,014	459,060	738,291
<b>Profit and loss accounts:</b>				
Inventories recognised as an expense in cost of goods sold inclusive of the following (charge)/credit	(17,113,260)	(14,034,810)	(11,866,997)	(9,955,070)
– Inventories written down/off	(7,720)	(19,096)	(1,265)	(1,689)
– Reversal of write-down of inventories <sup>(1)</sup>	7,605	4,055	1,658	–

<sup>(1)</sup> The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts.

## 19. Advance payments to suppliers/subsidiary companies

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Third parties	598,470	320,556	215,033	98,153
Subsidiary companies	–	–	2,079,753	1,750,052
	598,470	320,556	2,294,786	1,848,205

These represent advance payments to suppliers and subsidiary companies for procurement of physical commodities.

## 19. Advance payments to suppliers/subsidiary companies (cont'd)

Advance payments to suppliers and subsidiary companies denominated in currencies other than functional currencies of Group companies at 30 June are as follows:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
United States Dollar	33,302	24,020	–	–
Euro	22,773	16,695	430,146	306,605
Great Britain Pound	91	39	3,538	2,193

Advance payments to subsidiary companies is stated after deducting allowance for doubtful debts of \$10,584,000 (2012: \$6,343,000).

Advance payments to suppliers for the Group and Company are stated after deducting allowance for doubtful debts of \$12,149,000 (2012: \$10,988,000) and \$5,082,000 (2012: \$5,339,000) respectively.

The movement in the allowance accounts for advance payment to suppliers is as follows:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Movement in allowance accounts:-				
As at 1 July	10,988	8,143	5,339	1,009
Charge for the year	1,576	4,851	89	4,293
Written off	(153)	(81)	–	–
Written back	(342)	(1,594)	(332)	(18)
Foreign currency translation adjustments	80	(331)	(14)	55
At 30 June	12,149	10,988	5,082	5,339

## 20. Other current/non-current assets

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Current:</b>				
Staff advances <sup>(1)</sup>	10,582	8,598	928	493
Deposits	30,969	25,469	1,878	2,249
Option premium receivable	7,069	9,551	6,431	16,018
Insurance receivables <sup>(2)</sup>	25,650	13,623	18,759	6,209
Short-term investment	39,657 <sup>(3)</sup>	46,837	39,657 <sup>(3)</sup>	38,980 <sup>(3)</sup>
Sundry receivables	91,354	81,827	3,299	3,041
Export incentives and subsidies receivable <sup>(4)</sup>	103,725	111,029	–	–
	309,006	296,934	70,952	66,990
Development costs <sup>(5)</sup>	–	49,548	–	–
Prepayments <sup>(6)</sup>	243,652	298,825	17,019	38,617
	552,658	645,307	87,971	105,607
<b>Non-current:</b>				
Other non-current assets <sup>(7)</sup>	20,256	9,163	–	–

## 20. Other current/non-current assets (cont'd)

- <sup>(1)</sup> Staff advances are interest-free, unsecured, repayable within the next 12 months and are to be settled in cash.
- <sup>(2)</sup> Insurance receivables pertain to pending marine and inventories insurance claims. The outstanding claims are currently being processed by the insurance companies for final settlement.
- <sup>(3)</sup> Short-term investment relates to investment in the Ektimo Commodity Relative Value Fund LP ('Fund'), which invests in a portfolio of commodity markets including agriculture, metals, energy and livestock.
- <sup>(4)</sup> These relate to incentives and subsidies receivable from the Government agencies from various countries for export of agricultural products. There are no unfulfilled conditions or contingencies attached to these incentives and subsidies.
- <sup>(5)</sup> Development costs relates to external costs incurred in development of a special economic zone in Gabon.
- <sup>(6)</sup> Prepayments mainly pertain to prepaid expenses incurred for sourcing, processing, packaging and merchandising of agricultural products and inputs.
- <sup>(7)</sup> Other non-current assets include an investment in a dairy co-operative in Uruguay, which is accounted at cost.

## 21. Trade payables and accruals

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade payables	1,188,242	678,331	766,982	307,696
Accruals	475,254	337,584	131,499	103,684
Advances received from customers	59,517	113,226	29,234	82,721
GST payable and equivalent	24,950	4,752	–	–
	1,747,963	1,133,893	927,715	494,101

Trade payables are non-interest bearing. Trade payables are normally on 30 to 60 days' terms while other payables have an average term of two months.

Trade payables denominated in currencies other than functional currencies of Group companies at 30 June are as follows:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Euro	107,377	60,543	103,004	53,637
United States Dollar	27,357	17,715	–	–
Great Britain Pound	285	877	–	877

Trade payables include an amount of \$3,032,288 (2012: \$121,730) and \$6,275,352 (2012: \$Nil) due to an associate and a jointly controlled entity respectively.

Accruals mainly relate to provisions for operating costs such as logistics, insurance premiums and employee benefits.

## 22. Other current liabilities

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Interest payable on bank loans	95,924	71,159	92,181	60,196
Sundry payables	156,023	94,974	3,385	1,253
Option premium payable	3,228	13,405	3,228	15,798
	255,175	179,538	98,794	77,247
Withholding tax payable	14,066	13,563	–	–
	269,241	193,101	98,794	77,247

## 23. Borrowings

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Current:</b>				
Bank overdrafts (Note 32)	261,147	445,664	–	–
Bank loans	2,115,877	2,070,730	164,371	577,063
Term loans from banks	308,522	281,125	308,522	281,125
Medium-term notes	248,055	349,492	248,055	349,492
Obligation under finance leases (Note 27(c))	4,403	1,322	–	–
Convertible bonds, unsecured	27,555	–	27,555	–
	2,965,559	3,148,333	748,503	1,207,680
<b>Non-current:</b>				
Term loans from banks	2,354,192	3,106,499	1,670,762	1,982,333
Medium-term notes	1,724,505	248,850	1,724,505	248,850
Obligation under finance leases (Note 27(c))	21,563	29,729	–	–
Convertible bonds, unsecured	564,601	567,412	564,601	567,412
Other bonds	1,217,818	388,561	1,193,326	315,219
	5,882,679	4,341,051	5,153,194	3,113,814
	8,848,238	7,489,384	5,901,697	4,321,494

Borrowings denominated in currencies other than functional currencies of Group companies as at 30 June are as follows:-

Singapore Dollar	1,392,990	647,825	1,392,990	647,825
United States Dollar	321,882	297,902	–	–
Great Britain Pound	–	192,058	–	192,058
Euro	51,845	66,952	–	35,762
Australian Dollar	–	59,268	–	59,268

### Bank overdrafts and bank loans

The bank loans to the Company are repayable within 12 months and bear interest in a range from 0.63% to 2.14% (2012: 0.98% to 4.36%) per annum.

The bank loans and bank overdrafts to the subsidiary companies are repayable within 12 months and bear interest in a range from 0.95% to 23.25% (2012: 0.92% to 22.00%) per annum.



## 23. Borrowings (cont'd)

### Bank overdrafts and bank loans (cont'd)

Bank loans include an amount of \$88,305,000 (2012: \$288,289,000) secured by the assets of subsidiaries, with the remaining amounts of bank loans being unsecured.

