Focused
Differentiated
Sustainable

Annual Report 2015

Stock Code: O32

Olam

About Olam

Established in 1989, Olam traded cashews from Nigeria to India. Today Olam is a leading agri-business operating from seed to shelf, supplying food and industrial raw materials to over 16,200 customers worldwide. Our team of over 62,500[1] employees across 70 countries has built leadership positions in several of our 16 platforms, including cocoa, coffee, cashew, rice and cotton. We work with 4 million smallholder farmers and their communities. We are listed on the Singapore Exchange (SGX) and are among the top 30 companies by market capitalisation.

Our vision

To be the most differentiated and valuable global agri-business by 2040.

Our purpose

Growing Responsibly describes *how* we do business. We ensure profitable growth is achieved in an ethical, socially responsible and environmentally sustainable manner. This is integral to our business model.

About the cover images

Top left: Onion processing, USA

Top right: Almond orchard, Australia

Bottom left: Coffee outgrower operation, Tanzania

Bottom right: Wheat mill, Ghana

This page: Black pepper, Vietnam

1. Employees include full-time, seasonal, contract and temporary workers.

Contents

Our leadership team

Olam has an experienced Board and Executive Committee, focused on ensuring good governance and achieving the governing objective of maximising long-term intrinsic value for our continuing shareholders.

Chairman's statement

Our Chairman Kwa Chong Seng explains the changes to the Board and our shareholders on pages 10 and 11.

Group CEO's review

Co-Founder and Group CEO, Sunny Verghese, outlines our strategy and key growth initiatives made during the period on pages 20 to 31.

Group COO's review

A. Shekhar, discusses the Company's financial and operating performance on page 32.

Our theme

Focused

We are focused in the agri-complex with its attractive long-term growth prospects, selectively integrated across the value chain, enabling us to create an exclusive portfolio.

Differentiated

Our business model is highly differentiated. We have built leadership positions in niche categories; defensible alternative positions in mainstream categories; a unique Africa footprint and capabilities; and broader upstream participation.

Sustainable

We are in business to create long-term value for our shareholders, requiring a sustainable approach. Agriculture relies on Mother Nature and countless farmers, so our Core Purpose, 'Growing Responsibly', frames the way we do business.

More information online

Visit our corporate website and learn more about our people, operations and products, subscribe to our news bulletins or Twitter feed at olamgroup.com

Further information

More information available within this report

More information available online

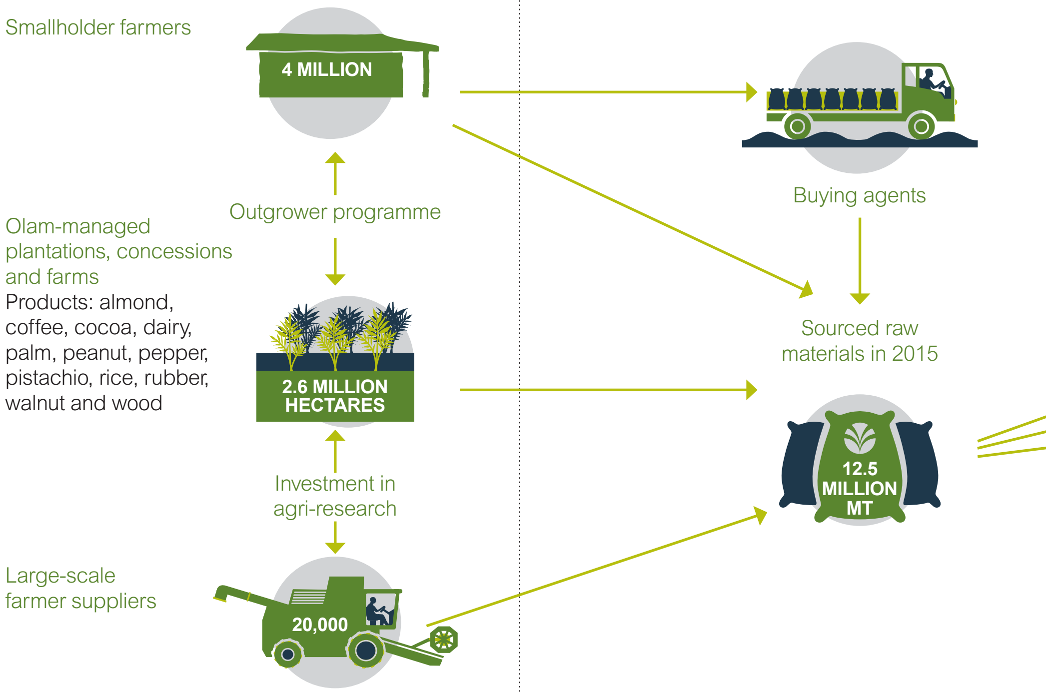
Where we play and how we win

Where we play

Value chain

Selective upstream
- Perennial tree crops
- Broadacre row crops
- Dairy farming
- Forest concessions

Supply chain
- Global origination and sourcing
- Primary processing
- Inland and marine logistics
- Merchandising



Product platforms

Edible Nuts, Spices and Vegetable Ingredients
- Edible Nuts
- Spices and Vegetable Ingredients

Confectionery and Beverage Ingredients
- Cocoa
- Coffee

Food Staples and Packaged Foods
- Dairy
- Grains and Animal Feed
- Palm
- Rice
- Sugar and Sweeteners

Industrial Raw Materials
- Cotton
- Fertiliser
- Rubber
- Wood Products

Commodity Financial Services
- Market Making and Volatility Trading, Risk Management Solutions
- Fund Management

How we win

Strategy
The pathway to achieving our vision

Competitive strategy

Portfolio strategy

Core competencies

We have built distinctive capabilities and competencies in the following four areas:

1. Business specific skills in origination, trading, processing and logistics.
2. Growth enabling skills e.g. people management, risk management, M&A, financing innovation.

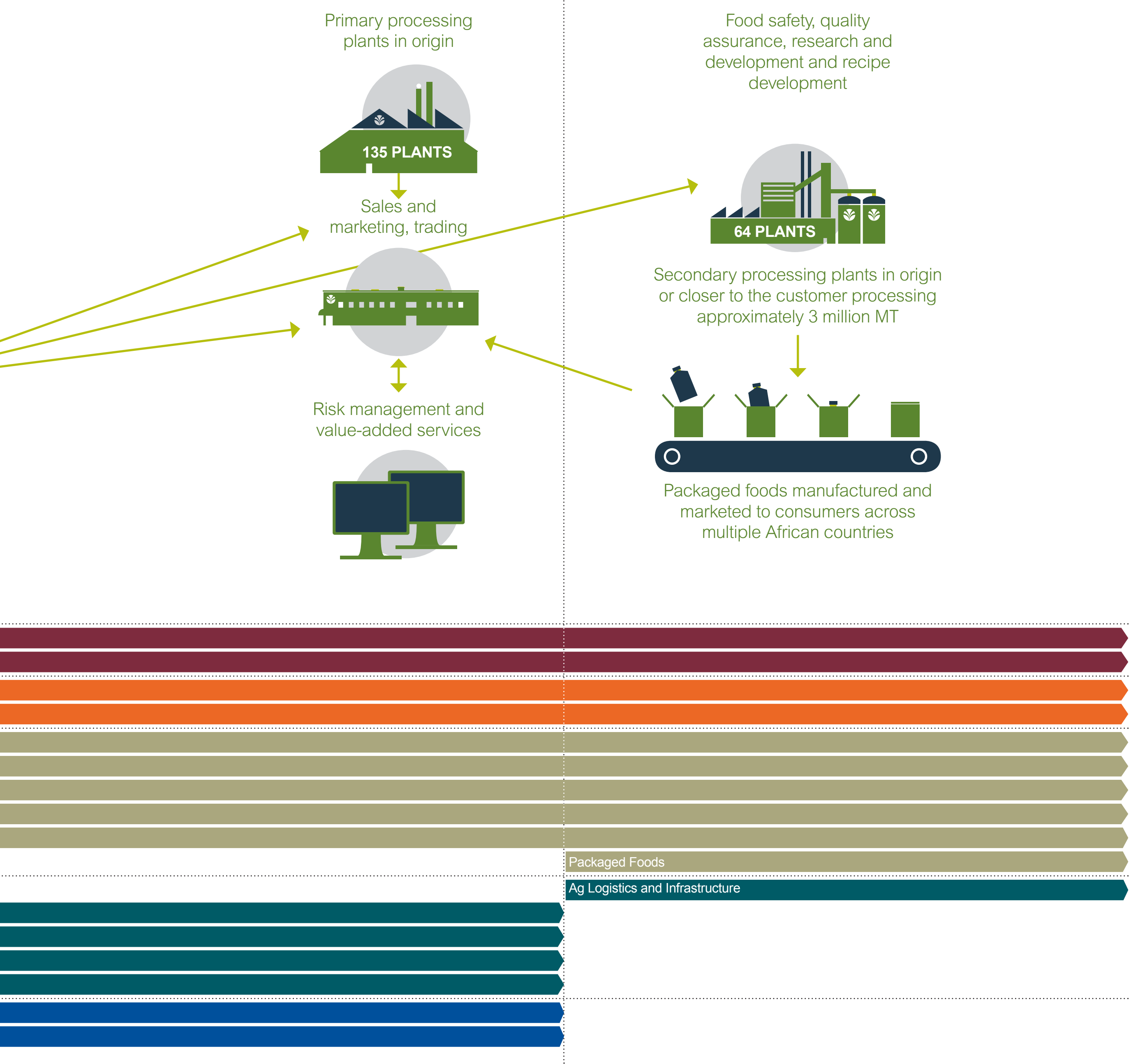
People

We attract and retain talented individuals whom we engage and inspire.
They live the values (see page 29 for our values), are passionate, responsive,

- Trading
- Value-added solutions
- Risk management

Selective mid/downstream

- Value added/manufacturing
- Branding and distribution (Africa)



Growth Strategy

See page 29 for more information

3. Privileged assets and networks, e.g. sourcing network of 4 million farmers, 16,200 customers, presence in 70 countries and employing 62,500 people.
4. Effective stakeholder management with investors, customers, suppliers, communities, Governments and NGOs.

reliable, ambitious, pioneering and innovative – creating a true source of competitive advantage for Olam.

Value created

See our highlights on pages 4 to 9

Maintaining our leadership positions

Edible Nuts, Spices and Vegetable Ingredients

Read about the acquisition of McCleskey Mills on page 25.

Leadership positions

- #1 global dehydrated garlic supplier
- #1 global dehydrated onion supplier
- #1 global cashew supplier
- #1 global almond grower
- Largest independent peanut blancher and ingredient manufacturer in USA

Confectionery and Beverage Ingredients

Read about the acquisition of ADM Cocoa on page 23.

Leadership positions

- #1 originator of cocoa beans
- #1 focused supplier of cocoa beans and cocoa products
- #2 global coffee supplier

Food Staples and Packaged Foods

See more on page 40

Leadership positions

- #2 largest wheat miller in Nigeria and Ghana
- Amongst top 5 grain exporters out of Russia
- #2 global rice merchant
- Developing one of the largest sustainable palm businesses in Africa
- Top 2 manufacturers of tomato paste, MSG seasonings, biscuits, candies and drinking yoghurt in Nigeria

Industrial Raw Materials

See more on page 41

Leadership positions

- #1 largest FSC® certified contiguous tropical forestry concessions
- #2 global cotton merchant
- Developer of one of the largest sustainable rubber businesses in Africa

Commodity Financial Services (CFS)

See more on page 42

Three complementary businesses make up our Commodity Financial Services segment: Market Making and Volatility Trading, Risk Management Solutions and our Fund Management business, Invenio. All use tacit knowledge of, and expertise in, commodity and derivative markets to deliver tailor-made solutions to our customers.

Highlights

- Acquired USA's third largest peanut sheller, McCleskey Mills, and became the country's most vertically integrated player with shelling, blanching and ingredients presence
- Acquired pistachio and walnut plantations in the USA
- Increased almond acreage in Australia
- Started pepper plantations in Vietnam
- Transferred proprietary onion seed from the USA to Dehydro Foods in Egypt

Invested capital
S$3,480.9m

Highlights

- Acquired ADM's cocoa business and became a top three integrated supplier of cocoa beans and products globally
- Increased total coffee acreage across Laos, Zambia, Tanzania and Brazil from 3,600 to 5,200 hectares
- Harvested our first coffee crop in Zambia and exported the specialty coffee beans to Japan
- Operating soluble coffee plants in Vietnam and Spain at full capacity

Invested capital
S$5,717.9m

Highlights

- Became third largest dairy farm operator in Russia with 13,600 head of livestock, of which 7,300 are milking cows
- Commissioned wheat milling plant in Cameroon
- Expanded partnership with Sanyo Foods of Japan to grow Packaged Foods in Sub-Saharan Africa
- Planted 31,500 hectares of palm in our Phase 1 sustainable development of 50,000 hectares in Gabon
- Commissioned integrated rice milling facility within our 10,000-hectare paddy farm in Nigeria
- Expanded exports of white sugar to new geographies in Africa and Central Asia

Invested capital
S$3,231.4m

Highlights

- Increased cotton market share in large destination markets, such as Indonesia, Turkey and Mexico
- Consolidated our sustainable forestry and traceability footprint with our European customers
- Planted 7,500 hectares of rubber in our Phase 1 sustainable development of 28,000 hectares in Gabon
- Entered into adjacent fertiliser markets in East Africa in addition to West Africa
- Commenced ag-logistics and infrastructure development with Special Economic Zone developing a general cargo and mineral port in Gabon

Invested capital
S$1,917.5m

Highlights

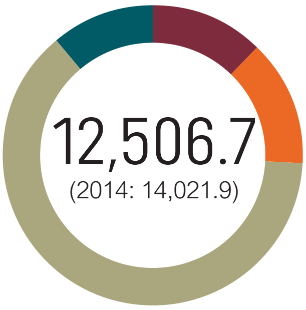
- Scaled up risk management solutions and funds management businesses organically

Invested capital
S$82.6m

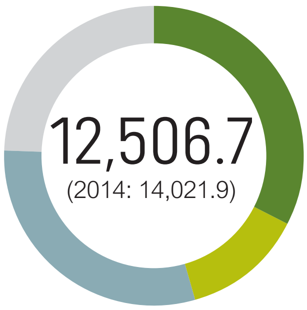
Financial and performance highlights

Volume

Sales volume by segment
('000 metric tonnes)



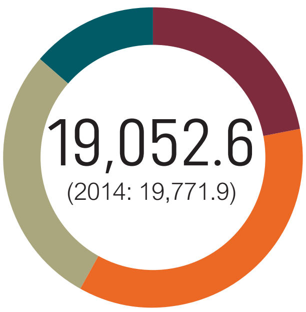
Sourcing volume by region
('000 metric tonnes)



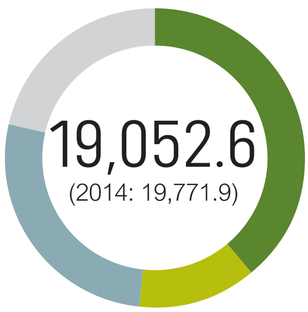
Edible Nuts, Spices and Vegetable Ingredients	12.4%
Confectionery and Beverage Ingredients	13.5%
Food Staples and Packaged Foods	63.2%
Industrial Raw Materials	10.9%
Asia and Middle East	32.6%
Africa	13.1%
Europe	29.9%
Americas	24.4%

Revenue

Sales revenue by segment
(S$ million)



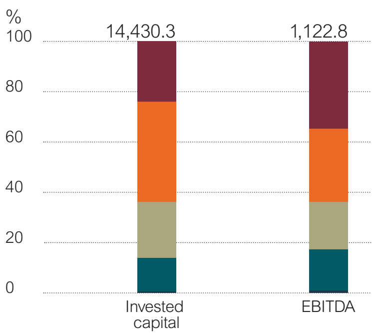
Sales revenue by region
(S$ million)



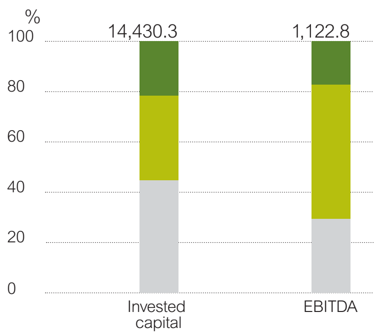
Edible Nuts, Spices and Vegetable Ingredients	22.2%
Confectionery and Beverage Ingredients	36.0%
Food Staples and Packaged Foods	28.3%
Industrial Raw Materials	13.5%
Asia and Middle East	39.1%
Africa	12.8%
Europe	26.8%
Americas	21.3%

Invested capital

Invested capital and EBITDA by business segment
(S$ million)



Invested capital and EBITDA by value chain segment
(S$ million)



	Invested capital	EBITDA
Edible Nuts, Spices and Vegetable Ingredients	3,480.9	390.2
Confectionery and Beverage Ingredients	5,717.9	324.9
Food Staples and Packaged Foods	3,231.4	212.1
Industrial Raw Materials	1,917.5	185.1
Commodity Financial Services	82.6	10.6
Upstream	3,130.4	192.5
Supply chain	4,851.9	599.9
Midstream and downstream	6,448.0	330.4

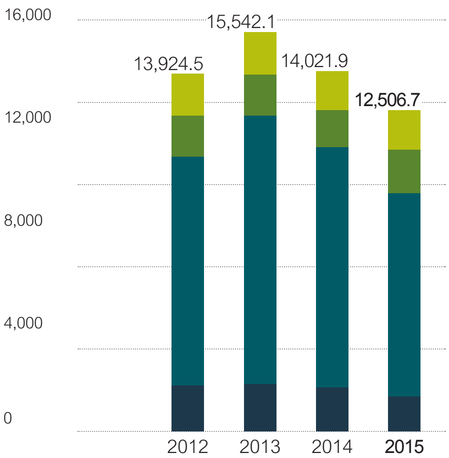
For the 12 months ended 31 December (S$ million)