### Term loans from banks

Term loans from banks to the Company bear interest at floating interest rates ranging from 1.65% to 4.19% (2012: 1.76% to 4.81%) per annum. Term loans to the Company are unsecured and are repayable within four years.

Term loans from banks to the subsidiary companies bear interest at floating interest rates ranging from 1.22% to 12.50% (2012: 1.04% to 19.00%) per annum. Term loans to the subsidiary companies are unsecured and are repayable between two to ten years.

Term loans from banks include an amount of \$143,087,000 (2012: \$126,915,000) secured by the assets of subsidiaries, with the remaining amounts of term loans from banks being unsecured.

### Medium-term notes

The Company has established a \$800,000,000 multicurrency medium-term notes ("MTN") programme and a US\$2,000,000,000 Euro medium-term notes ("EMTN") programme. The drawdowns from the MTN and EMTN are unsecured.

The MTN and EMTN as at 30 June are as follows:-

		Group and Company	
Maturity		2013 \$'000	2012 \$'000
<b>Current:</b>			
Multicurrency medium term note programme:			
– 4.07% fixed rate notes <sup>(1)</sup>	2012	–	249,542
– 3.00% fixed rate notes <sup>(1)</sup>	2012	–	99,950
Euro medium term note programme:			
– 2.50% fixed rate notes	2013	248,055	–
		248,055	349,492
<b>Non-current:</b>			
Multicurrency medium term note programme:			
– 6.00% fixed rate notes	2018	249,075	248,850
Euro medium term note programme:			
– 5.75% fixed rate notes	2017	633,300	–
– 5.80% fixed rate notes	2019	348,107	–
– 6.00% fixed rate notes	2022	494,023	–
		1,724,505	248,850
		1,972,560	598,342

<sup>(1)</sup> These notes were fully repaid during the financial year.

## 23. Borrowings (cont'd)

### Obligations under finance leases

Obligations under finance leases amounting to \$11,509,000 (2012: \$16,994,000) are guaranteed by the holding company of the subsidiary.

Obligations under finance leases bear interest ranging from 1.56% to 9.20% (2012: 2.22% to 9.22%) per annum and are repayable between one and five years.

### Convertible bonds, unsecured

The liability portion of the convertible bonds at 30 June are as follows:-

	Group and Company	
	2013 \$'000	2012 \$'000
<b>Current:</b>		
– 1.0% convertible bonds <sup>(1)</sup>	27,555	–
<b>Non-current:</b>		
– 1.0% convertible bonds <sup>(1)</sup>	–	21,465
– 6.0% convertible bonds <sup>(2)</sup>	564,601	545,947
	<b>592,156</b>	567,412

<sup>(1)</sup> On 3 July 2008, the Company issued 1.0% interest bearing convertible bonds of US\$300,000,000. The bonds will mature in five years from the issue date at their redemption value of US\$358,140,000 or can be converted any time between 13 August 2008 and 23 May 2013 into fully paid ordinary shares of the Company at an initial conversion price of \$3.8464 per share with a fixed exchange rate of \$1.3644 to US\$1.00. In 2009, bonds aggregating to a principal amount of US\$280,800,000 were bought back. These bonds were fully redeemed subsequent to the current financial year.

<sup>(2)</sup> On 2 September 2009, the Company issued 6.0% interest bearing convertible bonds of US\$400,000,000. The bonds will mature in seven years from the issue date and have an initial conversion price of \$3.0853 per share with a fixed exchange rate of \$1.4400 to US\$1.00. On 1 October 2009, the Company increased the issue size of the bonds by an additional US\$100,000,000 bringing the total issue size to US\$500,000,000.

The carrying amount of the liability component of the above convertible bonds at the balance sheet date is derived as follows:-

	Group and Company	
	2013 \$'000	2012 \$'000
Balance at the beginning of the period	567,412	539,908
Less: Foreign currency translation adjustments	(893)	13,073
Add: Accretion of interests	25,637	14,431
	<b>592,156</b>	567,412

## 23. Borrowings (cont'd)

### Other bonds

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>Non-current:</b>				
– 7.5% unsecured senior bonds <sup>(1)</sup>	<b>314,960</b>	315,219	<b>314,960</b>	315,219
– NZFSU bonds <sup>(2)</sup>	–	41,606	–	–
– Outspan Ivoire SA bonds <sup>(3)</sup>	<b>24,492</b>	31,736	–	–
– 6.75% bonds <sup>(4)</sup>	<b>878,366</b>	–	<b>878,366</b>	–
	<b>1,217,818</b>	388,561	<b>1,193,326</b>	315,219

<sup>(1)</sup> On 7 August 2010, the Company issued a 7.5% interest bearing unsecured senior bonds of US\$250,000,000 due in 2020. The interest is payable semi-annually.

<sup>(2)</sup> Long term unsecured bonds of US\$30,000,000 were issued by NZ Farming Systems Uruguay Limited (“NZFSU”) via a trust structure in Uruguay. The bonds had an initial fixed interest rate of 5% per annum for the period to 30 September 2010, and thereafter an annual variable interest rate of between 5% and 15% per annum calculated annually using a formula based on gross milk revenues and certain key input costs. The bond was expected to have a term of approximately 15 years, and the expected average interest rate is 8.9% per annum to the early redemption option in January 2018 with interest being accrued to date on this basis. All the bonds were bought back during the year (Note 5).

<sup>(3)</sup> Outspan Ivoire SA issued unsecured bonds of XOF 13 billion with a fixed annual interest rate of 7% per annum on the reducing principal. The interest is payable annually on 1 July each year. The principal is payable in four equal installments of XOF 3.25 billion starting from 1 July 2013 annually. The first installment of XOF 3.25 billion (equivalent to \$7,195,000) has been repaid as of year end.

<sup>(4)</sup> On 29 January 2013, the Company undertook a renounceable underwritten rights issue (the “Rights Issue”) of US\$750,000,000 6.75% Bonds due 2018 (the “Bonds”), with 387,365,079 free detachable warrants (the “Warrants”). Each Warrant carries the right to subscribe for 1 new ordinary share in the capital of the Company (the “New Share”) at an exercise price of US\$1.291 for each New Share. The issue price of the Right Issue was 95% of the principal amount of the Bonds.

Upon completion of the Rights Issue, the total proceeds net of transaction costs are allocated to the Bond, fair value of derivative financial instruments component and the Warrants, which are separately presented on the balance sheet.

The Bond is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the debt is extinguished on redemption of the Bond.

The derivative financial instrument component is determined by the fair value of the embedded derivatives on the date of issue. The fair value is reassessed at every balance sheet date and the difference is recognised in the profit and loss account.

The carrying amount of the Warrants is determined after reducing the fair values of the Bonds and the derivative financial instruments component from the net proceeds of the Rights Issue and is presented as capital reserve under equity. The carrying amount of the Warrants is not adjusted in subsequent periods. When the Warrants are exercised, the carrying amount of the Warrants will be transferred to the share capital account. When the Warrants expires, its carrying amount will be transferred to retained earnings (Note 25(d)).

## 24. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the year adjusted for the effects of dilutive shares and options.

The following reflects the profit and share data used in the basic and diluted earnings per share computations for the financial years ended 30 June:-

	Group	
	2013 \$'000	2012 \$'000
Net profit attributable to owners of the Company	<b>362,618</b>	370,908
Less: Distribution on perpetual capital securities	<b>(19,303)</b>	(6,435)
Net profit attributable to owners of the Company for basic earnings per share	<b>343,315</b>	364,473
Adjustments:		
Interest on convertible bonds <sup>(1)</sup>	—	—
Net measurement loss/(gain) on convertible bonds <sup>(1)</sup>	—	—
Net profit attributable to owners of the Company for diluted earnings per share	<b>343,315</b>	364,473
	No. of shares	No. of shares
Weighted average number of ordinary shares on issue applicable to basic earnings per share	<b>2,390,213,869</b>	2,436,958,799
Dilutive effect of convertible bonds <sup>(1)</sup>	—	—
Dilutive effect of share options	—	368,154
Dilutive effect of warrants	<b>15,772,954</b>	—
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	<b>2,405,986,823</b>	2,437,326,953

On 26 July 2013, the Company granted 750,000 options pursuant to the Olam Employee Share Option Scheme ("ESOS"). The exercise price of the options is \$1.70 with validity period of 10 years from the date of grant. There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and the date of these financial statements.

<sup>(1)</sup> The incremental shares from assumed conversions have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

## 25. Share capital, treasury shares, perpetual capital securities and warrants

### (a) Share capital

	Group and Company			
	2013		2012	
	No. of shares	\$'000	No. of shares	\$'000
Ordinary shares issued and fully paid <sup>(1)</sup>				
Balance at 1 July	2,442,409,869	2,077,038	2,235,508,918	1,577,110
Issue of shares for cash <sup>(2)</sup>	–	–	191,700,951	490,220
Issue of shares on exercise of share options	–	–	15,200,000	9,708
Balance at 30 June	2,442,409,869	2,077,038	2,442,409,869	2,077,038

<sup>(1)</sup> The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

<sup>(2)</sup> The issuance of shares for cash in the previous financial year was net of transaction costs of \$1,215,000.

### (b) Treasury shares

	Group and Company			
	2013		2012	
	No. of shares	\$'000	No. of shares	\$'000
Balance at 1 July	52,196,000	96,081	–	–
Acquired during the financial year	–	–	52,196,000	96,081
Balance at 30 June	52,196,000	96,081	52,196,000	96,081

### (c) Perpetual capital securities

On 1 March 2012, the Company issued perpetual capital securities (the “perpetual securities”) with an aggregate principal amount of S\$275,000,000. Issuance costs incurred amounting to \$4,549,000 was recognised in equity as a deduction from proceeds.

Such perpetual securities bear distributions at a rate of 7% per annum, payable semi-annually. Subject to the relevant terms and conditions in the offering circular, the Company may elect to defer making distribution on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

As a result, the Company is considered to have no contractual obligations to repay its principal or to pay any distributions, and the perpetual securities do not meet the definition for classification as a financial liability under FRS 32 Financial Instruments: Disclosure and Presentation. The whole instrument is presented within equity, and distributions are treated as dividends.

### (d) Warrants

On 29 January 2013, 387,365,079 Warrants were listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited. Each Warrant carries the right to subscribe for 1 new ordinary share in the capital of the Company (the “New Share”) at an original exercise price of US\$1.291 for each New Share. These Warrants are exercisable from 29 January 2015 to 28 January 2018.

The Warrants have been presented as capital reserves under equity.

## 26. Dividends

	Group and Company	
	2013 \$'000	2012 \$'000
<b>Declared and paid during the financial year:-</b>		
<i>Dividends on ordinary shares:</i>		
– One tier tax exempted first and final dividend for 2012: \$0.04 (2011: \$0.05) per share	<b>95,609</b>	125,181
<b>Proposed but not recognised as a liability as at 30 June:-</b>		
<i>Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:</i>		
– One tier tax exempted first and final dividend for 2013: \$0.04 per share (2012: \$0.04 per share)	<b>95,609</b>	95,609

## 27. Commitments

### (a) Operating lease commitments

Operating lease expenses of the Group and Company (principally for land, offices, warehouses, employees' residences and vessels) were \$50,766,000 (2012: \$72,836,000) and \$10,999,000 (2012: \$33,070,000), respectively. These leases have an average tenure of between 1.0 to 6.5 years with no renewal option or contingent rent provision included in the contracts. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Future minimum rental payable under non-cancellable operating leases are as follows:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Within one year	<b>54,018</b>	62,222	<b>19,956</b>	38,388
After one year but not more than five years	<b>65,224</b>	55,489	<b>4,421</b>	9,275
More than five years	<b>5,925</b>	8,612	–	–
	<b>125,167</b>	126,323	<b>24,377</b>	47,663

### (b) Capital commitments

Capital expenditure contracted for as at the balance sheet date but not recognised in the financial statements is as follows:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Capital commitments in respect of property, plant and equipment	<b>43,889</b>	89,393	–	–



## 27. Commitments (cont'd)

### (c) Finance lease commitments

The Group has finance leases for land and buildings. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:-

	Group			
	2013 \$'000	2013 \$'000	2012 \$'000	2012 \$'000
	Minimum lease payments	Present value of payments (Note 23)	Minimum lease payments	Present value of payments (Note 23)
Not later than one year	5,783	4,403	1,363	1,322
Later than one year but not later than five years	27,343	21,563	13,356	12,735
Later than five years	–	–	18,161	16,994
Total minimum lease payments	33,126	25,966	32,880	31,051
Less: Amounts representing finance charges	(7,160)	–	(1,829)	–
Present value of minimum lease payments	25,966	25,966	31,051	31,051

## 28. Contingent liabilities

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Contingent liabilities not provided for in the accounts:				
Financial guarantee contracts given on behalf of subsidiary companies <sup>(1)</sup>	–	–	4,504,544	4,301,881

<sup>(1)</sup> Amounts utilised by subsidiary companies on the bank facilities secured by corporate guarantees amounted to \$1,486,035,863 (2012: \$1,548,475,135).

The Company has agreed to provide continuing financial support to certain subsidiary companies.

## 29. Employee benefits expenses

Employee benefits expenses (including executive directors):

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Salaries and employee benefits	417,150	385,499	112,586	114,643
Central Provident Fund contributions and equivalents	29,276	21,000	2,297	2,110
Retrenchment benefits	1,771	1,538	–	–
Share-based expense	17,984	18,133	8,819	10,212
	466,181	426,170	123,702	126,965

## 29. Employee benefits expenses (cont'd)

### (a) Employee share subscription scheme

The Olam International Limited Employee Share Subscription Scheme 2004 (the "ESSS") was implemented on 26 October 2004. The ESSS comprised 73,913,044 ordinary shares of \$0.23 per share, which were fully allotted and issued by the Company.

The share-based expense was based on the fair value price of \$0.2965 per share, which represented a discount from the estimated value of the Company's pre-IPO share price.

### (b) Employee share option scheme

The Olam Employee Share Option Scheme (the "ESOS") was approved by shareholders at an Extraordinary General Meeting held on 4 January 2005. The ESOS rules were amended on 29 October 2008 at the Extraordinary General Meeting of the Company. Under the amended rules, the directors (including Non-Executive Directors and Independent Directors) and employees of the Group are eligible to participate in the ESOS and all subsequent options issued to the Group's employees and Executive Directors shall have a life of 10 years instead of five. For Options granted to the Company's Non-Executive Directors and Independent Directors, the Option Period shall be no longer than five years.