	2015	2014	% Change
Profit and Loss Statement (P&L)			
Sales Volume ('000 Metric Tonnes)	**12,506.7**	14,021.9	(10.8)
Sales Revenue	**19,052.6**	19,771.9	(3.6)
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) [1]	**1,122.8**	1,106.6	1.5
Earnings Before Interest and Tax (EBIT) [1]	**885.7**	896.7	(1.2)
Profit Before Tax	**39.8**	725.1	(94.5)
Profit After Tax and Minority Interest	**(64.3)**	591.0	N.M.
Operational Profit After Tax and Minority Interest [1]	**346.2**	288.1	20.1
Per Share			
Earnings Per Share basic (cents)	**(3.2)**	23.7	N.M.
Operational Earnings Per Share basic (cents) [1]	**13.0**	11.2	15.9
Net Asset Value Per Share (cents)	**181.1**	167.2	8.4
Net Dividend Per Share (cents) [2]	**6.0**	7.5	(20.0)
Balance Sheet			
Total Assets	**17,653.0**	14,134.4	24.9
Total Invested Capital	**14,430.3**	11,556.8	24.9
Total Debt	**12,293.9**	9,840.7	24.9
Cash and Cash Equivalents	**2,143.2**	1,845.8	16.1
Shareholders' Equity	**5,118.5**	4,167.4	22.8
Cash Flow			
Operating Cash Flow Before Interest and Tax	**1,150.8**	1,148.3	0.2
Net Operating Cash Flow After Changes in Working Capital and Tax	**27.1**	316.5	(91.4)
Free Cash Flow to Firm	**(2,062.6)**	329.2	N.M.
Free Cash Flow to Equity	**(2,540.9)**	(82.3)	2,987.4
Ratios			
Net Debt to Equity (times) [3]	**1.94**	1.85	0.09
Net Debt to Equity (times) adjusted for liquid assets [3]	**0.72**	0.70	0.02
Return on Beginning-of-period Equity (%)	**(1.9)**	15.0	(16.9)
Return on Average Equity (%)	**(1.7)**	14.1	(15.8)
Return on Invested Capital (%)	**3.2**	7.6	(4.4)
EBITDA on Average Invested Capital (%)	**8.6**	9.6	(1.0)
Interest Coverage (times) [4]	**1.1**	2.5	(1.4)

1. Excludes exceptional items
2. Total dividend for the 18-month fiscal year 2015 ended 31 December 2015 compared to 12-month fiscal year 2014 ended 30 June 2014. Proposed final dividend of 3.5 cents is subject to shareholders' approval at the 21st Annual General Meeting.
3. Before Fair Value Adjustment Reserves
4. EBIT on total interest expense

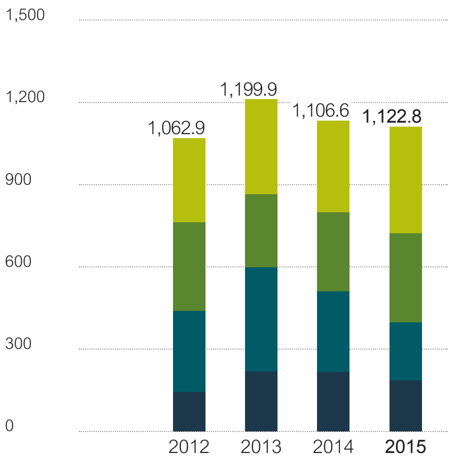
Highlights continued

Sales volume
('000 metric tonnes)



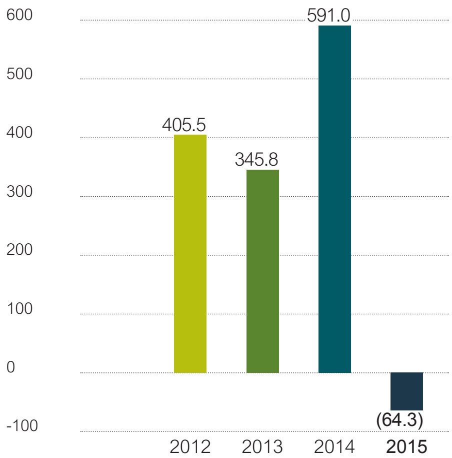
	2012	2013	2014	2015
Edible Nuts, Spices and Vegetable Ingredients	1,650.3	1,657.7	1,527.2	1,549.2
Confectionery and Beverage Ingredients	1,580.1	1,592.8	1,437.1	1,689.5
Food Staples and Packaged Foods	8,920.4	10,450.7	9,356.4	7,904.9
Industrial Raw Materials	1,773.7	1,840.9	1,701.2	1,363.1

Earnings Before Interest, Tax, Depreciation and Amortisation
(S$ million)

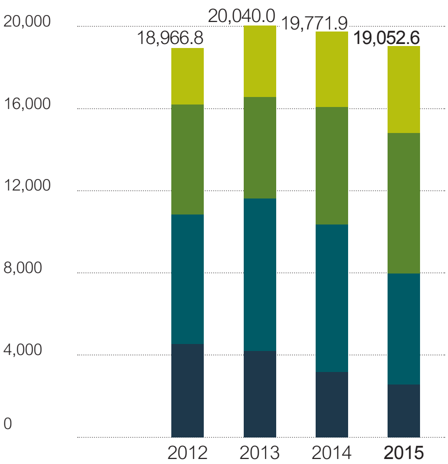


	2012	2013	2014	2015
Edible Nuts, Spices and Vegetable Ingredients	308.5	346.7	335.5	390.2
Confectionery and Beverage Ingredients	322.6	268.5	278.3	324.9
Food Staples and Packaged Foods	296.0	378.2	295.2	212.1
Industrial Raw Materials	143.5	218.6	215.6	185.1
Commodity Financial Services	(7.7)	(12.1)	(17.9)	10.6

Profit After Tax and Minority Interest
(S$ million)

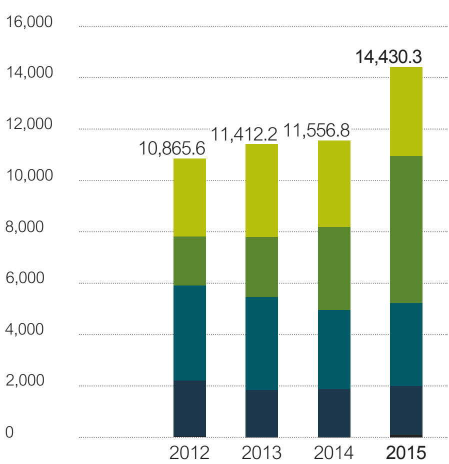


Sales revenue
(S$ million)



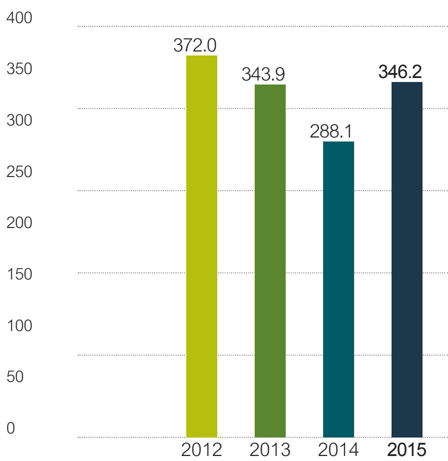
	2012	2013	2014	2015
Edible Nuts, Spices and Vegetable Ingredients	2,764.8	3,465.0	3,692.3	4,227.3
Confectionery and Beverage Ingredients	5,363.2	4,968.0	5,721.8	6,859.6
Food Staples and Packaged Foods	6,311.8	7,406.1	7,187.3	5,391.2
Industrial Raw Materials	4,525.6	4,199.5	3,170.6	2,574.6
Commodity Financial Services	1.4	1.4	(0.1)	0.0

Invested capital
(S$ million)



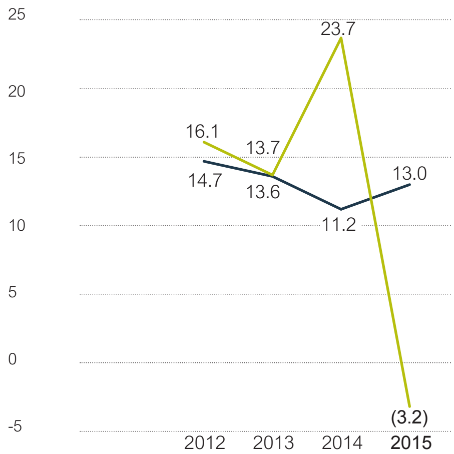
	2012	2013	2014	2015
Edible Nuts, Spices and Vegetable Ingredients	3,049.2	3,610.0	3,356.6	3,480.9
Confectionery and Beverage Ingredients	1,913.9	2,346.6	3,249.6	5,717.9
Food Staples and Packaged Foods	3,691.3	3,612.8	3,075.4	3,231.4
Industrial Raw Materials	2,193.9	1,839.4	1,872.0	1,917.5
Commodity Financial Services	17.4	3.4	3.2	82.6

Operational Profit After Tax and Minority Interest
(S$ million)



Operational Profit After Tax and Minority Interest is Profit After Tax and Minority Interest excluding exceptional items

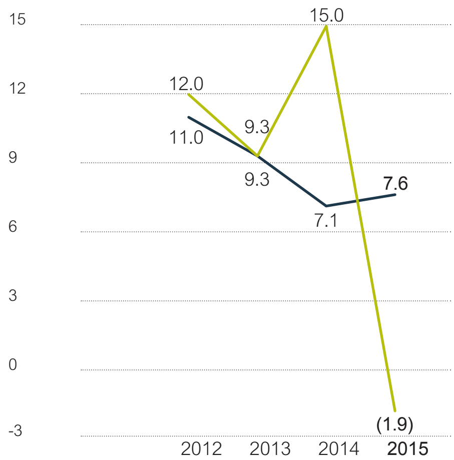
Earnings per share
(cents)



Earnings per share (cents)

Operational earnings per share (cents)

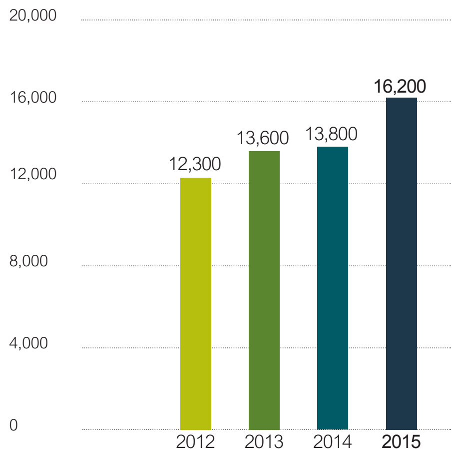
Return on equity
(%)



Return on beginning-of-period equity

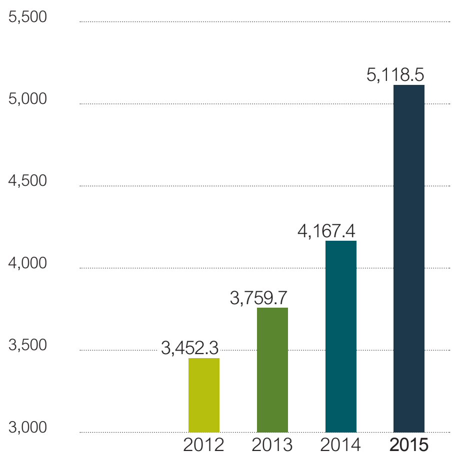
Return on beginning-of-period equity excluding exceptional items

Number of customers

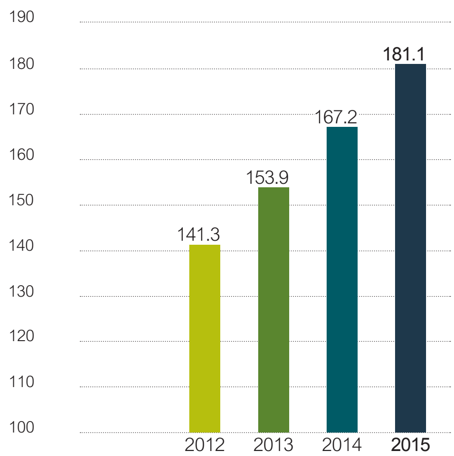


Figures for 2012-2014 are computed based on 30 June year-end basis

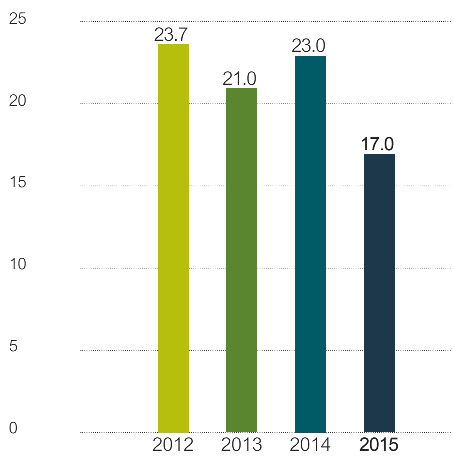
Shareholders' equity
(S$ million)



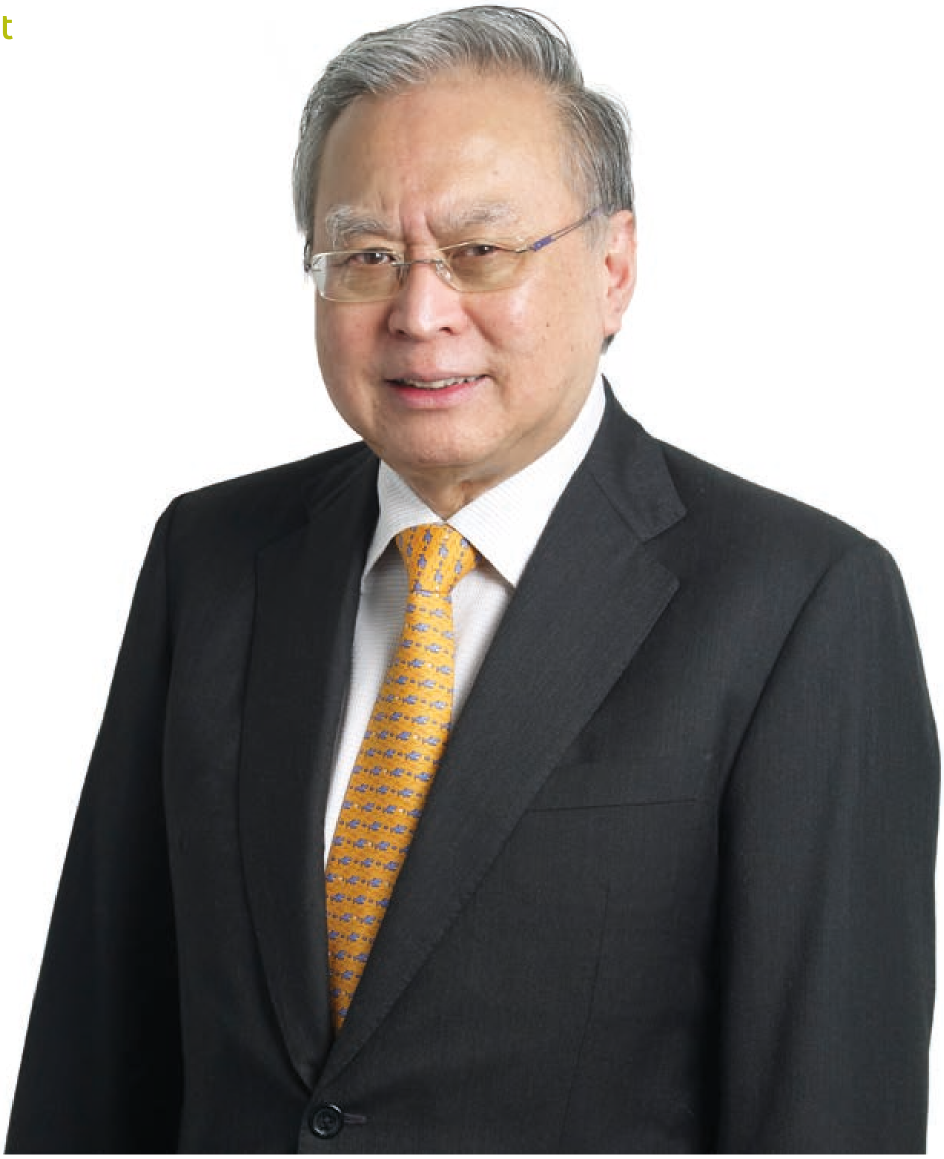
Net asset value per share
(cents)



Top 25 customers' share of total sales revenue
(%)



Figures for 2012-2014 are computed based on 30 June year-end basis



Kwa Chong Seng
Non-Executive Chairman,
and Independent Director

"I continue to remain optimistic about the long-term prospects of the agri-commodity industry and the opportunities it presents for us. We remain focused on our strategy."

"We are confident that with long-term shareholders like Temasek and Mitsubishi, we are better placed to pursue selective value-accretive investment opportunities that are presented by the current macro-economic uncertainty and depressed commodity market conditions."

Focused on cultivating value in the long-term for our shareholders

2015 was a year in which the global economy faced several challenges – macro-economic uncertainty, geo-political tensions, continuing volatility and decline in oil and commodity prices. The global economy is expected to grow at a slow pace in 2016 and, as markets react to this slowing growth, we can expect continued unpredictability.

Olam's FY15 results have been achieved under difficult market conditions. I continue to remain optimistic about the long-term prospects of the agri-commodity industry and the opportunities it presents for us. We remain focused on our strategy and on investments which we believe will shape the future of our Company.

Gratitude to our retired Chairman

FY15 was a year of change and transition for the Olam Board. On 31 October 2015, R. Jayachandran retired as Chairman and Director of Olam after a decade. Jaya has guided Olam with true stewardship and a great degree of farsightedness. His strong leadership has helped make Olam what it is today. On behalf of the Board and the Management Team, I would like to thank Jaya for his invaluable guidance, motivation and encouragement.

Continued strong performance

The fiscal year of the Company was changed from June to December to align with the Group consolidation and reporting requirements of our majority shareholder, Temasek Holdings. With this change, FY15 covers an 18-month period from July 2014 to December 2015. Sales revenue for this period was $28.2 billion, while Profit After Tax and Minority Interest was $98.7 million for the same period. The underlying performance in a majority of our platforms was strong. We also refreshed our six-year strategy (2016 to 2021). The strategy continues to remain focused on our dual objectives of delivering profits and positive free cash flow simultaneously, and has resulted in the identification of the main platforms in which we will invest to grow, as well as the key drivers for execution of this strategy.