The shares issued upon the options being exercised carry full dividend and voting rights.

Controlling Shareholders and associates of Controlling Shareholders are not eligible to participate in the ESOS.

All these options have a contractual life of 10 years with no cash settlement alternatives.

Details of all the options granted to subscribe for ordinary shares of the Company pursuant to the ESOS which have not fully vested as at 30 June 2013 are as follows:-

Date of issue	No. of share options issued <sup>(1)</sup>	Vesting period	In annual tranches of %
21 July 2009	48,625,000	4 years	0, 0, 25, 75
23 July 2010	5,980,000	4 years	0, 0, 25, 75
17 December 2010	2,380,000	4 years	0, 0, 25, 75
14 March 2011	2,425,000	4 years	0, 0, 25, 75
30 December 2011	6,390,000	4 years	0, 0, 25, 75
15 June 2012	65,000,000	4 years	0, 0, 25, 75
10 April 2013	1,175,000	4 years	0, 0, 25, 75
	<b>131,975,000</b>		

<sup>(1)</sup> These share options exclude those that are fully vested but are outstanding as at 30 June 2013.

There has been no cancellation or modification to the ESSS and ESOS during both current and previous financial years.

## 29. Employee benefits expenses (cont'd)

### (b) Employee share option scheme (cont'd)

#### *Movement of share options during the financial year*

The following table illustrates the number and weighted average exercise price of, and movements in, share options during the financial year:-

	2013		2012	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	145,737,000	2.11	93,313,000	2.13
Granted during the year <sup>(1)</sup>	1,175,000	1.67	71,390,000	1.80
Forfeited during the year	(12,872,000)	2.60	(3,766,000)	2.54
Exercised during the year <sup>(2)</sup>	–	–	(15,200,000)	0.64
Outstanding at the end of the year <sup>(3)</sup>	134,040,000	2.06	145,737,000	2.11
Exercisable at end of year	25,315,000	2.32	16,497,000	2.60

<sup>(1)</sup> The weighted average fair value of options granted during the financial year ended 30 June 2013 was \$0.30 (2012: \$0.37).

<sup>(2)</sup> The weighted average share price when the options were exercised in the previous financial year was \$2.72. There were no options exercised during the year.

<sup>(3)</sup> The range of exercise prices for options outstanding at the end of the financial year was \$1.67 to \$3.14 (2012: \$1.76 to \$3.14). The weighted average remaining contractual life for these options is 7.70 years (2012: 8.30 years).

The fair value of share options as at the date of grant, is estimated by the Company using the Black Scholes Model, taking into account the terms and conditions upon which the options are granted. The expected life of the option is based on the assumption that the options would be exercised within six months of the vesting date. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. The inputs to the model used for the share options granted during financial years ended 30 June 2013 and 2012 are shown below:-

Grant date	30 December 2011	
Vested in	3 year	4 year
Dividend yield (%)	2.89	3.62
Expected volatility (%)	45.96	51.88
Risk free interest rate (%)	0.42	0.51
Expected life of the option (years)	6.50	7.00
Share price of underlying equity (\$)	2.16	2.16
Grant date	15 June 2012	
Vested in	3 year	4 year
Dividend yield (%)	3.55	4.44
Expected volatility (%)	38.76	49.92
Risk free interest rate (%)	0.25	0.30
Expected life of the option (years)	6.50	7.00
Share price of underlying equity (\$)	1.76	1.76

## 29. Employee benefits expenses (cont'd)

### (b) Employee share option scheme (cont'd)

Grant date	10 April 2013	
Vested in	3 year	4 year
Dividend yield (%)	2.99	3.74
Expected volatility (%)	33.60	36.50
Risk free interest rate (%)	0.25	0.37
Expected life of the option (years)	6.50	7.00
Share price of underlying equity (\$)	1.67	1.67

## 30. Related party disclosures

An entity or individual is considered a related party of the Group for the purposes of the financial statements if: i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; ii) it is subject to common control or common significant influence.

The following are the significant related party transactions entered into by the Company and Group in the ordinary course of business on terms agreed between the parties:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Subsidiary companies:				
– Sales of goods	–	–	2,199,473	2,086,967
– Sales of services, net	–	–	38,485	–
– Purchases	–	–	5,797,238	5,210,272
– Insurance premiums paid	–	–	5,517	5,177
– Commissions paid	–	–	36,554	33,703
– Interest received on loan	–	–	83,526	87,027
– Interest paid on loan	–	–	–	825
– Consultancy fee paid	–	–	13,780	9,366
– Management fee received	–	–	25,141	26,330
– Director's fee received	–	–	279	281
– Dividend received	–	–	1,383	–
Jointly controlled entity:				
– Sales of goods	12,197	–	12,197	–
– Purchases	27,190	–	–	–
Associate:				
– Sales of goods	13,843	–	13,843	–
– Purchases	128,516	62,829	128,516	62,829
Shareholder related companies:				
– Purchase of motor vehicles and other assets	945	1,315	–	–

### 31. Compensation of directors and key management personnel

The remuneration of directors and key management personnel during the years is as follows:

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Directors' fees	1,375	1,180	1,215	1,180
Salaries and employee benefits	16,814	20,845	13,962	17,796
Central Provident Fund contributions and equivalents	538	228	95	99
Share-based expense	4,289	7,179	3,999	6,837
	<b>23,016</b>	29,432	<b>19,271</b>	25,912
Comprising amounts paid to:-				
Directors of the Company	12,931	17,114	12,771	17,114
Key management personnel	10,085	12,318	6,500	8,798
	<b>23,016</b>	29,432	<b>19,271</b>	25,912

#### Directors' interest in employee share benefit plans

At the end of the reporting date, the total number of outstanding share options that were issued/allocated to the directors and key management personnel under existing employee benefit schemes is given below:-

	2013 Share options	2012 Share options
Employee Share Option Scheme:		
Directors	23,100,000	23,500,000
Key management personnel	17,700,000	21,600,000

### 32. Cash and short-term deposits

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash and bank balances	1,522,777	1,001,962	1,065,290	612,420
Deposits	68,232	108,894	61,285	91,540
	<b>1,591,009</b>	1,110,856	<b>1,126,575</b>	703,960

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.02% to 9.00% (2012: 0.01% to 4.50%) per annum.

Deposits include short-term and capital guaranteed deposits.

Short-term deposits are made for varying periods between 1 and 365 days (2012: 1 to 365 days) depending on the immediate cash requirements of the Group, and earned interest at floating rates ranging from 0.04% to 9.50% (2012: 0.40% to 10.00%) per annum.

Deposits include capital guaranteed, non-interest bearing, index-linked structured deposits of \$44,330,000 (2012: \$63,430,000) with remaining maturity period ranging from three to four years and may be withdrawn on demand.