Changes to shareholdings

During the year, Mitsubishi Corporation became the Company's second largest shareholder with a 20% stake, pursuant to signing a subscription agreement with the Company and acquiring 222 million secondary shares from the Kewalram Chanrai Group. Mitsubishi is a strategic investor and aligned to our long-term growth strategy. We are confident that with long-term shareholders like Temasek and Mitsubishi, we are better placed to pursue selective value-accretive investment opportunities that are presented by the current macro-economic uncertainty and depressed commodity market conditions. I am pleased to welcome onto the Board Katsuhiro Ito and Yutaka Kyoya from Mitsubishi Corporation, who both joined in November 2015 (see more information about the Board on pages 12 to 15).

Dividends

I would like to thank our shareholders for their continued support and confidence. The Board of Directors is pleased to recommend a second and final dividend of 3.5 cents per share, subject to the approval of our shareholders. This, when added to the interim dividend of 2.5 cents per share, makes the total dividend for the year 6 cents per share. The total dividend declared for FY15 is therefore $158.1 million.

Focus on good governance

A more detailed review of the results for the year and the operating performance of the Group is contained in the Co-Founder and Group CEO's review, and the Group COO's financial and operating review on pages 20 to 31 and 32 to 42 of this report.

The Board continues to focus on effective Corporate Governance and is committed to maintaining high standards in the governance process, as a part of our accountability to all our stakeholders. We focus on people, strategy, risk, audit, compliance, and, above all, sustainability. There is a free and frank exchange of thoughts and ideas with the Management Team to address a complex array of business issues.

In keeping with our stated objective of an ongoing renewal of the Board, Mark Haynes Daniell and Wong Heng Tew stepped down from the Board at the end of the FY14 Annual General Meeting. In December 2015, N. G. Chanrai also retired from the Board. I would like to thank N.G., Mark and Heng Tew for their contributions to the Board. I am delighted to welcome Yap Chee Keong and Marie Elaine Teo who have joined as Independent and Non-Executive Directors from December 2015. I would also like to record my appreciation to my fellow Directors for their contributions over the past year.

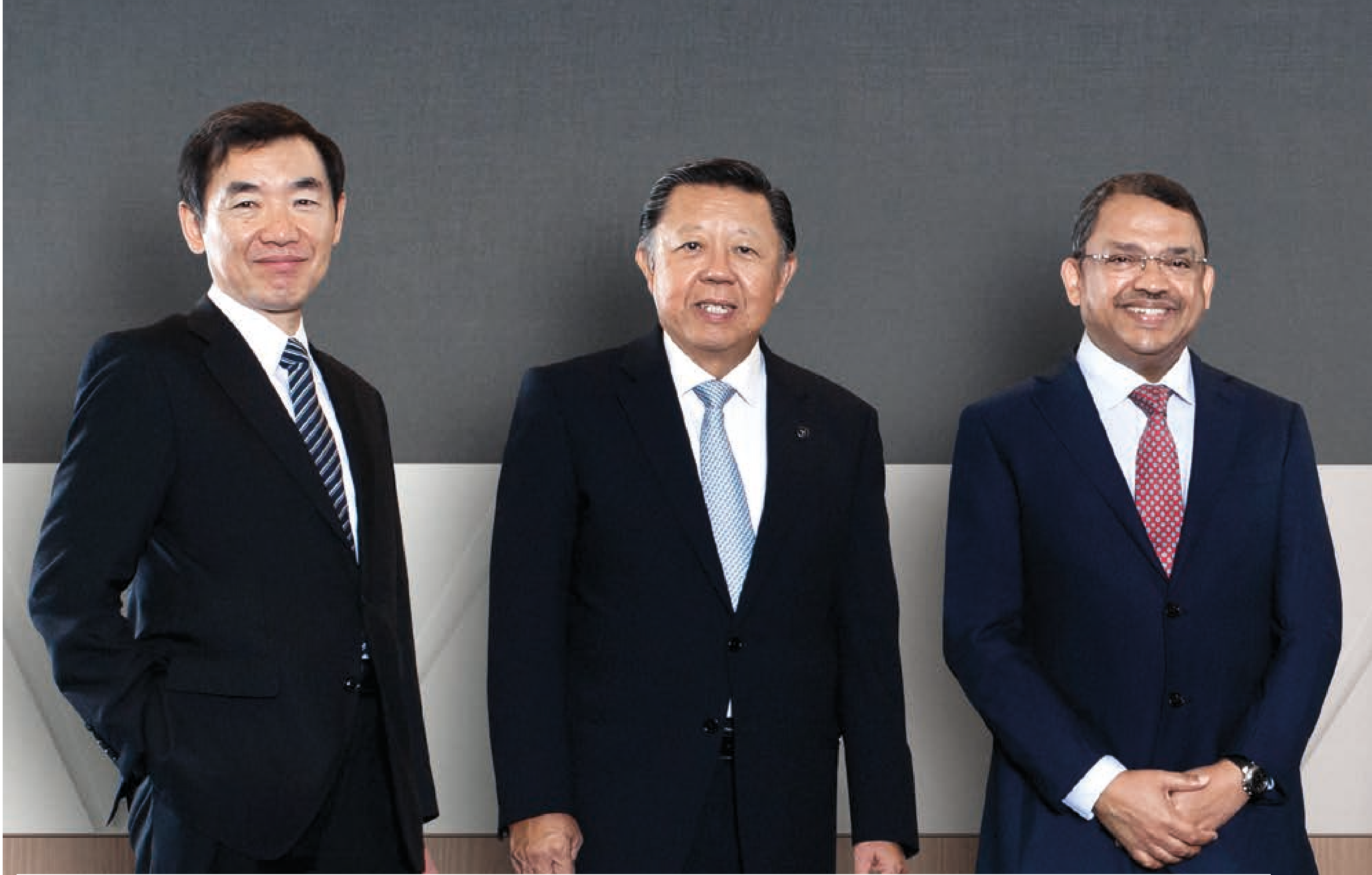
Our people

On behalf of the Board, I would like to thank our global team of 62,500 'Olamites' for their discretionary effort and displaying the extraordinary commitment which has helped the Company deliver good results in difficult market conditions.

I will close by expressing my sincere gratitude to our shareholders, investors, business partners and all other stakeholders for their unstinting support.

Kwa Chong Seng
Non-Executive Chairman, and Independent Director

Board of Directors



Katsuhiro Ito

A CRS G

Non-Executive Director

Katsuhiro Ito is a Senior Vice-President of Mitsubishi Corporation. He has been with the Mitsubishi Group since 1982 and has held senior positions within Mitsubishi in New York, and other central functional roles in Tokyo. Before his current appointment, Ito san was the Senior Vice-President and Chief Financial Officer of Mitsubishi Corporation Americas from 2012 to 2014. He holds a degree in Economics from the Yokohama National University and has attended the Harvard Business School Advanced Management Programme in Boston in 2011.

Ito san is a member of the Audit and Compliance, Corporate Responsibility and Sustainability, and Governance and Nomination Committees.

Key

- A Audit and Compliance Committee
- B Board Risk Committee
- C Capital and Investment Committee
- CRS Corporate Responsibility and Sustainability Committee
- G Governance and Nomination Committee
- H Human Resource and Compensation Committee
- Denotes Committee Chairman

Michael Lim Choo San

A G B

Non-Executive and Lead Independent Director

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. Michael 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, Michael was PricewaterhouseCoopers Singapore's Managing Partner from 1992 and the Executive Chairman of PricewaterhouseCoopers Singapore from 1999 until his retirement in 2003. In November 2011, he 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. Michael was awarded the Meritorious Service Medal by the Government of the Republic of Singapore in 2010.

Michael is the Chairman of the Audit and Compliance, and Governance and Nomination Committees, and is also a member of the Board Risk Committee.

Sunny Verghese

B C

Co-Founder and Group CEO

Sunny Verghese is the Co-Founder and Group CEO and was appointed to the Board in 1996. He had been with the Kewalram Chanrai Group (K.C. Group) for nearly three decades and in 1989 was mandated to start the Company with a view to building an agricultural products business.

Before joining the K.C. Group, he worked for Unilever in India. Sunny 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 Program at the Harvard Business School.

Sunny 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.

Sunny is a member of the Board Risk, and Capital and Investment Committees.

Kwa Chong Seng

H C G

Non-Executive Chairman, and Independent Director

Kwa Chong Seng is the Chairman of Neptune Orient Lines Ltd, Singapore Technologies Engineering Ltd and Fullerton Fund Management Co. Ltd. He is a Non-Executive Director of Singapore Exchange Ltd, Seatown Holdings Pte Ltd and Delta Topco Ltd. Chong Seng is a member of the Defence Science and Technology Agency Board of Directors, and is also the Deputy Chairman of the Public Service Commission in Singapore. He was the Deputy Chairman of Temasek Holdings Pte Ltd from 1997 to 2012 and a Non-Executive Director of DBS Group Holdings Ltd and DBS Bank Ltd from 2003 to 2012.

Chong Seng has more than 40 years of experience in the petroleum industry. He started his career with Esso Singapore Pte Ltd in 1969, holding various roles in Logistics, Marketing and other parts of the downstream business before becoming Chairman and Managing Director in 1992. He held this post until 1999 when he became Chairman and Managing Director of ExxonMobil Asia Pacific Pte Ltd. He retired from this position in 2011. Chong Seng was awarded the Distinguished Engineering Alumni Award by the National University of Singapore. Chong Seng graduated from the University of Singapore with a Mechanical Engineering degree. He is a Fellow of the Academy of Engineering Singapore. He has been awarded the Honorary Ningbo Citizenship and also the Singapore Public Service Star.

Chong Seng is Chairman of the Human Resource and Compensation Committee, and a member of the Capital and Investment, and Governance and Nomination Committees.

Marie Elaine Teo

B C CRS

Non-Executive and Independent Director

Marie Elaine Teo is currently a Senior Advisor and Partner at the Holdingham Group Ltd. Elaine has over 20 years of investment experience, primarily with the Capital Group companies where she focused on Asian banks and global emerging markets, both as an analyst and an investment manager. She was formerly the Chairman of Capital International Research Group and Managing Director of Capital International Inc., Asia. Elaine holds a Bachelor of Arts (Honours) in Experimental Psychology from Oxford University.

Elaine is a member of the Board Risk, Capital and Investment, and Corporate Responsibility and Sustainability Committees.

Yutaka Kyoya

B C H

Non-Executive Director

Yutaka Kyoya is an Executive Vice President and Group CEO of Living Essentials Group of Mitsubishi Corporation. He joined Mitsubishi Corporation in 1984 and has since been engaged in the food business. Kyoya san has held various roles in Mitsubishi Corporation, in Tokyo as well as in its overseas offices, including the USA, Malaysia and Singapore. Prior to his current position, Kyoya san was the Deputy General Manager of Living Essentials Group CEO's Office in 2011 before he was promoted to General Manager of the Global Consumer Business Development Unit in 2012. He holds a degree in Commerce from Waseda University, Tokyo.

Kyoya san is a member of the Company's Board Risk, Capital and Investment, and Human Resource and Compensation Committees.

Robert Michael Tomlin

B A CRS

Non-Executive and
Independent Director

Robert Tomlin is a Non-Executive and Independent Director and was appointed to the Board in 2004. Robert is Vice-Chairman of Lepercq de Neuflize Asia, a family office. He sits on the Board of Trustees of Singapore Management University and is the Chairman of the Design Singapore Council and the Singapore Repertory Theatre. Robert 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. Robert holds a BA in Modern Languages from Downing College, Cambridge and is a Business Management graduate of Harvard Business School.

Robert is the Chairman of the Board Risk Committee, and is a member of the Audit and Compliance, and Corporate Responsibility and Sustainability Committees.

Nihal Vijaya Devadas Kaviratne, CBE

A CRS

Non-Executive and
Independent Director

Nihal Kaviratne, CBE is a Non-Executive and Independent Director and was appointed to the Board in 2014. His career with the Unilever Group spanned 40 years during which he held various senior level management positions in sales, marketing, brand and strategic planning and development, and as Chairman/CEO across Asia, Europe and Latin America. He retired from Unilever in 2005.

Nihal currently serves as an Independent Non-Executive Director of GlaxoSmithKline Pharmaceuticals Ltd, and as Chairman of Akzo Nobel India Limited (formerly ICI). He is an Independent, Non-Executive Director of several Temasek-linked companies including StarHub Limited, SATS Limited, Wildlife Reserves Singapore, DBS Group Holdings Limited and DBS Bank Limited. He is President Commissioner of PT TVS Motor Company Indonesia, a Member of the Private Sector Portfolio Advisory Committee in India for the UK Government's Department for International Development (DFID), and serves on the Advisory Board of Bain and Company for South East Asia/Indonesia.

He was cited in HM Queen Elizabeth II's 2004 New Year Honours List in the UK and has been made a Commander of the Order of the British Empire (CBE) for services to UK business interests and to sustainable development in Indonesia.

Nihal is a member of the Audit and Compliance, and Corporate Responsibility and Sustainability Committees.

A. Shekhar

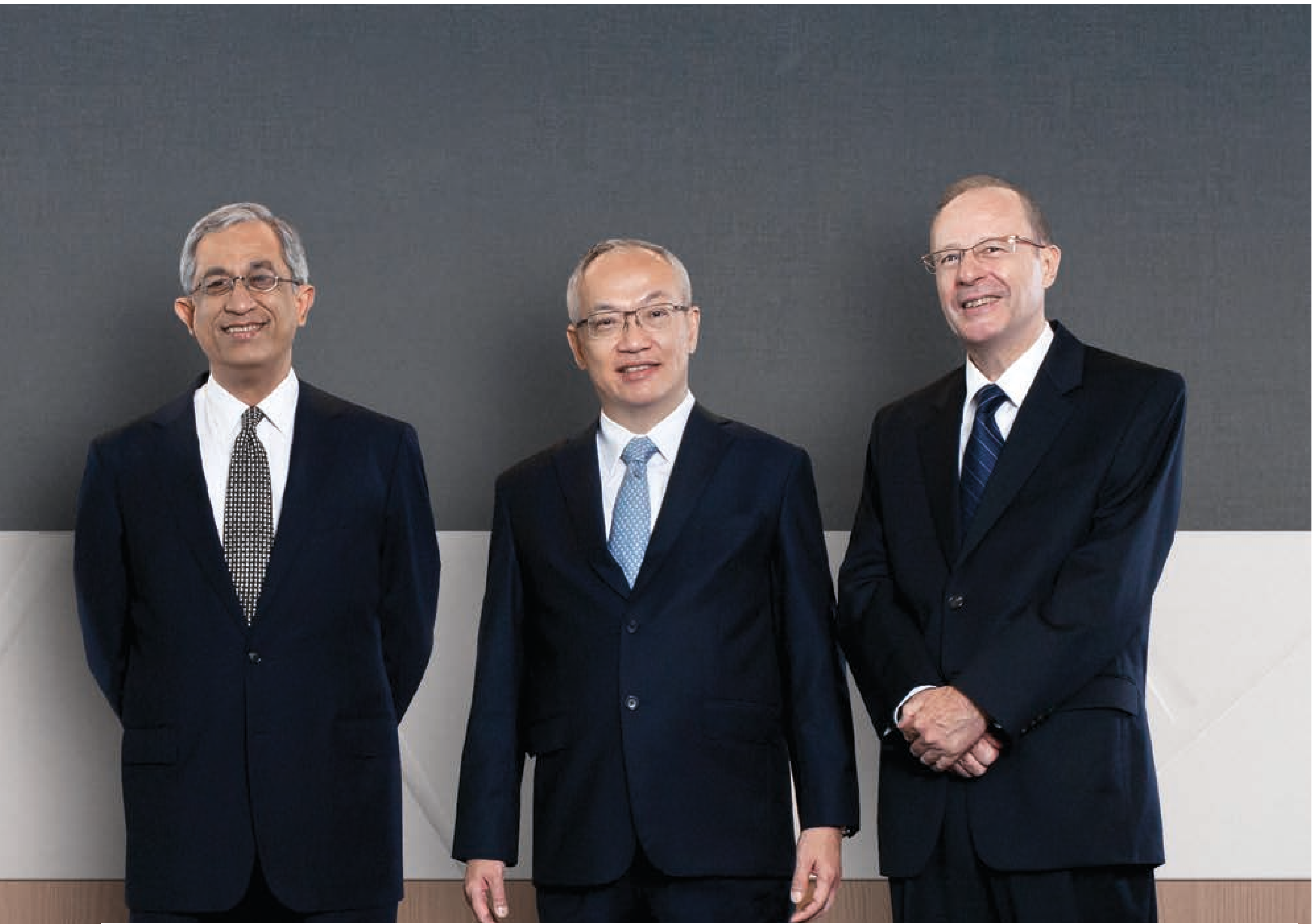
C CRS

Executive Director and
Group COO

Shekhar is currently the Executive Director and Group COO, jointly overseeing all aspects of the Company's global business with the Group CEO.

Shekhar joined Olam in 1992. Prior to his current role, he was the Executive Director – Finance and Business Development for the Group. In this role, he led the Company's overall Strategy and Business Development activities along with responsibility for various functions including the Group's Finance and Accounts, Treasury and IR, IT and Shared Services, Legal and Corporate Secretarial and Manufacturing and Technical Services.

Shekhar has incubated and managed various global businesses for the Group including Edible Nuts, Spices and Vegetable Ingredients and the Packaged Foods. As the Global Head of these businesses, Shekhar has been directly involved in identifying and leading many of the Company's organic and



inorganic growth initiatives. He has also played a variety of Country Management and Regional roles across Africa, Asia, Russia, South and North America.

He holds a graduate degree in Aeronautical Engineering and a postgraduate degree in Business Management. Shekhar has completed the Advanced Management Programme from the Harvard Business School.

Shekhar is a member of the Board's Capital and Investment Committee, and Corporate Responsibility and Sustainability Committee.

Sanjiv Misra

C B H

Non-Executive and Independent Director

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.

Sanjiv is a member of the Board of Trustees of the Singapore Management University, the Board of Directors of the National University Health System and the Board of Directors of OUE Hospitality Trust Management Pte Ltd. His career has featured several senior positions including 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 Citigroup. His career prior to Citigroup included stints with Salomon Brothers and Goldman Sachs & Co.

Sanjiv is the Chairman of the Capital and Investment Committee, and is a member of the Board Risk, and Human Resource and Compensation Committees.

Yap Chee Keong

A B G

Non-Executive and Independent Director

Yap Chee Keong is Non-Executive Independent Chairman of CityNet Infrastructure Management Pte. Ltd. (the trustee manager of NetLink Trust) and the Lead Independent Director of Tiger Airways Holdings Ltd. Concurrently, he is a Non-Executive Independent Director of Citibank Singapore Limited, InterOil Corporation and Certis Cisco Security Pte Ltd, as well as a Non-Executive Director of Straits Trading and ARA Asset Management Limited. Previously an Executive Director of Straits Trading Limited and the CFO of the Singapore Power Group, Chee Keong also serves as a Board member of the Accounting and Corporate Regulatory Authority and as a member of the Public Accountants Oversight Committee.

He holds a Bachelor of Accountancy from the National University of Singapore and is a fellow of the Institute of Singapore Chartered Accountants and Certified Public Accountants Australia.

Chee Keong is a member of the Audit and Compliance, Board Risk, and Governance and Nomination Committees.

Jean-Paul Pinard

CRS C H

Non-Executive and Independent Director

Jean-Paul Pinard is a Non-Executive and Independent Director and was appointed to the Board in 2008. 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 US$1.5 billion portfolio of loan and equity investments in agri-business and food industries. He holds a PhD in Economics from the University of California and a Diplôme d'Ingénieur from the École Polytechnique, Paris.

Jean-Paul is the Chairman of the Corporate Responsibility and Sustainability Committee, and is a member of the Capital and Investment, and Human Resource and Compensation Committees.

Executive Committee


Vivek Verma


Sunny Verghese


Ranveer Chauhan


A. Shekhar


Venkataramani Srivathsan


Sridhar Krishnan


Ashok Hegde

Sunny Verghese

Co-Founder and Group CEO

Sunny co-founded Olam in 1989 and leads the Company's strategy, planning, business development and management. His external Directorships include Chairman of International Enterprise Singapore and the Human Capital Leadership Institute. Sunny is a recipient of the Outstanding CEO of the Year award, as well as the Public Service Medal from the Government of Singapore.

A. Shekhar

Executive Director and Group COO

Shekhar has been an Executive Director on the Company's Board of Directors since 1998 and is currently a member of the Board's Capital and Investment and Corporate Responsibility and Sustainability Committees. He has been a member of the Group's Executive Committee since its inception.

Sridhar Krishnan

Senior Managing Director and CEO Australia, Asia and Americas

Sridhar has been with Olam since 1991 and is responsible for the Company's operations in Australia, Asia, and North, South and Central America and Russia. In addition to regional responsibilities, he oversees the Corporate Communications, Insurance and Administration functions. During his time with the Company Sridhar has held senior positions across many business units, geographies and functions. He holds a Bachelor's degree in Commerce and a postgraduate qualification in Business Management from a leading business school in India.

Vivek Verma

H

Managing Director and CEO Coffee and Commodity Financial Services

Vivek joined Olam in 1992 to head operations in India. He is currently responsible for the Coffee and Commodity Financial Services businesses. Originally trained as an engineer, Vivek has over 28 years' agri-commodities experience.

Ranveer Chauhan

C

Managing Director and CEO Palm and Rubber

Ranveer joined Olam in 1993 and is the Global Head of the Oil Palm and Natural Rubber businesses. He is a management graduate with over 26 years' experience in agri-commodities, and he is an alumni of IIM-A, India.

Venkataramani Srivathsan

H

Managing Director and CEO Africa and Middle East

Sri is a Chartered Accountant and joined Olam in 1994. After undertaking country and regional finance roles, he moved into operations and is currently the Regional Head of Africa and Middle East, and oversees the Fertiliser business.

Ashok Hegde

C

Managing Director and CEO Cotton

Ashok joined Olam in 1994 in Benin, West Africa and from there he led Olam's diversification into South East Asia. In the last 28 years, he has held a broad spectrum of roles including Country Head of Indonesia, Regional Controller in South East Asia, Global Head of Wood Products, Natural Rubber, Risk Management, and IT. He is currently the Global Head of the Cotton business, and Chairman of the Executive Capital Investment Committee.


Gerard Manley


Joe Kenny

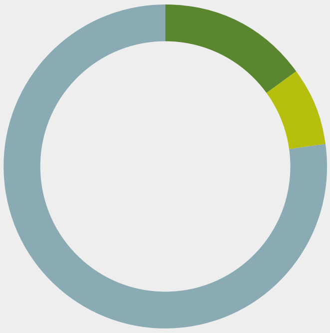

Jagdish Parihar


K.C. Suresh


Ashok Krishen


Greg Estep

Length of service



0 – 10 years	15%
11 – 20 years	8%
21+ years	77%

Gerard Manley H

Managing Director and CEO Cocoa

Gerry has over 30 years' experience in the Cocoa and the Chocolate industry and recently stepped down as Chairman of the Federation of Cocoa Commerce. He has been with Olam since 1998 and is Chairman of the Executive Corporate Responsibility and Sustainability Committee.

Jagdish Parihar C

Managing Director and Chief Risk and Compliance Officer

Jagdish has been with Olam since 1990 and over the past 26 years has been involved in the creation of many businesses in Olam's portfolio, as well as overseeing the India/South East Asian regions. He is currently a Director on the Board for International Cotton Association, UK.

In 2007 he led the acquisition of Queensland Cotton in Australia and consolidated Olam's position as the second largest Cotton Merchant globally. He is now the Managing Director and Global Head of Risk, Market Compliance and the Internal Audit functions.

He has a postgraduate degree in Business Management from Birla Institute of Technology and Science, India.

Ashok Krishen H

Managing Director and CEO Edible Nuts

Ashok is a management graduate with 27 years' experience. He has been with Olam since 1992 and is the Global Head of the Edible Nuts business which includes almonds, cashew, hazelnuts, peanuts, pistachios, sesame and walnuts. He is also Chairman of the Executive Human Resource and Compensation Committee.

Greg Estep C

Managing Director and CEO Spices and Vegetable Ingredients

Greg joined Olam in July 2010. He has 15 years' experience in food ingredients and 14 years' in commodity trading. He is on the Executive Committee of the California League of Food Processors and serves on the Foundation Board of Trustees at the University of California, Merced. He holds a BSc in Agricultural Economics from Virginia Tech and an MBA from the Fuqua School of Business, Duke University.

Joe Kenny C

Managing Director and CEO Sugar and Dairy

Joe joined Olam's management team in 2012 with 23 years' cross-commodity experience. From 1993 he worked with Archer Daniels Midland (ADM) where he held various leadership roles in their Grain, Oilseeds and Cocoa divisions. In 2007, after 14 years with ADM, Joe joined Nidera International as the Managing Director for their European Grain and Oilseed divisions. By 2009 he was appointed Executive Vice-President and member of Nidera's Executive Committee, with responsibility for the Group's commodity trading in Europe, Asia and Africa.

K.C. Suresh H

Managing Director and CEO Grains

K.C. joined Olam in 1994 and established the Company's East African operations. He started Olam's Grains platform in 2008 and is now the Managing Director and CEO of the Grains business. He is an Engineer from IIT-BHU, India and also holds an MBA (Honours) from INSEAD, Fontainebleau, France.

Key

C Executive Capital and Investment Committee

H Executive Human Resource and Remuneration Committee

Strategy and performance

Coffee nursery, Laos

In this section

Co-Founder and Group CEO's review

Sunny Verghese,
Co-Founder and Group CEO

"We have concentrated our effort on establishing a strong and stable shareholder base with like-minded long-term partners. This is key to building a resilient and sustainable business."

Shareholding structure

Shareholder	No. of Shares	Holdings (%)
Temasek Holdings	1,425,141,217	51.39
Mitsubishi Corporation	554,689,829	20.00
Orbis Funds	212,311,496	7.66
Management (Executive Committee)	176,216,250	6.35
Kewalram Chanrai Group	133,498,532	4.81
Others	271,591,818	9.79
Total (excluding treasury shares)	2,773,449,142	100.00

Strong progress in creating sustainable value through responsible growth

Olam has grown from a Company founded 26 years ago to a leading global agri-business operating from seed to shelf, supplying food and industrial raw materials worldwide. In the 2014 CEO review commemorating our Silver Jubilee, I traced several key milestones along our remarkable 25-year journey. In 2015, we celebrated another milestone, namely, our 10th anniversary of being listed on the Singapore Exchange (SGX). During these 10 years as a listed company, we have been tested and have emerged as a stronger company and a global leader in our sector.

In January 2015 we announced a change in our fiscal year, and consequently this review will cover the 18-month period from 1 July 2014 to 31 December 2015 (FY15).

Strong execution, solid operating results

During this period, the world has seen significant macro-economic volatility, declining global growth, collapsing resource prices, strengthening US Dollar, growing terrorism threat, rising geo-political tensions and escalating regional conflicts, mass migration and climate related disasters. Despite these considerable headwinds, we strengthened our core franchise, generated positive operational and financial outcomes and took decisive action to secure our long-term future. We improved our global leadership position in key platforms, selectively seized acquisition opportunities and enhanced our impact and influence on the communities where we operate by ensuring responsible and sustainable growth.

For the 12-month period between January and December 2015 (12M 2015), EBITDA grew by 1.5% to $1,122.8 million, while Operational PATMI, excluding exceptional items, grew by 20.1% to $346.2 million, compared to the 12 months in 2014. The strong operating results were driven by solid performances from the Edible Nuts, USA Spices and Vegetable Ingredients, Coffee, Cotton and Grains businesses. This was partly offset by the underperformance in the upstream dairy farming operations in Uruguay, lower margins in palm oil trading and refining, the adverse impact of currency devaluation on the Packaged Foods business in Africa and a lower contribution from the Special Economic Zone (SEZ) business.

We also took several measures during 2015 to reduce our overall borrowing costs and optimise our balance sheet. Firstly, in January 2015, we exercised our option to redeem all of the outstanding US$750.0 million 6.75% bonds due 2018. Secondly, in December 2015, we announced our intention to repurchase the US$500.0 million 6% Convertible Bonds due 2016 (see page 31).

In addition, we raised a total of US$2.04 billion of debt during 2015 to refinance existing loans and change the borrowing mix and tenor of our loans to significantly reduce interest costs.

A more detailed review of the results for the year and the operating performance of the Group is contained in the Group COO's financial and operating review on pages 32 to 45 of this report.

During the period, we executed and delivered on seven key priorities as shown in the diagram on page 23. Successful execution of these priorities has significantly strengthened our competitive position.

> "We improved our global leadership position in key platforms, selectively seized acquisition opportunities and enhanced our impact and influence on the communities where we operate by ensuring responsible and sustainable growth."

Stable shareholder base, strategic partnerships

One of our key objectives in the last two years has been to realign our shareholder base by attracting shareholders that better reflect the long-term tenor of our strategy. The first step in achieving this objective was the successful completion of the Temasek-led Voluntary General Offer (VGO) in May 2014 that made Temasek our majority shareholder. Our next step was to bring in Mitsubishi Corporation (MC) in September 2015 when they took a 20% equity stake in the Company through the issuance of new shares by the Company and the separate acquisition of secondary shares from the Kewalram Chanrai Group. We welcome MC as our second largest shareholder and more importantly, as a key strategic partner. Temasek Holdings continues to be Olam's majority shareholder with 51.4% stake.

The partnership with MC and the changes to our shareholding structure have helped us raise additional equity growth capital (S$915.0 million), strengthen our capacity to pursue selective investment opportunities in the future and has underpinned our long-term resilient shareholder base. This enhances our ability to take advantage of any opportunities that may arise in the current commodity down cycle, while maintaining a strong financial position.

In addition to becoming a major shareholder, MC and Olam are planning topursue a long-term strategic partnership that leverages the strengths of both companies to broaden participation in the Japanese market and collaborate in mutually beneficial business opportunities around the world that are consistent and aligned with our strategy.

Consistent long-term strategy

Our overarching strategic focus in FY15 remained consistent. We have been highly selective in completing specific initiatives that are in line with our strategy, allowing us to reinforce leadership in our six prioritised platforms (see cluster 1 on page 27).

During the year we also recalibrated our investment approach, focusing on fewer but bigger and more impactful acquisitions. Most notably we completed two major acquisitions – ADM's worldwide cocoa business at an enterprise value of US$1,204.0 million on a cash free and debt free basis, which was integrated with our cocoa business to create Olam Cocoa, and McCleskey Mills, an American peanut sheller, for a cash consideration of US$178.0 million (S$234.7 million). In March 2015, we announced our participation in the Republic of Gabon's (RoG) GRAINE outgrower plantation programme through a joint venture in which the RoG holds 51.0% equity ownership and Olam the balance 49.0%.

In November 2015, we announced that our Grains platform plans to expand into the animal feed and related businesses in Nigeria. The expansion involves investments in setting up poultry and fish feed mills, as well as hatcheries to produce day-old chicks. This expansion builds on Olam's existing strengths in origination of feed raw materials, sharing of port infrastructure, ocean freight capabilities and risk management skills. The Company is also very familiar with Nigeria and has strong execution capabilities there, having set up multiple green field and brown field projects in the country over the last 26 years.

Post 12M 2015, we announced the acquisition of Amber Foods, which owns the wheat milling and pasta manufacturing assets of the BUA Group in Nigeria, for a total enterprise value of US$275.0 million.

Temasek Holdings

Incorporated in 1974, Temasek is an investment company based in Singapore. Temasek owns a S$266 billion [1] portfolio mainly in Singapore and Asia. Temasek originally invested in Olam in 2002, and increased its ownership in 2014.

Temasek's investments centre on long-term trends: Transforming Economies; Growing Middle Income Populations; Deepening Comparative Advantages; and Emerging Champions. Its portfolio covers a broad spectrum of industries: financial services; telecommunications, media and technology; transportation and industrials; life sciences, consumer and real estate; as well as energy and resources.

Temasek has had a corporate credit rating of AAA/Aaa, since its inaugural credit rating in 2004 by rating agencies Standard & Poor's and Moody's, respectively.

1. As at 31 March 2015

Mitsubishi Corporation

Mitsubishi Corporation (MC) is a global integrated business enterprise that develops and operates businesses across virtually every industry, with business operations ranging from natural resource development to investment in retail businesses, infrastructure, financial products and manufacturing of industrial goods. MC develops business with a network of over 600 group companies in approximately 90 countries and employs a multinational workforce of over 70,000 people. MC aims to create sustainable corporate value by helping to solve global problems through business. MC holds a 20% share in Olam and has two representatives on the Board.

How are we measuring against **our priorities?**

Seven key priorities

1. Delivered targeted annual operational profits of S$346.2 million

2. Executed strategic growth initiatives

- Completed scale acquisitions in cocoa processing, peanut shelling and wheat milling
- Expanded upstream in tree nuts and coffee
- Established pepper plantations in Vietnam
- Scaled CFS organically

3. Ensured smooth integration of major acquisitions – ADM Cocoa and McCleskey Mills

4. Generated additional cash flow

- S$403.5 million cash released from divestments in 12M 2015
- Achieved positive net operating cash flow in 12M 2015

5. Reduced fixed capital or asset intensity

- Executed sale-and-leaseback structure for upstream assets
- Released cash of S$556.6 million

6. Secured additional equity capital of S$915.0 million for growth

7. Ensured success of senior management teams and related governance changes

- Expanded the ExCo [1] team
- Formed another senior management team Operating Committee (OpCo) [2] to drive operating performance and cross-functional initiatives
- Provided clear charters for both ExCo and OpCo
- Formed Communities of Practice around four themes – Owners' mindset; Trading; Upstream; and Customer Engagement

1. Executive Committee – See pages 16 and 17 for information

2. Operating Committee – See page 81 for Committee members

Transformational acquisition creates a globally integrated cocoa business

In October 2015, Olam successfully completed the acquisition of ADM's worldwide cocoa business at an enterprise value of US$1,204.0 million. This is a transformation of an already strong, prioritised Cocoa business platform (Olam Cocoa) with attractive market prospects that is poised to contribute an EBITDA of between US$180.0 and US$200.0 million including synergies by 2018.

As a top three integrated supplier of cocoa beans and cocoa products globally, the enlarged Olam Cocoa will benefit from operating leverage and scale by integrating and optimising its procurement, manufacturing, logistics, warehousing, trading and risk management systems, and working capital utilisation. Olam Cocoa is expected to derive a synergy impact of between US$35.0 and US$40.0 million by 2018.

Over 2,400 dedicated cocoa experts, of whom 1,500 have joined from ADM, are now based in 11 producing countries, across seven usines, 12 midstream processing facilities, six innovation centres, 20 marketing offices and more than 200 warehouses. Central to the combined business is sustainable sourcing and the iconic deZaan® brand, which will cater to the needs of its 2,150 customers, ranging from pure bean buyers to international chocolate and confectionery manufacturers.

The acquisition is expected to be earnings, returns and cash flow accretive in 2016. The return based on EBITDA on average invested capital is expected to be within Olam's target midstream value chain range of 13-16% in 2018.

Olam Cocoa offers a range of cocoa products as a result of the ADM Cocoa acquisition

> Achieving profitable growth sustainably is the engine for creating long-term value for our continuing shareholders.

As part of our objective to reduce asset intensity and generate additional cash flow, we executed specific dispositions and divestments during the year. This included the sale of a 25.0% stake in our Packaged Foods business to Sanyo Foods of Japan. The Company received cash proceeds of US$167.5 million (S$219.0 million) and generated a capital gain of S$106.2 million to reserves. Sanyo Foods has already created significant impact in strengthening the business by sharing their innovation capabilities in developing new products reflecting evolving consumer preferences in Africa. In December 2015, Olam Palm Gabon (OPG), the 60/40 joint venture company between Olam and the RoG, entered into a sale of long-term lease rights of land and a sale-and-leaseback of its palm plantation and milling assets for a cash consideration of US$130.0 million.