### 32. Cash and short-term deposits (cont'd)

Cash at banks and deposits denominated in currencies other than functional currencies of Group companies at 30 June are as follows:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
United States Dollar	46,972	39,273	–	–
Great Britain Pound	52,163	72,137	52,154	72,109
Euro	46,927	99,813	43,298	99,191
Singapore Dollar	5,983	5,171	5,724	5,058

#### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:

	Group	
	2013 \$'000	2012 \$'000
Cash and bank balances	1,522,777	1,001,962
Deposits	68,232	108,894
Structured deposits	(44,330)	(63,430)
Bank overdrafts (Note 23)	(261,147)	(445,664)
	1,285,532	601,762

Bank overdrafts are included in the determination of cash and cash equivalents because they form an integral part of the Group's cash management.

### 33. Financial risk management policies and objectives

The Group's principal financial instruments, other than derivative financial instruments and investment in security, comprise bank loans, medium-term notes, term loans from banks, bonds, cash and bank balances, fixed deposits and bank overdrafts. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including interest rate swaps, commodity options, swaps and futures contracts and foreign currency forward contracts. The purpose is to manage the commodity price risk, foreign currency risk and interest rate risk arising from the Group's operations and its sources of financing.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.



### 33. Financial risk management policies and objectives (cont'd)

The main risks arising from the Group's financial instruments are commodity price risk, credit risk, foreign currency risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees on the policies for managing each of these risks and they are summarised below:-

#### (a) Commodity price risk

Commodities traded by the Group are subject to fluctuations due to a number of factors that result in price risk. The Group purchases and sells various derivative products, primarily exchange traded futures and options with the purpose of managing market exposure to adverse price movements in these commodities. The Group has established policies and exposure limits that restrict the amount of unhedged fixed price physical positions in each commodity.

The Group also enters into commodity derivatives for trading purposes. The Group's trading market risk appetite is determined by the Board of Directors, with detailed exposure limits recommended by the Executive Risk Committee and approved by the Board Risk Committee.

At balance sheet date, if the commodities price index moved by 1.0% with all other variables held constant, the Group's profit net of tax would have changed by \$5,861,000 (2012: \$17,967,000) and equity would have changed inversely by \$2,021,000 (2012: \$6,494,000) arising as a result of fair value on Group's commodity futures, options contracts, physical sales and purchases commitments as well as the inventory held at balance sheet date.

#### (b) Credit risk

Credit risk is limited to the risk arising from the inability of a customer to make payment when due. It is the Group's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses.

The carrying amounts of trade and other receivables, advances to suppliers, margin accounts with brokers, cash and short-term deposits payments, including derivatives with positive fair value represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. Deposits and cash balances are placed with reputable banks.

The Group has no significant concentration of credit risk with any single customer.

#### *Exposure to credit risk*

At the balance sheet date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets, including derivatives with positive fair values.

The Group's maximum exposure to credit risk for trade debtors at the balance sheet date is as follows:-

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>By operating segments:</b>				
Edible nuts, spices and beans	531,374	277,960	201,338	83,073
Confectionery and beverage ingredients	463,487	318,839	251,605	111,760
Industrial raw materials	613,724	440,702	230,537	86,401
Food staples and packaged food business	581,827	379,510	300,618	113,370
Commodity financial services	396	407	–	–
	<b>2,190,808</b>	<b>1,417,418</b>	<b>984,098</b>	<b>394,604</b>

### 33. Financial risk management policies and objectives (cont'd)

#### (b) Credit risk (cont'd)

##### ***Financial assets that are neither past due nor impaired***

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

##### ***Financial assets that are either past due or impaired***

Information regarding financial assets that are either past due or impaired is disclosed in Note 16 (Trade receivables).

#### (c) Foreign currency risk

The Group trades its products globally and, as a result, is exposed to movements in foreign currency exchange rates. The primary purpose of the Group's foreign currency hedging activities is to protect against the volatility associated with foreign currency purchases and sales of raw materials and other assets and liabilities created in the normal course of business. The Group primarily utilises foreign currency forward exchange contracts to hedge firm commitments. The Group does not use foreign currency forward exchange contracts for trading purposes.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly United States Dollar (USD), Great Britain Pound (GBP), Euro (EUR), Australian Dollar (AUD) and Singapore Dollar (SGD).

The following table demonstrates the sensitivity of the Group's profit net of tax and equity to a reasonably possible change in the USD, GBP, EUR, AUD and SGD exchange rates, with all other variables held constant.

	Group			
	2013		2012	
	Profit net of tax \$'000 Increase/ (decrease)	Equity \$'000 Increase/ (decrease)	Profit net of tax \$'000 Increase/ (decrease)	Equity \$'000 Increase/ (decrease)
USD – strengthened 0.5%	(477)	(584)	172	108
GBP – strengthened 0.5%	(1,200)	(2,162)	(571)	(3,940)
EUR – strengthened 0.5%	(4,892)	(3,749)	(234)	(976)
AUD – strengthened 0.5%	(1,966)	(2,202)	(12)	(1,817)
SGD – strengthened 0.5%	(61)	8,410	(26)	4,367

#### (d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations associated with its financial liabilities or due to shortage of funds.

To ensure continuity of funding, the Group primarily uses short-term bank facilities that are transaction-linked and self-liquidating in nature. The Group also has a multicurrency medium-term notes programme, as well as term loans from banks, to fund its ongoing working capital requirement and growth needs.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

## 33. Financial risk management policies and objectives (cont'd)

## (d) Liquidity risk (cont'd)

	2013 \$'000				2012 \$'000			
	One year or less	One to five years	Over five years	Total	One year or less	One to five years	Over five years	Total
<b>Group</b>								
<b>Financial liabilities:</b>								
Trade payables and accruals (Note 21)	1,747,963	–	–	1,747,963	1,133,893	–	–	1,133,893
Other current liabilities (Note 22)	159,251	–	–	159,251	108,379	–	–	108,379
Borrowings	3,420,630	4,635,980	1,926,482	9,983,092	3,183,757	4,508,804	722,884	8,415,445
Derivative financial instruments (Note 34)	395,295	–	–	395,295	1,115,711	–	–	1,115,711
Margin accounts with brokers (Note 17)	9,114	–	–	9,114	140,567	–	–	140,567
Total undiscounted financial liabilities	5,732,253	4,635,980	1,926,482	12,294,715	5,682,307	4,508,804	722,884	10,913,995
<b>Company</b>								
<b>Financial liabilities:</b>								
Trade payables and accruals (Note 21)	927,715	–	–	927,715	494,101	–	–	494,101
Other current liabilities (Note 22)	6,613	–	–	6,613	17,051	–	–	17,051
Borrowings	1,074,118	4,024,284	1,620,339	6,718,741	1,535,521	3,127,866	658,100	5,321,487
Derivative financial instruments (Note 34)	180,764	–	–	180,764	981,232	–	–	981,232
Margin accounts with brokers (Note 17)	35,683	–	–	35,683	77,011	–	–	77,011
Total undiscounted financial liabilities	2,224,893	4,024,284	1,620,339	7,869,516	3,104,916	3,127,866	658,100	6,890,882

The table below shows the contractual expiry by maturity of the Group and Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2013 \$'000				2012 \$'000			
	One year or less	One to five years	Over five years	Total	One year or less	One to five years	Over five years	Total
<b>Group</b>								
Financial guarantees	–	–	–	–	–	–	–	–
<b>Company</b>								
Financial guarantees	1,486,036	–	–	1,486,036	1,548,475	–	–	1,548,475

### 33. Financial risk management policies and objectives (cont'd)

#### (e) Interest rate risk

The Company's and the Group's exposure to market risk for changes in interest rates relate primarily to its floating rate loans and borrowings. Interest rate risk is managed on an ongoing basis such as hedging the risk through interest rate derivatives with the primary objective of limiting the extent to which net interest exposure could be affected by adverse movements in interest rates. The details of the interest rates relating to the interest-earning financial assets and interest-bearing financial liabilities are disclosed in various notes of the financial statements.