Total land area is 20,030 hectares in Awala, Gabon, including 6,502 hectares of planted area. OPG retains the right to operate the sustainable palm plantation and mill in Awala and will therefore continue to participate in the production economics of the palm plantation without the asset intensity.

Our success over the last 26 years is in large measure attributable to having a clear strategic direction, a differentiated business model, a well-diversified and balanced portfolio, the strength and depth of our talent pool, and our focus on sustainable and responsible growth.

Achieving profitable growth sustainably is the engine for creating long-term value for our continuing shareholders. In our view, profitable growth must meet four qualifying conditions: grow top-line; grow bottom-line; earn more than our cost of capital, and grow sustainably. All these four qualifying conditions need to be met concurrently to deliver consistent and sustainable profitable growth.

The acquired pasta manufacturing plant from BUA Group, Nigeria

Cherie Noodles PFB Nigeria, JV with Sanyo Foods

McCleskey Mills: Enhancing scale and scope of the Edible Nuts platform

In early 2015, Olam completed the acquisition of USA's third largest peanut sheller, McCleskey Mills (MMI), at an enterprise value of US$178.0 million. With a market share of approximately 12% and processing and storage assets at the heart of the peanut growing region in the Southeast, MMI enables us to participate in the attractive shelling segment of the USA peanut value chain. We are now the most vertically integrated player with shelling, blanching and ingredients presence in the country. MMI also enhances Olam's grower network and market intelligence on the ground, as proximity to the farmgate provides greater visibility on the local and global supply and demand trends.

High Oleic shelled peanuts

Our existing global network for marketing the range of Edible Nuts and experience in peanut shelling through operations in Argentina, India and South Africa also helps unlock the full growth potential of MMI. This has become a strategic imperative as the USA is the leading cost-competitive origin and exporter of peanut products in the world. The country is also expected to see a steady rise in production and exports in the future to meet the increased demand in emerging markets such as China and India.

Post the integration of MMI into the peanut business, Olam is now the only global player with sourcing and peanut shelling operations in all key peanut origins (USA, Argentina, India and South Africa) and presence in all main markets (EU, USA, China, India and Southeast Asia). It has transformed our competitive position in peanuts and further differentiated our customer offering globally, while adding to the scale and scope of the overall Edible Nuts franchise.

The acquisition of MMI was a return-accretive transaction. Its earnings contribution to the Group in 2015 was better than expected at the time of acquisition.

Unlocking value: the sale-and-leaseback model

Since 2013 Olam has adopted a sale-and-leaseback model for its upstream operations across the USA, Australia, Uruguay and Africa.

This asset-light model involves selling land, plantation assets, and related processing assets to investors who believe in their long-term value and then leasing them back for a rental fee over their remaining useful life.

Through this model, not only do we unlock the value of these assets at a premium, we also enhance our returns by reducing asset intensity, thereby releasing cash and lowering our gearing. We still retain the production economics of an upstream operation as we continue to operate these assets and realise their value of the production output.

This model has so far been adopted for our almond orchards in the USA and Australia, dairy farms in Uruguay and most recently for our palm plantations and milling assets in Gabon – the first of its kind in Africa, setting the template for us to do similar transactions to optimise our balance sheet going forward. We have also recently increased our almond acreage in Australia by 3,500 hectares on a similar model.

Where we have unlocked value

Asset description	Year	Cash released (S$m)	P&L impact (S$m)
Almond orchards, USA: 1,900 planted hectares	2012	68.6	17.4
Almond orchards, Australia: 12,000 planted hectares	2013	233.2	65.4
Dairy farm, Uruguay: 7,771 hectares	2014	70.4	21.0
Palm, Gabon: 6,502 planted hectares	2015	184.4	20.2
Total		**556.6**	**124.0**

Palm nursery, Gabon

The key to achieving these demanding goals is to first differentiate our business before we attempt to scale it. To this end, Olam has over the years built six points of differentiation:

1. A focus on niche commodities and niche businesses with leadership positions (e.g. Edible Nuts, Cocoa, Coffee, Spices and Vegetable Ingredients, Cotton, Rice, Packaged Foods and Rubber)
2. Defensible niche strategies in mainstream commodity categories (e.g. Grains: Africa Milling; Sugar: Refining, Indonesia and Milling, India; Palm: leadership in West Africa)
3. A unique Africa footprint and operating capabilities (e.g. direct presence in 24 countries in Africa)
4. A model to out-origin our competition – buying from growers and village level agents at the farmgate (e.g. built a network of four million farmers)
5. Value-added solutions and services to customers (e.g. providing traceability guarantees, sustainable and certified raw materials, vendor managed inventory solutions, risk management solutions and proprietary market intelligence)
6. A uniquely shaped portfolio – selective and diversified upstream, supply chain core, mid and downstream participation across products and geographies.

At Olam, we plan across two three-year cycles, updating and refreshing these plans on an annual basis. In developing a winning strategy we need to answer two critical questions: 1) Where to play? and 2) How to win? In the last of the two three-year planning cycles (FY10-FY15), we deliberately chose the strategy of moving away from being a pure supply chain manager (asset light) to a selectively integrated player across the value chain (asset medium), in order to participate in the more attractive profit pools in the agri-value chain and improve overall portfolio margins and returns. As anticipated, this has led to increased fixed capital intensity, negative free cash flows and lower returns in the near-term. Performance has also been impacted by significant gestation (especially for upstream), as well as the steep learning curve on project execution and in building new organisational capabilities. While some of our investments have not gone as per plan and we have had to contend with their underperformance, overall, our investment track record has been good. Many of our investments have been concluded at attractive valuations (especially in the aftermath of the global financial crisis), which has given us access to attractive parts of the value chain and significantly improved our competitive position in the industry.

In 2013, we laid out a strategic plan with a focus on the twin goals of pursuing profitable growth and improved free cash flow. Since then we have successfully optimised the portfolio and released cash. We concluded 21 strategic initiatives in the last three years, releasing S$1,150.5 million cash and realising total capital gain of S$304.9 million.

In six short years (FY10-FY15), we have built a differentiated and uniquely shaped portfolio in terms of products, geographic participation and selective value chain integration. We have also built a strong and experienced team with a proven track record, a strong entrepreneurial culture and distinctive capabilities, in particular in origination, plantation, manufacturing and a unique footprint in Africa. We are now well-positioned to grow and deliver strong returns over the next several years.

As we refreshed our Strategic Plan for the next two three-year cycles (2016-2021), we began with a scan of the major trends in our industry which revealed no significant shifts in the agri-sector over the past three years, though some trends are accelerating (e.g. sustainability). Overall, agri is a slow but steady growth sector. Within this, the larger players are growing because of globalisation and consolidation of supply chains. To drive growth, the industry has employed five growth vectors: new products, new value chain steps, M&A, new geographies and market share gain. The competitive landscape includes different archetypes of agri-players in the industry – global diversified players, smaller diversified players, focused single commodity players and Asian diversified food companies. The global diversified majors continue to derive most of their earnings from traditional mainstream commodity markets (grains and oilseeds markets in the Americas).

Africa remains an attractive opportunity for us – the market has strong underlying demand growth and also an important supply source for our commodities. We have a strongly differentiated and well-established competitive position in Africa.

Overall our business model is what makes us unique and differentiates us in the sector – leadership positions in niche categories, defensible niche positions in mainstream categories, unique Africa footprint and capabilities, and a broader upstream participation.

For the 2016-2021 plan period, we used six criteria to inform our judgement on how to prioritise our portfolio and the basis for making key investment choices and capital allocation decisions between the various businesses:

1. Address areas where performance has been inconsistent or did not meet expectations
2. Double down on strong Business Units (BU) to scale up and strengthen leadership positions
3. Be selective and focus new investments on areas where we have the highest winnability and returns
4. Further streamline our portfolio and release cash from divestments
5. Find the right investment balance between contributing and gestating businesses
6. Assess and manage portfolio risks

Based on this approach, we have prioritised our portfolio into four clusters as shown opposite. Cluster 1 contains the six prioritised platforms – Edible Nuts, Cocoa, Grains, Coffee, Cotton and Spices and Vegetable Ingredients (SVI), all of which are in attractive markets where Olam has a strong competitive position. We intend to accelerate our investments in these six platforms to build global leadership.

Cluster 2 consists of five platforms – Packaged Foods business (PFB), Palm, Rubber, Dairy and Commodity Financial Services (CFS) all of which are in attractive markets, but our investments in these platforms are still gestating and therefore the model is still to be proven. We intend to scale up these platforms once we have more proof of concept.

Cluster 3 consists of three platforms – Rice, Wood, Sugar and Sweeteners which are smaller businesses (in terms of size of profit) for us, but with very high returns.

Cluster 4 consists of two platforms – Fertilisers and SEZ that are non-core, and therefore we intend to deconsolidate these businesses and partially monetise these investments at the appropriate time.

Each platform in the four clusters has mapped out specific strategic pathways that they intend to execute over the next two three-year cycles as shown opposite in the 'Portfolio of the future: Strategic Plan'.

How have we **prioritised** our portfolio?

Our Business Unit prioritisation

Cluster 1	Cluster 2	Cluster 3	Cluster 4
Business units in attractive markets where Olam has a strong position	Strategic business units in attractive markets, gestating, model to be proven	Small size of profits but high returns, accretive to portfolio	Non-Core restructure/ Deconsolidate
Edible Nuts, Cocoa, Grains, SVI, Coffee, Cotton	PFB, Palm, Rubber, Dairy, CFS	Rice, Wood Products, Sugar and Sweeteners	Fertilisers, SEZ
Accelerate investments to achieve leadership	**Prove model, then scale**	**Ensure minimum profit size and high returns**	**Restructure/ Deconsolidate/Monetise**

Portfolio of the future: Strategic Plan

1. Accelerate investments to achieve leadership

Edible Nuts: Extend leadership across Edible Nuts categories

Grow almond acreage (with low capital intensity); expand peanuts USA midstream; enter pistachios, walnuts; explore other nuts upstream (pecans)

Cocoa: Be the leading confectionery ingredients supplier

Build leading, globally integrated cocoa business leveraging ADM Cocoa acquisition – combining breadth, depth and scalability across value chain

Grains: Deepen existing niche positions and expand into animal feed business

Grow origination and trading in Black Sea, Middle East and Africa; expand milling in Africa (e.g., Nigeria M&A); and enter Animal Feed business in Nigeria

Coffee: Be the leading coffee ingredients supplier

Successfully execute integrated value chain strategy; selectively expand upstream and midstream and optimise working capital

Cotton: Consolidate position in trading

Continue to strengthen trading capabilities with focused investments (Africa integrated ginning model, USA trading, China marketing, India trading and Brazil trading and contract farming)

SVI: Maintain USA leadership and selectively expand footprint

Scale up dehydrated business; expand spices and blends value-added processing and pepper plantation; improve the Tomato Paste business

2. Prove model before scaling

Palm and rubber: Leverage Africa as a globally competitive supply source

Successfully execute palm and rubber upstream plantation and selective midstream investments in Africa; Explore palm expansion in Indonesia

PFB: Participate in African consumer story

Double down on Nigeria and Ghana and drive profitability

Dairy: Improve performance to extract full value from existing investments

Improve performance for Uruguay/Russia farming operations; Grow supply chain/ midstream profitability

CFS: Leverage existing capabilities to scale and build strong business

Leverage market intelligence, risk arbitrage skills to grow RMS and third party funds businesses

3. Ensure minimum profit size and high returns

Rice: Deepen position in Middle East and Africa; selectively expand sourcing in South East Asia, focus on Nigeria farming

Wood Products: Low investment Latin America model, grow in Republic of Congo; continue to run optimised model with low overheads and low capital intensity in other origins/markets

Sugar and Sweeteners: Maintain asset light supply chain model and trading focus

4. Deconsolidate/Monetise

Fertiliser: Sell-down and deconsolidate

SEZ: Partial sell-down/Monetise

Prioritise Africa

Leverage Africa as a globally competitive supply source

Palm and rubber: Successfully execute palm and rubber upstream plantation expansion and selective midstream investments

Edible nuts, cocoa, coffee, cotton, SVI: Continue to expand most attractive Africa-based sourcing and midstream processing of these products

Supply food staples and ingredients into Africa

Grains: Expand milling in Nigeria (M&A) and other African countries; enter Animal Feed business

Rice: Maintain position in Africa

Dairy and sugar distribution

Participate in African consumer story

PFB: Double down on Nigeria and Ghana to drive profitability

Invest in Africa ag logistics infrastructure

African agri-infrastructure (warehouses, silos, ports)

Growing Responsibly

Our purpose of 'Growing Responsibly' describes how we do business. We ensure profitable growth is achieved in an ethical, socially responsible and environmentally sustainable manner.

The Olam Way

Olam is today recognised as a serious contender in the global agri-sector, having achieved leadership positions in many of our businesses. This success in a strongly contested industry did not come from following a conventional approach. At Olam, we do things differently and have succeeded in disrupting the status quo.

In 2015, we took the opportunity to align how we understand and communicate Olam to employees and external partners by launching 'The World of Olam' outlining who we are, our spirit and culture, what we stand for and what we do (and equally important, what we do not do). Within the World of Olam, there is a section called 'The Olam Way' which comprehensively guides us through our Governing Objective (Mission), Our Vision, Our Purpose, Our Spirit and Our Values. It also outlines our strengths and competencies, our competitive strategy, portfolio strategy, growth strategy and the importance of our people.

This will serve as a good reference and helpful guide for the current Olam team and for our prospective employees.

The key elements of 'The Olam Way' are highlighted on the opposite page.

Growing Responsibly, engaging on global issues

Our strategy and differentiation extend to how we achieve profitable growth. Growing Responsibly is part of our DNA and describes how we do business.

We ensure profitable growth is achieved in an ethical, socially responsible and environmentally sustainable manner and in this reporting period we have brought this focus to life in many distinct ways.

During our Silver Jubilee year we announced and implemented further meaningful initiatives to demonstrate responsible growth in action. Highlights included the inaugural Olam Prize for Innovation in Food Security and the official launch of the Olam Scholarship Programme for African Change Catalysts.

We were also active at the COP21 meeting in Paris at the end of the year, demonstrating how global businesses can make a difference by calling on world leaders and our own sector to take up measures to tackle climate change and deliver food security. Olam is calling for world leaders to commit to a global carbon tax; support robust carbon off-set mechanisms; make Green Bonds attractive and cost-competitive investments; develop national land use plans; recognise the role of Public Private Plural Partnerships in helping emerging nations, particularly in terms of mobilising finance; and engage non-state actors to actively contribute to national de-carbonisation targets.

Our forest concession in the Republic of Congo (CIB) is supporting the Congolese Government in developing its Emission Reductions Programme to be submitted to the Forest Carbon Partnership Facility's (FCPF) Carbon Fund, of which the World Bank is a trustee. The Programme will realise value from the country's standing forests. CIB has been chosen by the Republic of Congo to be its strategic partner and key implementer thanks to Olam's commitment to sustainable forest management.

As a global agri-business, addressing food security is one of the main developmental challenges that Olam is concerned about. Too often, the issues surrounding food security are tackled by different groups of experts in siloes. As a result, they can seem insurmountable, so we are looking to build a Global Agri-business Alliance to work together on common, 'real world' solutions, to be launched at our 'Building Sustainable Futures' Forum in September 2016.

2015 was a pivotal year with global agreements reached on both Climate Change and Sustainable Development. The United Nations launched 17 Sustainable Development Goals (SDGs) to be achieved by 2030, and Olam is an early leader in providing a private sector contribution in achieving these goals. We have chosen four goals to focus on as a Company – SDG 1, 2, 13 and 17.

We recognise that Olam is in a strong position to influence how these challenges can be tackled. We are working hard to do our part – increasing productivity and yield for smallholder farmers; contributing to nutrition through education; crop diversification and production of fortified packaged foods; improving water usage and irrigation efficiency including in areas where our operations face drought conditions, and being active in Public Private Partnerships that help to shape policy frameworks supporting inclusive and sustainable growth.

What is the **Olam way?**

Olam is now considered a major player on the global agri-sector stage and we have achieved leadership and defensible positions in many of our platforms.

We have formally laid out the structure behind this achievement, which we call The Olam Way.

Governing objective: Why are we in business?

To maximise long-term intrinsic value for our continuing shareholders

Vision: What is our Aspiration?

To be the most differentiated and valuable global agri-business by 2040

Purpose: How do we do business?

'Growing Responsibly': We ensure profitable growth is achieved in an ethical, socially responsible and environmentally sustainable manner. This is integral to our business model

Values: What are our desirable modes of conduct?

Our six values and everyday behaviours build a distinctive culture, shaping how we work and set the standard for what it means to be part of Olam

Entrepreneurship
We dare to dream

Stretch and Ambition
Our passion for doing more

Mutual Respect and Teamwork
We treat each other the way we want to be treated

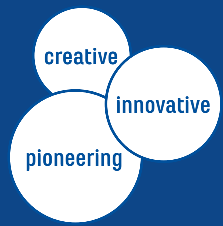
Ownership
We take responsibility as if we were the founders of the business

Integrity
We stay true to what we believe, say and do

Partnerships
We strive to develop positive and long-term relationships with our partners

Spirit: What do we stand for?

Our spirit is to be an insurgent in our industry. We are not afraid to disrupt the status quo. We are pioneers, inventing and innovating to create solutions for our suppliers and customers



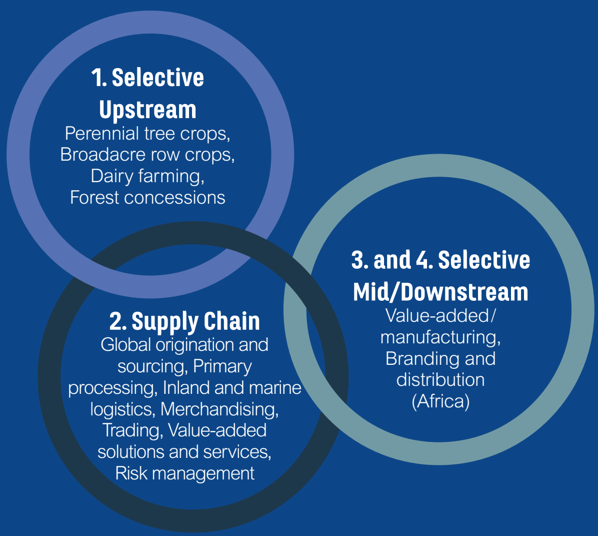
Our Portfolio Strategy:
Where do we participate?

We focus on building leadership positions in niche commodities.

We selectively integrate across the agricultural value chain. We are one of the world's largest farmers growing 21 crops in 26 countries (upstream) and have invested in 199 processing facilities.

We have a strong African footprint and operating capability. Our on-the-ground assets, team and know-how across our 24 country network on the Continent is unrivalled.

A combination of these elements has resulted in us having a uniquely shaped portfolio.



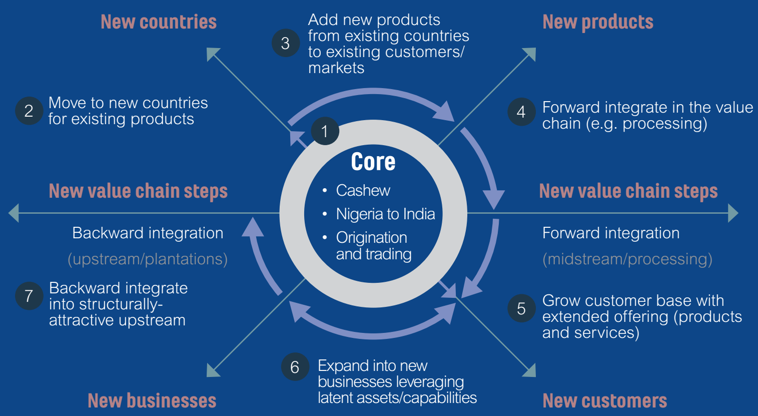
Our Competitive Strategy:
How do we win?

At the grower end we 'out origin' our competitors by buying from the lowest level of aggregation possible. Today we source directly from the farmgate, originating crops from a network of four million farmers, village level agents and farmer co-operatives.

At the customer end we offer value-added solutions and services in order to gain stronger loyalty and command a premium. These services include traceability, customised product grades and qualities, risk management solutions, vendor-managed inventory solutions and proprietary market intelligence.

Our Growth Strategy: What is our logic for growth?

Our logic for growth is to find adjacent business opportunities closely linked to our core business. We identify and expand into adjacent opportunities that share customers, costs, capabilities and channels with our existing businesses. For example, we started our Edible Nuts business by first trading cashews before expanding into other adjacent edible nuts over time, including today, almonds, cashews, hazelnuts, peanuts, pistachios and walnuts.



Strategy and performance

We are also working with the World Business Council for Sustainable Development (WBCSD) and Co-Chairing their working group on Climate Smart Agriculture (CSA) and an active participant in their Low Carbon Technology Partnership Initiative (LCTPI).

Olam brand refresh

After extensive consultation with key stakeholders, we carried out a brand refresh exercise and re-launched the Olam brand towards the end of 2015. The new Olam logo shows a plant growing out of nutritious soil, held in a circle representing the world. The re-branding has created positive energy and excitement across the organisation and I am delighted with the consistent application of the new brand that I have seen during my travels to our various operations across the world. The new Olam brand confers a distinct identity that reflects the soul and essence of the company of being outward looking and always seeking to challenge the status quo.

Looking ahead

While we expect tough trading conditions going forward, given the volatility and uncertainty in both the capital markets, as well as in the real economy, I have full confidence in the strength of our differentiated business model and strategy, combined with the high calibre of our Leadership and Management Team and the support of our Board to successfully navigate through these challenging times. I believe that every Olam business today rests on a strong foundation of deep competence, talent, a good configuration of privileged assets and a strong competitive position. This should stand us in good stead as we confront these major challenges and remain focused on delivering long-term value to our continuing shareholders in a sustainable and responsible way.

Sunny Verghese

Sunny Verghese
Co-Founder and Group CEO

How are we leveraging **our brand?**

Our Brand Positioning

We want to be known for these three things:

Our Brand Strategy

Our brand is our public face, our reputation – it is the sum of everything we do, every day. It is also one of our most valuable assets.

Brand reputation is based on a combination of factors including our visual presentation and messaging; our everyday behaviour and the experience our customers and suppliers have with us; always living up to our promises; our product quality and the accuracy of our market insight.

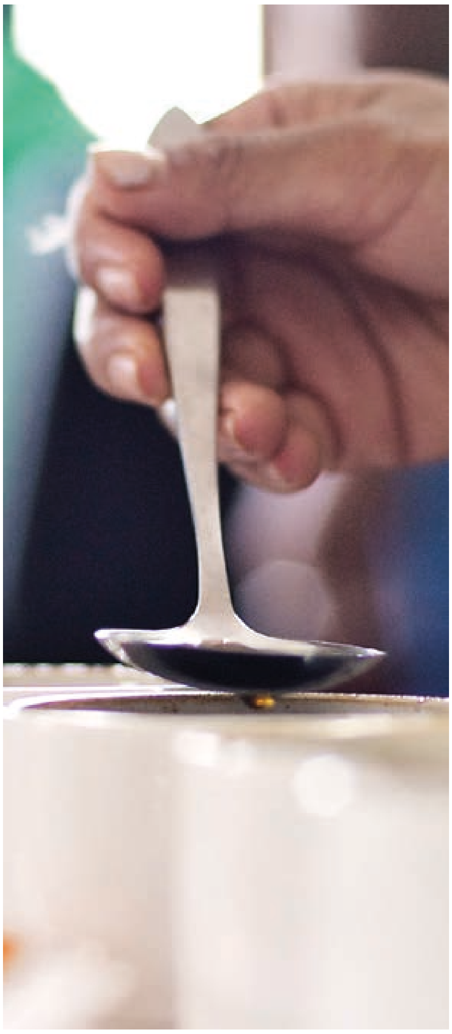
Consistency across every level of Olam is critical to our sustained success and the achievement of our long-term goals. Our brand strategy is a powerful enabler of collaboration and a key facilitator of future growth.

The New Olam Brand

Olam

Our green symbol shows a plant growing out of nutritious soil, held in a circle representing the world.





Optimising our debt portfolio

Our ongoing debt optimisation efforts, which started in 2014 and continued in 2015, helped lower our borrowing cost from 5.2% to 4.8% in 2015. This resulted in a reduction in interest expense of S$25.6 million despite an increase in net debt of S$2.2 billion during the year. Various initiatives were taken to optimise the tenor and cost of debt by buying back higher-cost debt and by reducing the overall tenor of the debt portfolio.

We reduced our credit spread across all tenors. Spreads across short term bilateral banking lines and revolving credit facilities came down while higher-cost, medium term debt was repurchased. For example, the US$750.0 million 6.75% bonds due 2018 which were issued at a discount in January 2013 had an effective interest cost of 8.08%. We exercised the early redemption option, bought back all of these bonds at 103.375% of the principal amount and replaced these with short and medium term borrowings at an effective cost of approximately 2.0% to 2.5% per annum. While we took a one-time charge of S$100.6 million in 2015 for the early redemption, we will also save approximately S$55.0 to S$60.0 million of interest per annum over the next three years.

We also successfully brought down the proportion of working capital funded by medium and long-term debt from 58.1% in 2014 to 33.7% in 2015. This is in line with meeting our target of covering 25.0% to 35.0% of working capital needs through medium and long-term sources of funds.

Gradual reduction in cost of debt for new issuances

Date	Description	Tenor	Coupon
15 January 2015	US$50.0 million senior notes	5-year due 2020	4.0%
17 March 2015	A$150.0 million senior notes	5-year due 2020	3.975% (US$ post-swap)
29 April 2015	A$30.0 million senior notes	5-year due 2020	3.6% (US$ post-swap)
12 August 2015	US$400.0 million RCF	2- year due 2017	–
	US$400.0 million RCF	3-year due 2018	–
31 August 2015	¥6.2 billion (US$51.2 million) senior notes	5-year due 2020	3.75% (US$ post-swap)
28 October 2015	US$850.0 million RCF	1-year due 2016	–
	US$150.0 million term loan	5-year due 2020	–

Bonds buy-back

28 January 2015	US$750.0 million bonds	5-year due 2018	6.75% (effective cost of 8.08%)
9 December 2015	US$500.0 million convertible bonds	7-year due 2016	6.0% (effective cost of 10%)

Group COO's financial and operating review

A. Shekhar,
Executive Director
and Group COO

> We continue to make progress on our Strategic Plan. To date, our initiatives have released cash of S$1,150.5 million, generated a P&L gain of S$1.150.3 million and added S$154.6 million to our capital reserves.

> We are pleased with the continued broad-based growth in operational earnings during the year. Our debt optimisation programme has reduced our effective cost of borrowing. We continue to be disciplined in executing our Strategic Plan to generate positive free cash flow as we growour earnings.

Strong operating performance despite challenging market conditions

Key highlights [1]

Financial performance

S$ million	2015	2014	% Change
Volume ('000 MT)	**12,506.7**	14,021.9	(10.8)
Revenue	**19,052.6**	19,771.9	(3.6)
Net loss in fair value of biological assets	**(14.4)**	(19.5)	(26.3)
EBITDA	**1,122.8**	1,106.6	1.5
Depreciation & amortisation	**(237.1)**	(209.8)	13.0
Net finance costs	**(448.9)**	(474.5)	(5.4)
Taxation	**(105.9)**	(94.9)	11.6
Exceptional items	**(397.0)**	302.9	N.M.
PAT	**(66.0)**	630.3	N.M.
PATMI	**(64.3)**	**591.0**	**N.M.**
Operational PATMI	**346.2**	**288.1**	**20.1**

In 2015, Olam achieved strong Operational PATMI growth of 20.1% year-on-year to S$346.2 million, compared to S$288.1 million in 2014.

Our headline results were negatively impacted by exceptional items totalling S$397.0 million, with reported PATMI declining to negative S$64.3m. The net exceptional loss was primarily on account of the S$192.6 million fair value losses on our equity investment in PureCircle Limited (PCL), which was due to a conservative interpretation of an accounting treatment. There was no change to total equity (including reserves) or cash flow.

Other exceptional items resulted from deliberate actions to optimise operations for future growth – the buy-back of higher cost debt, restructuring cost for the Dairy operations in Uruguay and ADM Cocoa transaction expenses, which were partly offset by the gain on the sale-and-leaseback of Palm plantations in Gabon.

Sales volumes and revenue were lower year-on-year by 10.8% and 3.6% respectively as we continued to execute on our business strategy to grow in prioritised platforms while reducing volumes or exiting lower-margin businesses.

Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA) grew by 1.5% to S$1,122.8 million in 2015 compared to S$1,106.6 million in 2014 with growth across three of our segments – Edible Nuts, Spices and Vegetable Ingredients (up 16.3% from S$335.5 million to S$390.2 million), Confectionery and Beverage Ingredients (up 16.7% from S$278.3 million to S$324.9 million) and the Commodity Financial Services business (up from a loss of S$17.9 million to positive S$10.6 million). This was partly offset by reduced contributions from the Food Staples and Packaged Foods (down from S$295.2 million to S$212.1 million) and Industrial Raw Materials segments (down from S$215.6 million to S$185.1 million).

Garlic processing, China

1. As part of the transition to the new financial year from January to December, the financial performance of the Group is reported for the period from January 2015 to December 2015, against the previous corresponding period from January 2014 to December 2014.

> We executed various initiatives to optimise debt tenors and reduce the overall cost of borrowing, which included the buyback of expensive bonds. This resulted in a decline in the relative share of debt capital market instruments in our overall portfolio.

Overall EBITDA and invested capital

The invested capital increased by over S$2.87 billion, primarily from the McCleskey Mills (MMI) and ADM Cocoa acquisitions which are expected to deliver strong EBITDA growth going forward. In spite of this significant increase, EBITDA to average invested capital (EBITDA/IC) declined by only 100 basis points to 8.6%, in testament to our sharp focus on prioritised platforms, as well as balance sheet optimisation.

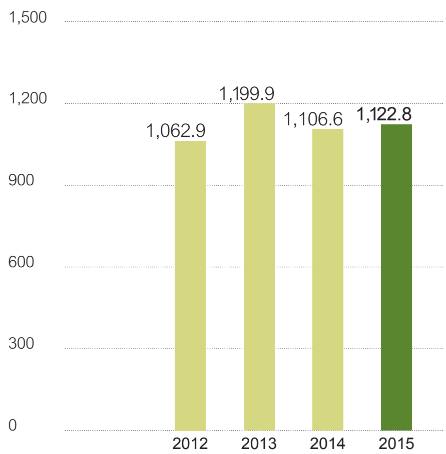
Strategic partnership and transformational acquisitions

This year, we had several transformational developments. On 28 August 2015, the Company entered into a subscription agreement with international conglomerate Mitsubishi Corporation (MC), setting up a long-term strategic partnership to collaborate in mutually beneficial business opportunities in Japan and across the world.

As part of this agreement, we raised approximately S$915.0 million of additional equity capital by issuing 332.73 million new ordinary shares to MC at an issue price of S$2.75 per new share, which represented approximately 12.0% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company immediately after completion of the subscription agreement. In a separate and independent transaction, MC also acquired approximately 222.0 million secondary shares from the Kewalram Chanrai Group, representing approximately 8.0% of the enlarged issued and paid-up share capital (excluding treasury shares) of Olam immediately following the issuance of the new shares. Post the completion of both of these transactions, MC is now Olam's second largest shareholder with 20.0% shareholding of the Company.

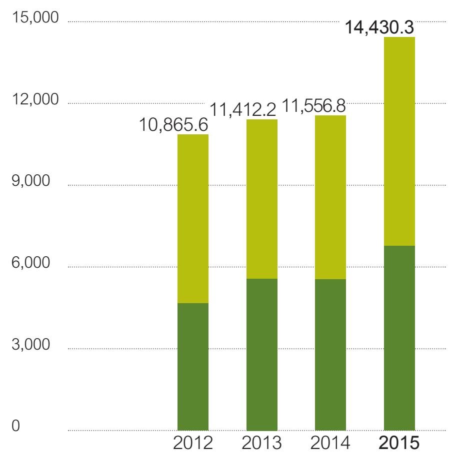
We completed two major acquisitions in the year which will position us for further growth. With the acquisition of ADM Cocoa, Olam Cocoa is now among the top three integrated suppliers of cocoa beans and products. With the acquisition and integration of leading peanut sheller MMI, our peanut platform is now integrated across the value chain.

EBITDA
(S$ million)



	2012	2013	2014	2015
EBITDA/IC (%)	10.7	10.8	9.6	8.6

Invested capital
(S$ million)



	2012	2013	2014	2015
Working Capital	6,202.2	5,840.2	6,017.2	7,652.8
Fixed Capital	4,663.4	5,572.5	5,539.5	6,777.5

Strategic Plan update

We continue to make progress on our Strategic Plan. To date, our initiatives have released cash of S$1,150.5 million, generated a P&L gain of S$150.3 million and added S$154.6 million to our capital reserves. Our focus continues to be on delivering on six priorities:

1. **Recalibrate the pace of investments**
   We incurred gross Capex of S$2,339.5 million in 2015 as compared to S$455.7 million in 2014. The Capex for 2015 includes an investment of approximately S$1,855.4 million for the acquisitions of MMI and ADM Cocoa which were not part of the Strategic Plan Capex guidance.
2. **Optimise balance sheet**
   Several initiatives have been undertaken towards optimising working capital utilisation across the supply chain, including a reduction in inventory levels, receivable factoring, securing higher supplier credit and prioritisation of higher margin transactions within each business unit.

   In addition, various initiatives to optimise the balance sheet and improve returns have also been completed. These include the sale-and-leaseback of dairy farming land in Uruguay, almond plantation assets in the USA and Australia, palm plantations in Gabon, the repurchase of long-term unsecured bonds of US$30.0 million issued by NZ Farming Systems Uruguay Limited (NZFSU) and the repurchase of 7.0% perpetual capital securities and 6.0% fixed rate notes due 2022 aggregating S$54.2 million.
3. **Pursue opportunities for unlocking intrinsic value**
   We have completed several initiatives, including the sale of our basmati rice mill in India, the sale of the Dirranbandi cotton gin and the partial sale of the Collymongle gin in Australia, the sale of a 50.0% stake in our Grains origination operation – Olam Lansing Canada, the sale of 9.8% equity stake in our Dairy processing operation – Open Country Dairy (OCD), New Zealand, the sale of 20.0% stake in the SEZ to the Republic of Gabon, the sale of 80.0% stake in our Australian Grains business to Mitsubishi Corporation, sale of equity in our upstream Palm and Rubber joint ventures in Gabon to the Republic of Gabon (RoG) and the sale of 25.0% stake in our Packaged Foods business to Sanyo Foods of Japan.
4. **Optimise shape of portfolio and reduce complexity**
   In addition to the partial divestment of our Wood Products business in Gabon, we sold our Timber subsidiary Compagnie Forestière des Abeilles in Gabon. We also exited from the rice distribution business in Côte d'Ivoire, announced the sale of our Australian wool business and closed a vegetable dehydrates facility in the USA.

   These transactions will help bring a sharper focus to the business and are expected to reduce operating costs going forward.