At the balance sheet date, if interest rates had moved by 25 basis points with all other variables held constant, the Group's profit net of tax would have changed inversely by \$13,852,000 (2012: \$13,586,000).

### 34. Fair values of financial instruments

#### (a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:-

	Group 2013			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
<b>Financial assets:</b>				
Short term investment	–	39,657	–	39,657
Derivatives financial instruments				
– Foreign exchange contracts	–	67,245	–	67,245
– Commodity contracts	128,437	393,287	15,840	537,564
– Convertible and other bonds	–	1,253	–	1,253
	128,437	501,442	15,840	645,719
<b>Financial liabilities:</b>				
Derivatives financial instruments				
– Foreign exchange contracts	–	154,386	–	154,386
– Commodity contracts	50,373	170,897	3,087	224,357
– Interest rate swaps	–	16,552	–	16,552
	50,373	341,835	3,087	395,295

### 34. Fair values of financial instruments (cont'd)

#### (a) Fair value of financial instruments that are carried at fair value (cont'd)

	Group 2012			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
<b>Financial assets:</b>				
Short term investment	–	46,837	–	46,837
Derivatives financial instruments				
– Foreign exchange contracts	–	47,617	–	47,617
– Commodity contracts	639,354	171,890	443,339	1,254,583
– Convertible bonds	–	*	–	–
	639,354	266,344	443,339	1,349,037
<b>Financial liabilities:</b>				
Derivatives financial instruments				
– Foreign exchange contracts	–	54,948	–	54,948
– Commodity contracts	446,794	448,170	121,203	1,016,167
– Interest rate swaps	–	44,596	–	44,596
	446,794	547,714	121,203	1,115,711

\* Amount is less than \$1,000.

#### **Fair value hierarchy**

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:-

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 34. Fair values of financial instruments (cont'd)

#### (a) Fair value of financial instruments that are carried at fair value (cont'd)

##### ***Movements in Level 3 Financial instruments measured at fair value***

During the current financial year, the Group transferred certain financial instruments amounting to \$24,621,000 to Level 2 from Level 3 of the fair value hierarchy (2012: Nil). The residual amount of the opening balance of Level 3 fair value hierarchy was realised into the profit and loss account for the current financial year. The reason for the transfer is due to changes in the inputs to the valuation model to observable market prices which represent the fair value of certain physical forward contracts.

##### Determination of fair value

Short term investment relate to an investment fund which is not quoted in an active market and is valued based on Net Asset Value ("NAV") per share, which reflects the fair value of underlying assets and liabilities of the fund (subject to adjustments), published by the administrator of the fund. The fund is redeemable at its NAV at the reporting date.

Foreign exchange contracts and interest rate swaps are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

Commodity contracts are valued based on the following:-

- Level 1 – Based on quoted closing prices at the balance sheet date;
- Level 2 – Valued using valuation techniques with market observable inputs. The models incorporate various inputs including the broker quotes for similar transactions, credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodities; and
- Level 3 – Valued using inputs that are not based on observable inputs such as internal historical transacted prices and estimates.

##### ***Impact of changes to key assumptions on fair value of Level 3 financial instruments***

For certain commodity contracts, the fair value had been determined using a fair value model. The valuation requires management to make certain assumptions about the model inputs, including forward prices, credit risk and volatility that may not be supported by observable market data.

Management has determined that the potential effect of adjusting the assumptions to the model inputs of the valuation model by 1% would have changed the profit or loss for the Group by \$647,000 (2012: \$12,182,000). The carrying amount of the physical contracts at 30 June 2013 is \$12,753,000 (2012: \$322,136,000).



### 34. Fair values of financial instruments (cont'd)

#### (a) Fair value of financial instruments that are carried at fair value (cont'd)

##### *Derivative financial instruments*

The fair value of derivative financial instruments is as follows:-

	Group		Company	
	Fair value		Fair value	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
<b>2013</b>				
<b><u>Derivatives held for hedging</u></b> <sup>(1)</sup>				
Foreign exchange contracts	67,245	154,386	33,920	28,983
Commodity contracts	515,407	198,808	318,153	135,229
Interest rate swaps	–	16,552	–	16,552
<b>Total derivatives held for hedging</b>	<b>582,652</b>	<b>369,746</b>	<b>352,073</b>	<b>180,764</b>
<b><u>Derivatives held for trading</u></b>				
Commodity contracts	22,157	25,549	–	–
Convertible and other bonds	1,253	–	1,253	–
<b>Total derivatives held for trading</b>	<b>23,410</b>	<b>25,549</b>	<b>1,253</b>	<b>–</b>
<b>Total derivatives</b>	<b>606,062</b>	<b>395,295</b>	<b>353,326</b>	<b>180,764</b>

<sup>(1)</sup> Derivatives held for hedging that were assessed to be ineffective or classified as fair value through profit or loss are recognised in profit and loss accounts.

### 34. Fair values of financial instruments (cont'd)

#### (a) Fair value of financial instruments that are carried at fair value (cont'd)

##### *Derivative financial instruments (cont'd)*

	Group		Company	
	Fair value		Fair value	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
<b>2012</b>				
<b><u>Derivatives held for hedging</u></b> <sup>(1)</sup>				
Foreign exchange contracts	47,617	54,948	14,282	38,044
Commodity contracts	1,187,952	1,005,787	853,436	898,592
Interest rate swaps	–	44,596	–	44,596
<b>Total derivatives held for hedging</b>	<b>1,235,569</b>	<b>1,105,331</b>	<b>867,718</b>	<b>981,232</b>
<b><u>Derivatives held for trading</u></b>				
Commodity contracts	66,631	10,380	–	–
Convertible bonds	*	–	*	–
<b>Total derivatives held for trading</b>	<b>66,631</b>	<b>10,380</b>	<b>–</b>	<b>–</b>
<b>Total derivatives</b>	<b>1,302,200</b>	<b>1,115,711</b>	<b>867,718</b>	<b>981,232</b>

\* Amount is less than \$1,000.

<sup>(1)</sup> Derivatives held for hedging that were assessed to be ineffective or classified as fair value through profit or loss are recognised in profit and loss accounts.

As at 30 June 2013, the settlement dates on open foreign exchange derivatives and commodity derivatives ranged between 1 and 21 months (2012: 1 and 21 months).

The foreign exchange derivatives held for hedging are used to hedge the foreign currency risk of future purchases or sales. The commodity derivatives held for hedging are used to hedge the commodity price risk related to forecasted transactions. The interest rate derivatives held for hedging are used to hedge the interest rate risk related to the floating rate loans. In addition, a portion of the commodity derivatives are used for trading purposes.

For all the foreign exchange and commodity derivatives used for hedging purposes, the forecasted transactions are expected to occur within 21 months (2012: 21 months). For all cases where the Group applies hedge accounting, the fair value of the derivative recorded in the fair value adjustment reserves will be recycled through the profit and loss accounts upon occurrence of the forecasted transactions.

Cash flow hedges of expected transactions that were assessed to be highly effective have resulted in a net fair value loss of \$73,174,000 and \$74,818,000 for the Group and Company as at 30 June 2013 respectively (2012: \$125,190,000 and \$128,785,000 respectively).

No cash flow hedges of expected transactions were assessed to be ineffective under FRS 39 and recognised in the profit and loss accounts for the Group and the Company for the year (2012: \$Nil).

### 34. Fair values of financial instruments (cont'd)

- (b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

- (i) *Cash and short-term deposits, trade receivables, advance payments to suppliers and subsidiary companies, other current assets, margin accounts with brokers, amounts due from subsidiary companies, trade payables and accruals, other current liabilities and bank overdrafts*

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short-term maturity.

- (ii) *Loans to subsidiary companies and loans to jointly controlled entities*

Loans to subsidiary companies and loans to jointly controlled entities have no fixed terms of repayment and are repayable only when the cash flow of the entities permits. Accordingly, the fair value of these amounts is not determinable as the timing of the future cash flow arising from these balances cannot be estimated reliably.

- (iii) *Bank loans and term loans from banks*

The carrying amount of the bank loans and term loans from banks are an approximation of fair values as they are subjected to frequent repricing (floating rates).

- (c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:-

	Group		Company	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>2013</b>				
<b>Financial liabilities:</b>				
Convertible bonds	592,156	649,260	592,156	649,260
Medium-term notes	1,972,560	1,842,615	1,972,560	1,842,615
Other bonds	1,217,818	1,212,185	1,193,326	1,187,694
<b>2012</b>				
<b>Financial liabilities:</b>				
Convertible bonds	567,412	680,005	567,412	680,005
Medium-term notes	598,342	605,184	598,342	605,184
Other bonds	388,561	375,234	315,219	301,891

The fair value of medium term notes and all bonds is determined directly by reference to their published market bid price at the end of the respective financial years.

### 35. Capital management

The Group manages the capital structure by a balanced mix of debt and equity. Necessary adjustments are made in the capital structure considering the factors viz-a-viz the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. Higher leverage is used for funding more liquid working capital needs and conservative leverage is used for long-term capital investments. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2013 and 30 June 2012.

The Group calculates the level of debt capital required to finance the working capital requirements using traditional and modified financial metrics including leverage/gearing ratios and asset turnover ratios.

As of balance sheet date, leverage ratios are as follows:-

	Group	
	2013	2012
<b>Gross debt to equity:</b>		
– Before fair value adjustment reserve	<b>2.35x</b>	2.12x
<b>Net debt to equity:</b>		
– Before fair value adjustment reserve	<b>1.93x</b>	1.81x

The Group assesses the level of debt capital used to finance capital investment in respect of the projected risk and returns of these investments using a number of traditional and modified investment and analytical models including discounted cash flows. It also assesses the use of debt capital to fund such investments relative to the impact on the Group's overall debt capital position and capital structure.

In order to manage its capital structure, the Group may issue debt of either a fixed or floating nature, arrange credit facilities, issue medium-term notes, issue new shares or convertible bonds and adjust dividend payments.

## 36. Classification of financial assets and liabilities

Group	Loans and receivables \$'000	Carried at amortised cost \$'000	Held for hedging \$'000	Fair value through profit or loss/held for trading \$'000
<b>2013</b>				
<b>Financial assets:</b>				
Loans to jointly controlled entities (Note 14)	136,540	—	—	—
Trade receivables (Note 16)	2,372,900	—	—	—
Advance payments to suppliers (Note 19)	598,470	—	—	—
Other current assets (Note 20)	269,349	—	—	39,657
Cash and short-term deposits (Note 32)	1,546,679	—	—	44,330
Derivative financial instruments (Note 34)	—	—	582,652	23,410
Other non-current assets (Note 20)	12,919	—	—	7,337
	<b>4,936,857</b>	<b>—</b>	<b>582,652</b>	<b>114,734</b>
<b>Financial liabilities:</b>				
Margin accounts with brokers (Note 17)	—	9,114	—	—
Trade payables and accruals (Note 21)	—	1,747,963	—	—
Other current liabilities (Note 22)	—	255,175	—	—
Borrowings (Note 23)	—	8,848,238	—	—
Derivative financial instruments (Note 34)	—	—	369,746	25,549
	<b>—</b>	<b>10,860,490</b>	<b>369,746</b>	<b>25,549</b>
<b>2012</b>				
<b>Financial assets:</b>				
Loans to jointly controlled entities (Note 14)	152,903	—	—	—
Trade receivables (Note 16)	1,596,796	—	—	—
Advance payments to suppliers (Note 19)	320,556	—	—	—
Other current assets (Note 20)	250,097	—	—	46,837
Cash and short-term deposits (Note 32)	1,047,426	—	—	63,430
Derivative financial instruments (Note 34)	—	—	1,235,569	66,631
Other non-current assets (Note 20)	9,163	—	—	—
	<b>3,376,941</b>	<b>—</b>	<b>1,235,569</b>	<b>176,898</b>
<b>Financial liabilities:</b>				
Margin accounts with brokers (Note 17)	—	140,567	—	—
Trade payables and accruals (Note 21)	—	1,133,893	—	—
Other current liabilities (Note 22)	—	179,538	—	—
Borrowings (Note 23)	—	7,489,384	—	—
Derivative financial instruments (Note 34)	—	—	1,105,331	10,380
	<b>—</b>	<b>8,943,382</b>	<b>1,105,331</b>	<b>10,380</b>

### 36. Classification of financial assets and liabilities (cont'd)

Company	Loans and receivables \$'000	Carried at amortised cost \$'000	Held for hedging \$'000	Fair value through profit or loss/held for trading \$'000
<b>2013</b>				
<b>Financial assets:</b>				
Loans to subsidiary companies (Note 13)	550,449	—	—	—
Loans to jointly controlled entities (Note 14)	136,540	—	—	—
Amounts due from subsidiary companies (Note 15)	2,258,023	—	—	—
Trade receivables (Note 16)	984,391	—	—	—
Advance payments to suppliers (Note 19)	2,294,786	—	—	—
Other current assets (Note 20)	31,295	—	—	39,657
Cash and short-term deposits (Note 32)	1,082,245	—	—	44,330
Derivative financial instruments (Note 34)	—	—	352,073	1,253
	<b>7,337,729</b>	<b>—</b>	<b>352,073</b>	<b>85,240</b>
<b>Financial liabilities:</b>				
Margin accounts with brokers (Note 17)	—	35,683	—	—
Trade payables and accruals (Note 21)	—	927,715	—	—
Other current liabilities (Note 22)	—	98,794	—	—
Borrowings (Note 23)	—	5,901,697	—	—
Derivative financial instruments (Note 34)	—	—	180,764	—
	<b>—</b>	<b>6,963,889</b>	<b>180,764</b>	<b>—</b>
<b>2012</b>				
<b>Financial assets:</b>				
Loans to subsidiary companies (Note 13)	414,755	—	—	—
Loans to jointly controlled entities (Note 14)	152,903	—	—	—
Amounts due from subsidiary companies (Note 15)	2,092,954	—	—	—
Trade receivables (Note 16)	394,663	—	—	—
Advance payments to suppliers (Note 19)	1,848,205	—	—	—
Other current assets (Note 20)	28,010	—	—	38,980
Cash and short-term deposits (Note 32)	703,960	—	—	—
Derivative financial instruments (Note 34)	—	—	867,718	—
	<b>5,635,450</b>	<b>—</b>	<b>867,718</b>	<b>38,980</b>
<b>Financial liabilities:</b>				
Margin accounts with brokers (Note 17)	—	77,011	—	—
Trade payables and accruals (Note 21)	—	494,101	—	—
Other current liabilities (Note 22)	—	77,247	—	—
Borrowings (Note 23)	—	4,321,494	—	—
Derivative financial instruments (Note 34)	—	—	981,232	*
	<b>—</b>	<b>4,969,853</b>	<b>981,232</b>	<b>—</b>

\* Amount is less than \$1,000.