Summary of completed strategic plan initiatives

S$ million	Number of Initiatives	P&L impact	Addition to capital reserves	Cash flow impact
Closed in 2012	**1**	**17.4**		**68.6**
Closed in 2013	**4**	**18.2**	**14.2**	**65.5**
Sale-and-leaseback of almond plantation assets, Australia		65.4		233.2
Divestment of Olam Lansing JV, Canada				6.8
Sale of timber assets, Gabon		(14.6)		22.8
Repurchase of Bonds and Perpetual Securities		1.0	2.3	
Sale of 9.8% stake in OCDL, New Zealand		(0.6)		35.1
Australian grains JV with Mitsubishi Corporation		28.8		79.8
Sale of timber subsidiary in Gabon		(22.6)		7.5
Sale of Collymongle Cotton Gin, Australia		6.0		9.9
Sale of 20% stake in SEZ to RoG, Gabon				74.8
Sale of dairy processing plant, Côte d'Ivoire		17.7		32.7
Sale of 10%/20% stake in Palm/Rubber JV to RoG, Gabon			31.9	40.0
Sale-and-leaseback of dairy farm land, Uruguay		21.0		70.4
Sale of Australian wool business		(2.7)		
Closure of dehydrates facility, USA		(4.9)		
Closed in 2014	**14**	**94.5**	**34.2**	**612.9**
Sale of 25% stake in Packaged Foods to Sanyo Foods			106.2	219.1
Sale-and-leaseback of palm plantations, Gabon		20.2		184.4
Closed in 2015	**2**	**20.2**	**106.2**	**403.5**
Total	**21**	**150.3**	**154.6**	**1,150.5**

Summary of financial and operating results

Balance sheet analysis

Our total assets of S$17.7 billion comprised S$2.1 billion of cash, S$8.3 billion of working capital and S$6.7 billion of fixed assets. These were funded by S$5.2 billion of equity, S$5.5 billion of short-term debt and S$6.8 billion of long-term debt. Of the S$3,518.6 million increase in overall balance sheet size as compared to end-December 2014, S$2,425.9 million was on account of the acquisition of ADM Cocoa.

On working capital efficiency, our overall cycle increased from 121 days as at end-December 2014 to 149 days at end-December 2015. This was primarily due to the ADM Cocoa acquisition which increased inventory days and was partly offset by the increase in trade creditor days.

Cash flow analysis

We generated positive net operating cash flow of S$154.9 million in 2015. However, free cash flow to the firm was negative S$2,062.6 million primarily on account of an investment of S$1,855.4 million for the MMI and ADM Cocoa acquisitions.

Borrowing mix

We executed various initiatives to optimise debt tenors and reduce the overall cost of borrowing, which included the buyback of expensive bonds. This resulted in a decline in the relative share of debt capital market instruments in our overall portfolio.

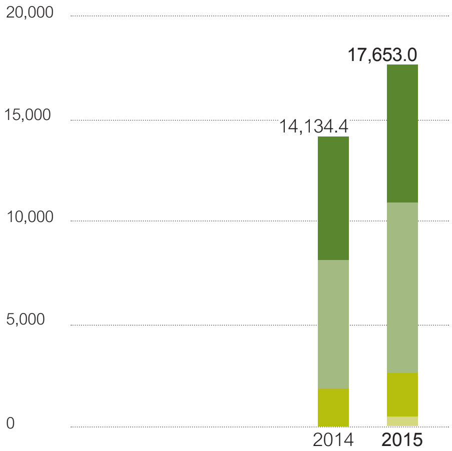
deZaan® cocoa powder, added to our portfolio through the ADM Cocoa acquisition

Cash flow analysis

S$ million	**2015**	2014	2013	2012
Operating cash flow (before interest & tax)	**1,150.8**	1,148.3	1,144.9	969.3
Changes in working capital	**(995.9)**	(766.2)	(98.2)	(55.0)
Net operating cash flow	**154.9**	382.1	1,046.7	914.2
Tax paid	**(127.8)**	(65.6)	(64.3)	(44.1)
Capex/ investments	**(2,089.7)**	12.7	(817.6)	(1,462.9)
Free Cash Flow to Firm (FCFF)	**(2,062.6)**	329.2	164.9	(592.8)
Net interest paid	**(478.4)**	(411.5)	(485.0)	(434.6)
Free Cash Flow to Equity (FCFE)	**(2,540.9)**	(82.3)	(320.1)	(1,027.4)

Use of funds

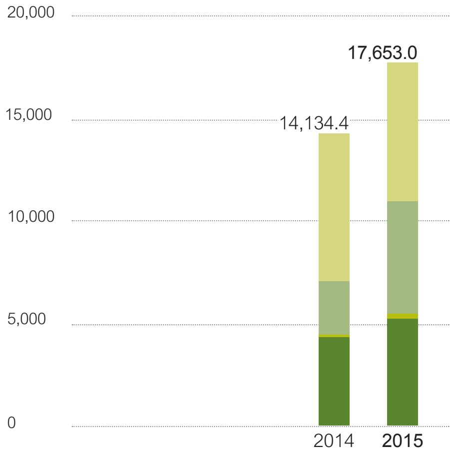
(S$ million)



	2014	2015
Fixed capital	6,056.3	6,730.5
Working capital	6,259.4	8,317.2
Cash	1,845.8	2,143.2
Others	(27.1)	462.1

Sources of funds

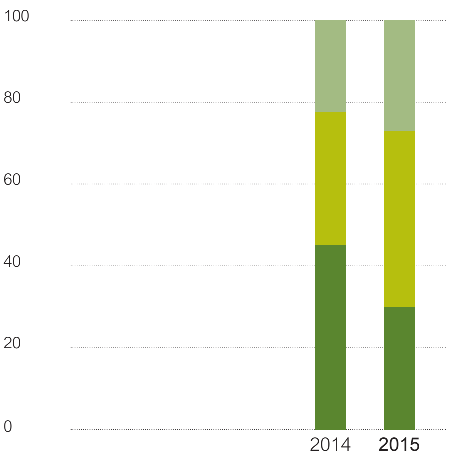
(S$ million)



	2014	2015
Long-term debt	7,217.0	6,781.7
Short-term debt	2,623.7	5,512.2
Non-controlling interests	126.3	240.6
Equity and reserves	4,320.1	5,226.4
Fair value reserve	(152.7)	(107.9)

Borrowing mix

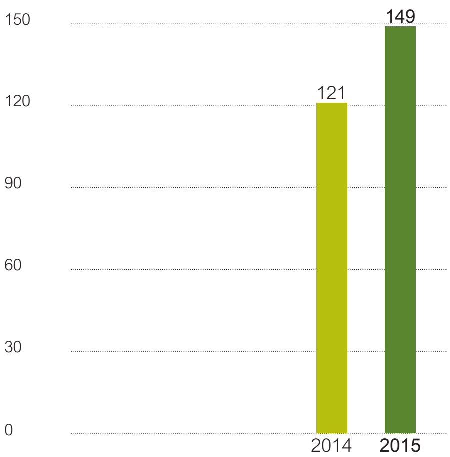
(%)



	2014	2015
Bilateral banking lines	22.0	27.0
Bank syndication	32.0	41.0
Debt capital markets	46.0	32.0

Cash-to-cash cycle

(Days)



Gearing

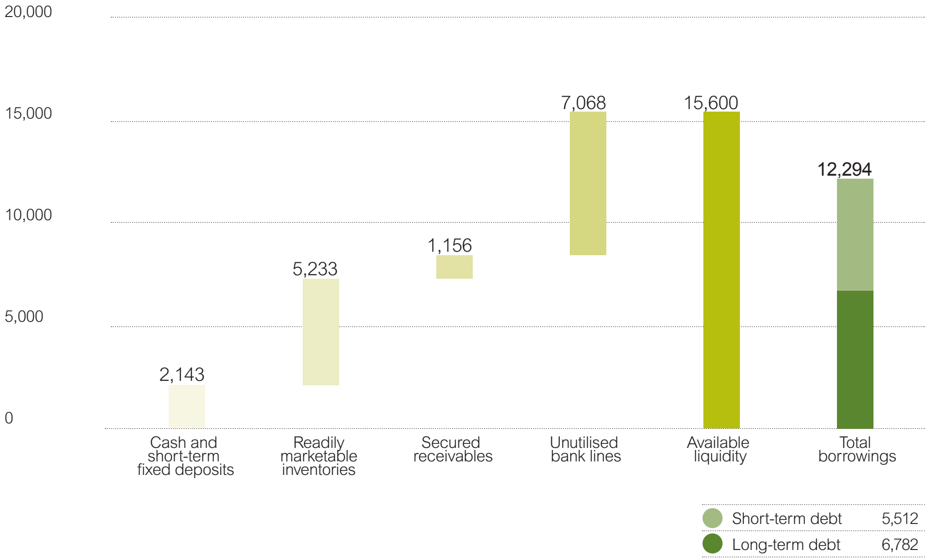
S$ million	2015	2014	Change
Gross debt	**12,293.9**	9,840.7	2,453.2
Less: Cash	**2,143.2**	1,845.8	297.4
Net debt	**10,150.7**	7,994.9	2,155.8
Less: Readily marketable inventory	**5,232.9**	3,947.9	1,285.0
Less: secured receivables	**1,155.8**	1,030.4	125.4
Adjusted net debt	**3,762.0**	3,016.6	745.4
Equity (before fair value adjustment reserves)	**5,226.4**	4,320.1	906.3
Net debt/Equity (times)	**1.94**	**1.85**	**0.09**
Adjusted Net debt/Equity (times)	**0.72**	**0.70**	**0.02**

Net debt increased by S$2,155.8 million as compared to 2014 primarily due to the acquisition of ADM Cocoa. Net gearing of 1.94 times as at end-December 2015, was higher than the 1.85 times as at end-December 2014, but remained within the Strategic Plan target of at or below 2.0 times.

Liquidity

We maintained sufficient liquidity to meet our working capital and capital expenditure requirements, with a total of S$15.6 billion in available liquidity as at end-December 2015, including unutilised bank lines of S$7.1 billion.

Liquidity
(S$ million)



Segmental review and analysis

Segment S$ million	Sales volume ('000 MT) 2015	 2014	Revenue 2015	 2014	EBITDA 2015	 2014	Invested capital (IC) 2015	 2014	EBITDA/IC (%) 2015	 2014
Edible Nuts, Spices and Vegetable Ingredients	**1,549.2**	1,527.2	**4,227.2**	3,692.3	**390.2**	335.5	**3,480.9**	3,356.6	**11.4**	9.6
Confectionery and Beverage Ingredients	**1,689.5**	1,437.1	**6,859.6**	5,721.8	**324.9**	278.3	**5,717.9**	3,249.6	**7.2**	9.9
Food Staples and Packaged Foods	**7,904.9**	9,356.4	**5,391.2**	7,187.3	**212.1**	295.2	**3,231.4**	3,075.4	**6.7**	8.8
Food Category	**11,143.6**	12,320.7	**16,478.0**	16,601.4	**927.2**	909.0	**12,430.2**	9,681.6	**8.4**	9.4
Industrial Raw Materials (IRM)	**1,363.1**	1,701.2	**2,574.6**	3,170.6	**185.1**	215.6	**1,917.5**	1,872.0	**9.8**	11.6
Commodity Financial Services (CFS)	**N.A.**	N.A.	**–**	(0.1)	**10.6**	(17.9)	**82.6**	3.2	**24.7**	(546.1)
Non-Food Category	**1,363.1**	1,701.2	**2,574.6**	3,170.5	**195.7**	197.7	**2,000.1**	1,875.2	**10.1**	10.6
Total	**12,506.7**	14,021.9	**19,052.6**	19,771.9	**1,122.8**	1,106.6	**14,430.3**	11,556.8	**8.6**	9.6

Note: IC excludes:

(a) Gabon Fertiliser Project (31 December 2015: S$209.8 million, 31 December 2014: S$182.4 million)

(b) Long-term Investment (31 December 2015: S$269.2 million, 31 December 2014: S$334.4 million)

Edible Nuts, Spices and Vegetable Ingredients

The Edible Nuts, Spices and Vegetable Ingredients segment registered a year-on-year volume growth of 1.4%, revenue growth of 14.5% and EBITDA growth of 16.3% in 2015.

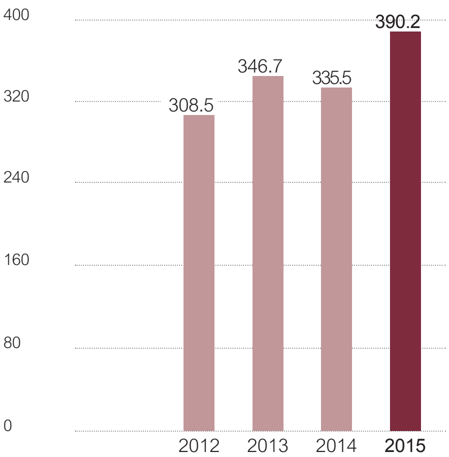
Key highlights for the year

Volume
1,549,200
MT

Revenue
S$4.2
billion

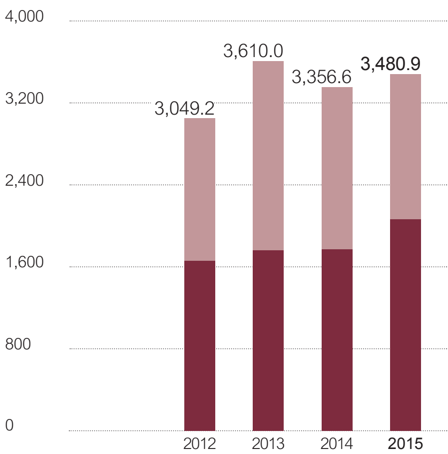
EBITDA
S$390.2
million

EBITDA
(S$ million)



	2012	2013	2014	2015
EBITDA/IC (%)	11.0	10.4	9.6	11.4

Invested capital
(S$ million)



	2012	2013	2014	2015
Working capital	1,391.8	1,850.4	1,587.1	1,415.0
Fixed capital	1,657.4	1,759.6	1,769.5	2,065.9

More information online


Pest controller reviewing almonds, Australia


Hazelnut sorting at Progida – Olam Group Company, Turkey

The increase in volume as compared to the prior corresponding period was primarily on account of higher peanut volumes from the MMI acquisition. This was partly offset by lower tomato paste sales, reduced cashew volumes due to the closure of the processing plant in Nigeria and lower American dehydrated vegetable volumes from the closure of our processing facility in Modesto, California. Segment revenues were higher due to elevated prices of almonds and cashews.

The almonds business continued its strong performance, aided by favourable market conditions and the depreciation of the Australian dollar. Hazelnuts, cashews and the Spices and Vegetable Ingredients businesses in the USA performed well. We also recorded incremental EBITDA from the acquisition of MMI, but this was partially offset by the underperformance in the Argentinean peanut business due to lower peanut prices, and the adverse impact of the Argentinean peso.

Our invested capital in the segment increased by S$124.3 million as compared to 2014 primarily due to the acquisition of MMI, investment in increased acreage of almond and pistachio plantations in the USA and higher inventories of almonds and cashews due to increased prices. The increase was partly offset by a reduction in biological assets due to lower net fair value of our Australian almond plantation assets as most of the estates achieved peak maturity.

EBITDA to average invested capital (EBITDA/IC) for the segment grew from 9.6% in 2014 to 11.4% in 2015, driven by higher segment EBITDA despite higher average invested capital.

Confectionery and Beverage Ingredients

The Confectionery and Beverage Ingredients segment recorded a 17.6% increase in volumes, driven by increased cocoa and coffee sales.

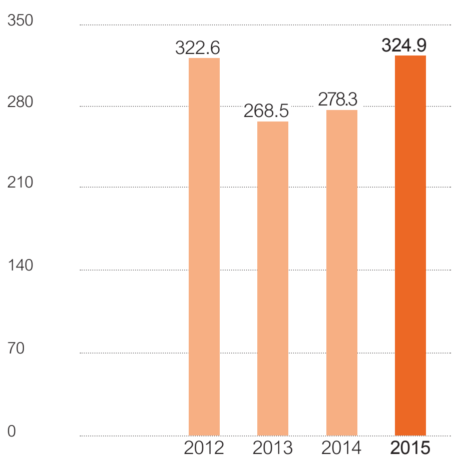
Key highlights for the year

Volume
1,689,500
MT

Revenue
S$6.9
billion

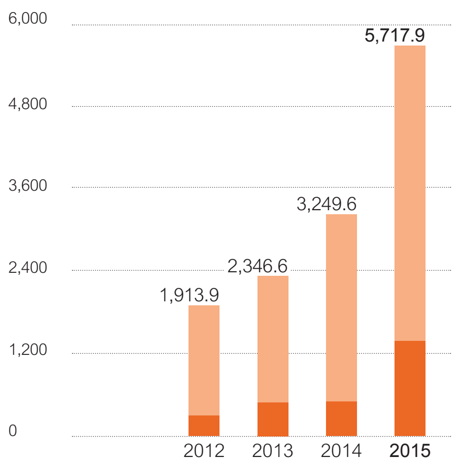
EBITDA
S$324.9
million

EBITDA
(S$ million)



	2012	2013	2014	2015
EBITDA/IC (%)	18.5	12.6	9.9	7.2

Invested capital
(S$ million)



	2012	2013	2014	2015
Working capital	1,615.4	1,855.4	2,745.4	4,329.7
Fixed capital	298.5	491.2	504.2	1,388.2

More information online


Bottling soluble coffee, Spain


Pouring cocoa liquor into ingots, Côte d'Ivoire

Segment revenues increased by 19.9% due to higher volumes, as well as an increase in cocoa prices compared to the prior corresponding period.

Segment EBITDA grew by 16.7% with increased contribution from the coffee platform and the ADM Cocoa acquisition, partly offset by a lower contribution from the cocoa supply chain business. The coffee platform performed strongly across the value chain, which included supply chain trading, soluble coffee processing in Vietnam and Spain, and upstream plantations in Brazil, Tanzania and Zambia.

Segment results for 2015 included the contribution from the acquisition of ADM Cocoa for the period from 16 October 2015 to 31 December 2015.

Our invested capital in the segment increased by S$2,468.3 million as compared to 2014, primarily on account of the acquisition of ADM Cocoa. Excluding this investment, the segmental invested capital increased by S$42.4 million due to the increase in fixed capital from investments in cocoa processing in Côte d'Ivoire and investments in upstream coffee plantations. In spite of the growth in EBITDA, the significant increase in average invested capital caused the segment EBITDA/IC to decline from 9.9% in 2014 to 7.2% in 2015.

Food Staples and Packaged Foods

Food Staples and Packaged Foods segment volumes declined by 15.5% primarily due to lower traded volumes of grains, sugar, palm and rice.