### 37. Segmental information

The Group's businesses are organised and managed as five broad segments grouped in relation to different types and nature of products traded. The Group's supply chain activities of sourcing, processing and merchandising span across a broad range of agricultural products.

The segmentation of products has been done in the following manner:-

- Edible Nuts, Spices and Beans – cashews, peanuts, almonds, hazelnuts, spices and vegetable ingredients, sesame and beans (including pulses, lentils and peas).
- Confectionery and Beverage Ingredients – cocoa, coffee and sheanuts.
- Industrial Raw Materials – cotton, wool, wood products, rubber, agri inputs (fertiliser) and special economic zone project.
- Food Staples and Packaged Foods – rice, sugar and natural sweeteners, grains such as wheat, barley, corn, palm products, dairy products and packaged foods.
- Commodity Financial Services – market making, risk management solutions, commodity funds management.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate cash, fixed deposits, other receivables and corporate liabilities such as taxation, amounts due to bankers and medium-term notes. Assets which are unallocated are common and shared by segments and thus it is not practical to allocate them.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance cost), which is managed on group basis, and income tax which is evaluated on group basis are not allocated to operating segments.

The turnover by geographical segments is based on the location of customers regardless of where the goods are produced. The assets and capital expenditure are attributed to the location of those assets.

Segment accounting policies are the same as the policies of the Group as described in Note 2. The Group generally accounts for inter-geographical segment sales and transfers as if the sales or transfers were to third parties at current market prices.

### 37. Segmental information (cont'd)

#### (a) Business segments

	Edible nuts, spices and beans		Confectionery and beverage ingredients	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Segment revenue:				
Sales to external customers	<b>3,205,127</b>	2,562,755	<b>5,273,235</b>	5,902,203
Segment result	<b>252,644</b>	217,626	<b>234,793</b>	269,421
Finance costs	–	–	–	–
Finance income	–	–	–	–
Share of results from jointly controlled entities	–	1,129	(80)	111
Share of results from associate	–	–	90	55
Net unallocated income <sup>(1)</sup>				
Profit before taxation				
Taxation expense				
Profit for the financial year				
Segment assets	<b>3,644,484</b>	3,034,893	<b>2,407,134</b>	2,069,411
Unallocated assets <sup>(2)</sup>				
Segment liabilities	<b>268,687</b>	225,435	<b>266,043</b>	351,773
Unallocated liabilities <sup>(3)</sup>				
Other segmental information:				
Investments in jointly-controlled entities and associates	<b>1,068</b>	1,087	<b>979</b>	2,684
Depreciation and amortisation	<b>56,746</b>	46,714	<b>24,558</b>	19,118
Capital expenditure	<b>181,158</b>	216,088	<b>186,973</b>	104,789

Industrial raw materials		Food staples and packaged foods		Commodity financial services		Consolidated	
2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
4,601,099	4,040,810	7,720,913	4,586,435	1,424	1,548	20,801,798	17,093,751
156,989	97,521	327,083	217,973	(20,502)	53	951,007	802,594
—	—	—	—	—	—	(518,353)	(437,550)
—	—	—	—	—	—	16,674	20,037
2,402	12,866	15,983	26,724	—	—	18,305	40,830
—	—	2,089	(3,419)	—	—	2,179	(3,364)
						26,839	15,363
						496,651	437,910
						(105,134)	(34,085)
						391,517	403,825
2,809,851	3,217,128	4,312,684	3,645,354	17,092	67,686	13,191,245	12,034,472
						2,192,939	1,793,510
						15,384,184	13,827,982
600,652	1,199,748	1,004,677	559,615	15,541	22,409	2,155,600	2,358,980
						9,404,856	7,941,240
						11,560,456	10,300,220
75,063	80,998	480,583	398,095	—	—	557,693	482,864
47,736	47,422	70,125	37,133	147	227	199,312	150,614
210,598	274,220	522,459	665,857	65	137	1,101,253	1,261,091

### 37. Segmental information (cont'd)

#### (b) Geographical segments

	Asia, Middle East and Australia		Africa	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Segment revenue:				
Sales to external customers	8,486,467	6,612,470	4,756,856	3,226,427
Intersegment sales	2,804,860	3,966,558	2,251,246	1,291,019
	11,291,327	10,579,028	7,008,102	4,517,446
Non-current assets <sup>(4)</sup>	2,199,640	1,975,454	1,662,049	1,056,719

#### (c) Information on major customers

The Group has no single customer accounting for more than 10% of the turnover.

Europe		Americas		Eliminations		Consolidated	
2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
4,368,827	3,937,374	3,189,648	3,317,480	–	–	20,801,798	17,093,751
945,816	435,248	2,222,563	1,749,277	(8,224,485)	(7,442,102)	–	–
5,314,643	4,372,622	5,412,211	5,066,757	(8,224,485)	(7,442,102)	20,801,798	17,093,751
503,769	306,626	1,143,356	1,103,454	–	–	5,508,814	4,442,253

### 37. Segmental information (cont'd)

- <sup>(1)</sup> Unallocated income mainly relates to net gains from changes in fair value of biological assets not arising from yield improvements. It also includes gain on sale of fixed assets, gain on bond buy back and costs incurred for terminated projects.
- <sup>(2)</sup> The following unallocated assets items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	Group	
	2013 \$'000	2012 \$'000
Cash and bank balances	1,522,777	1,001,962
Deferred tax assets	34,832	37,735
Fixed deposits	68,232	108,894
Other current / non-current assets	565,845	644,919
Fair value of derivative assets	1,253	*
	<b>2,192,939</b>	<b>1,793,510</b>

\* Amount is less than \$1,000.

- <sup>(3)</sup> The following unallocated liabilities items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	Group	
	2013 \$'000	2012 \$'000
Borrowings	8,848,238	7,489,384
Deferred tax liabilities	240,877	194,071
Other liabilities	266,013	179,696
Provision for taxation	49,728	33,493
Fair value of derivative liabilities	–	44,596
	<b>9,404,856</b>	<b>7,941,240</b>

- <sup>(4)</sup> Non-current assets mainly relate to property, plant and equipment, intangible assets, biological assets and investments in jointly controlled entities and associates.

### 38. Authorisation of financial statements

The financial statements for the financial year ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors on 30 September 2013.



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