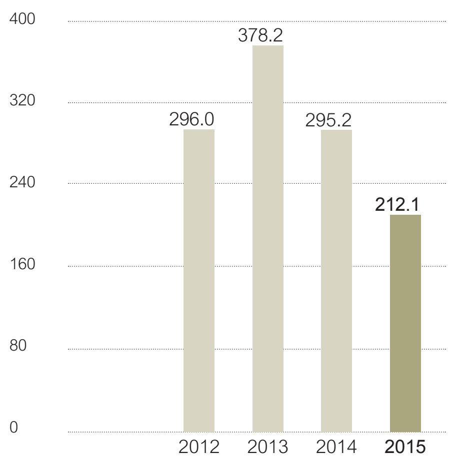
Key highlights for the year

Volume
7,904,900
MT

Revenue
S$5.4
billion

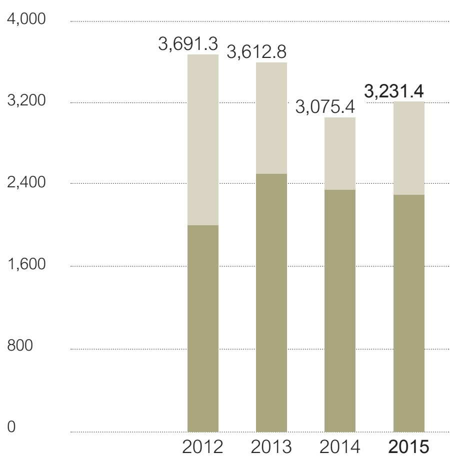
EBITDA
S$212.1
million

EBITDA
(S$ million)



	2012	2013	2014	2015
EBITDA/IC (%)	9.4	10.4	8.8	**6.7**

Invested capital
(S$ million)



	2012	2013	2014	2015
Working capital	1,670.9	1,088.2	708.7	915.0
Fixed capital	2,020.3	2,524.6	2,366.7	2,316.4

Segment revenues decreased by 25.0% due to lower volumes, as well as lower prices of all commodities in this segment as compared to the prior corresponding period.

The grains and rice businesses performed well during this period. However, overall segment EBITDA declined by 28.2% due to reduced trading volumes, continued underperformance of dairy farming operations in Uruguay, the adverse impact of currency devaluation on our palm refining operations in Mozambique and the Packaged Foods business and a lower contribution from sugar and palm trading.

The dairy farming operation in Uruguay was substantially restructured on account of the continued depressed market conditions in dairy and operational underperformance. We closed a significant number of dairy farms and reduced herd population which resulted in a one-time restructuring cost of S$76.9 million in 2015. We are encouraged by the improvement in farm operating costs and milk productivity post the restructuring. Subject to dairy prices, the business is expected to turn profitable from 2017.

Overall invested capital increased by S$156.0 million vis-à-vis 2014 due to higher working capital deployed in this segment. Segment EBITDA/IC declined from 8.8% in 2014 to 6.7% in 2015, due to lower EBITDA.

More information online

Packing tins of Tasty Tom tomato paste, Nigeria

Harvested sugar cane, India

Industrial Raw Materials

Industrial Raw Materials volumes declined by 19.9% due to lower fertiliser trading, cotton and wood product volumes during the period.

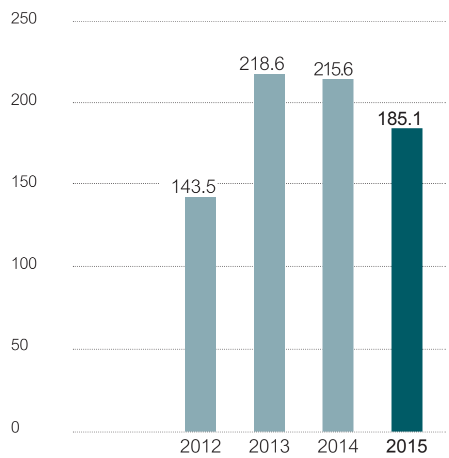
Key highlights for the year

Volume
1,363,100
MT

Revenue
S$2.6
billion

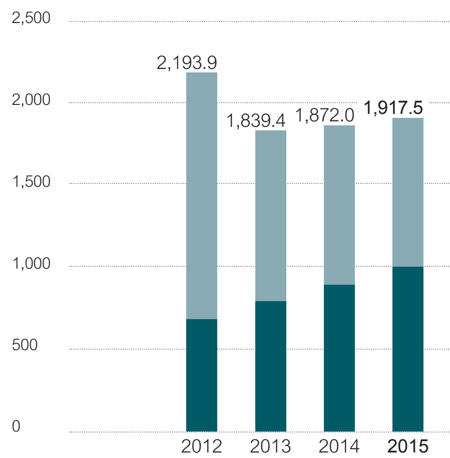
EBITDA
S$185.1
million

EBITDA
(S$ million)



	2012	2013	2014	2015
EBITDA/IC (%)	6.5	10.8	11.6	9.8

Invested capital
(S$ million)



	2012	2013	2014	2015
Working capital	1,507.7	1,043.6	974.2	911.9
Fixed capital	686.2	795.8	897.8	1,005.6

More information online

Sawn timber from our saw mill, Republic of Congo

Cotton bales for processing, Australia

Segment revenue declined by 18.8% due to lower volumes as compared to the prior corresponding period.

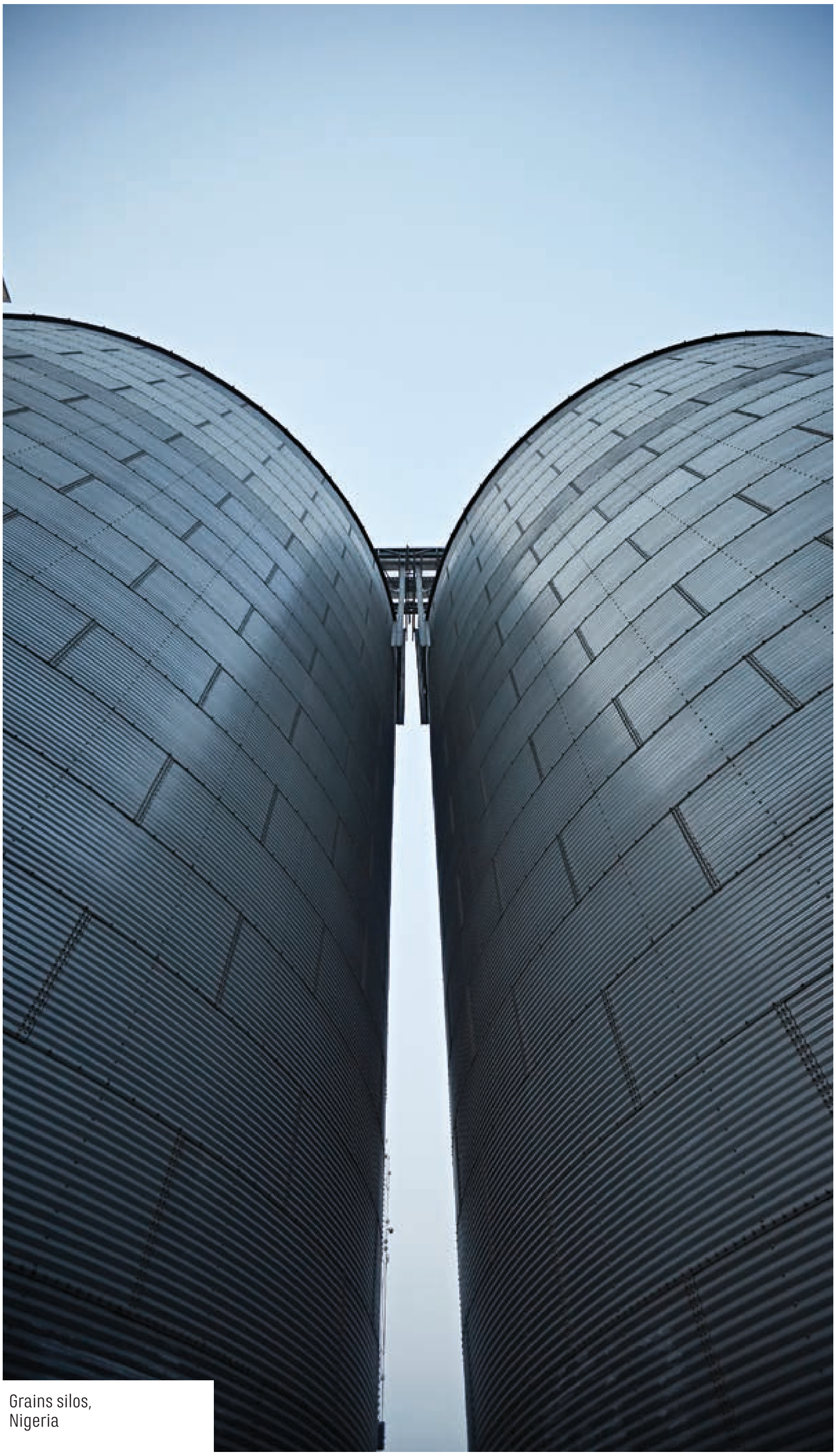
The cotton and wood products businesses recorded a growth in EBITDA. However, overall segment EBITDA declined by 14.1% due to a reduced contribution from the SEZ business as compared to the prior corresponding period.

Our overall invested capital increased by S$45.5 million compared to 2014 due to investments in upstream rubber plantations and SEZ in Gabon.

Segment EBITDA/IC declined from 11.6% in 2014 to 9.8% in 2015 due to lower EBITDA.

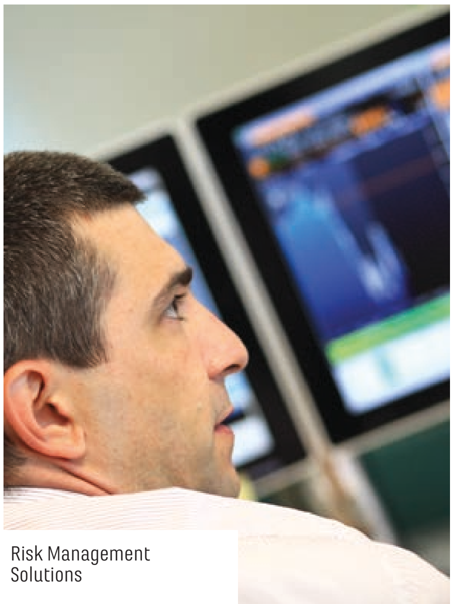
Commodity Financial Services (CFS)

The CFS business registered an improved EBITDA of S$10.6 million in 2015 versus a loss of S$17.9 million in 2014. Invested capital in this segment increased by S$79.4 million due to an increase in margin requirements.


Grains silos, Nigeria


Hand-picked coffee berries, Colombia


Ripe cocoa pods, Brazil


Risk Management Solutions

Value chain review and analysis

As at end-December 2015, more than 50% of the capital invested in Upstream and Mid/Downstream segments were gestating or partly contributing. There is significant growth potential from investments already made that are gestating or partly contributing.

	Sales volume ('000 MT)		Revenue		EBITDA		Invested capital (IC)		EBITDA/IC	
S$ million	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Upstream	433.2	415.7	1,167.2	1,033.7	192.5	182.5	3,130.4	2,826.5	6.5%	6.6%
Supply chain	9,370.2	11,558.6	13,080.4	14,959.6	599.9	608.8	4,851.9	4,936.4	12.3%	12.5%
Mid/Downstream	2,703.3	2,047.6	4,805.0	3,778.7	330.4	315.3	6,448.0	3,793.9	6.5%	8.2%
Total	**12,506.7**	14,021.9	**19,052.6**	19,771.9	**1,122.8**	1,106.6	**14,430.3**	11,556.8	**8.6%**	9.6%

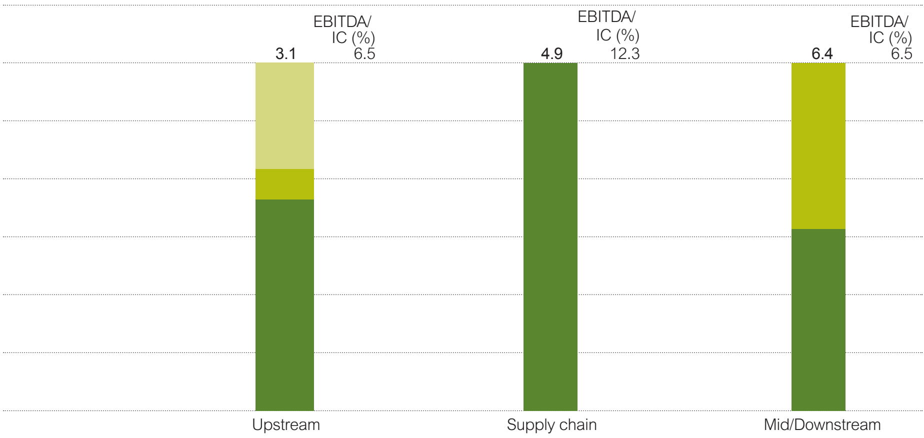
Note: IC excludes:

(a) Gabon Fertiliser Project (31 December 2015: S$209.8 million, 31 December 2014: S$182.4 million)

(b) Long-term Investment (31 December 2015: S$269.2 million, 31 December 2014: S$334.4 million)

Gestation mix (2015)

(S$ billion)



	Upstream Invested Capital	Upstream EBITDA/ IC (%)	Supply chain Invested Capital	Supply chain EBITDA/ IC (%)	Mid/Downstream Invested Capital	Mid/Downstream EBITDA/ IC (%)
Gestating	0.6	(1.4)	–	–	–	–
Partly contributing	1.2	1.8	–	–	3.1	0.9
Fully contributing	1.3	13.9	4.9	12.3	3.4	10.0

Fresh palm fruit bunches, Côte d'Ivoire

Checking physical attributes of our crumb rubber, Côte d'Ivoire

Upstream

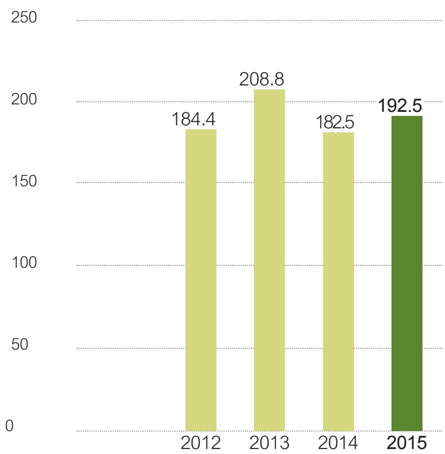
The Upstream segment registered a year-on-year volume growth of 4.2%, revenue growth of 12.9% and EBITDA growth of 5.5% in 2015.

The growth in volume was driven by higher production and yields from the rice farm in Nigeria, almond orchards in the USA and Australia and dairy farming in Russia. Revenue growth was primarily on account of higher prices of almonds. The growth in EBITDA was due to increased contribution from almond and coffee plantations and higher contribution from SIFCA. This was partly offset by lower contribution from the dairy farming operations in Uruguay.

Our invested capital in the segment increased by S$303.9 million from 2014, mainly on account of higher fixed capital invested in almond, coffee, palm and rubber plantations and rice farming.

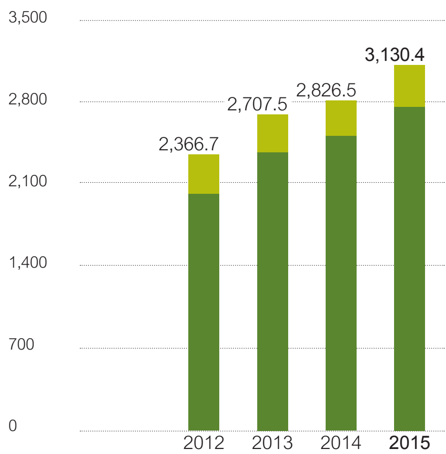
EBITDA/IC declined from 6.6% in 2014 to 6.5% in 2015 due to higher average invested capital. Of the total segment invested capital of S$3.1 billion, S$1.8 billion was partly contributing or gestating. The fully contributing invested capital of S$1.3 billion generated an EBITDA/IC of 13.9%.

EBITDA
(S$ million)



	2012	2013	2014	2015
EBITDA/IC (%)	8.7	8.2	6.6	6.5

Invested capital
(S$ million)



	2012	2013	2014	2015
Working capital	340.9	322.6	304.0	358.9
Fixed capital	2,025.8	2,384.9	2,522.5	2,771.5

Rubber tapping, Côte d'Ivoire

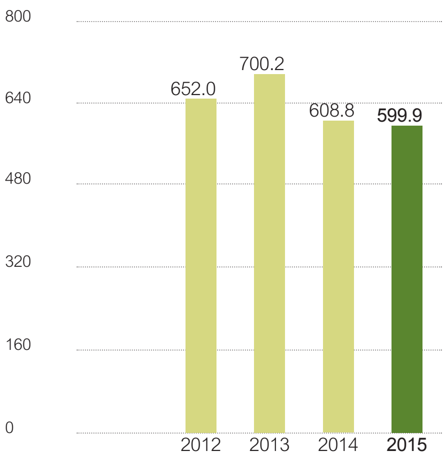
Supply chain

The Supply Chain segment recorded a decline in volume by 18.9% due to reduced volume from lower margin or discontinued operations, which was in line with our Strategic Plan objectives. Revenue declined by 12.6% as the reduction in volume was partly offset by higher cocoa prices.

Lower volumes and reduced contribution from sugar and palm trading and the cocoa supply chain business resulted in segment EBITDA declining by 1.5%.

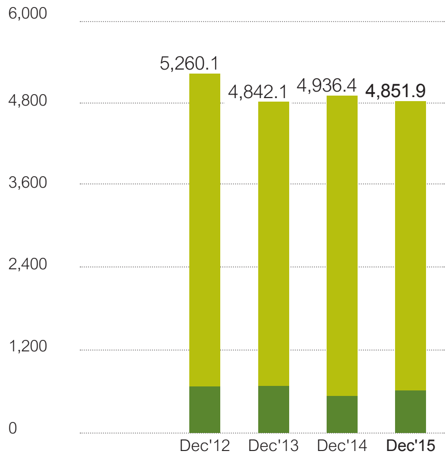
Our invested capital in the segment was reduced by S$84.5 million, despite an increase in fixed capital due to lower average commodity prices. However, EBITDA/IC declined marginally from 12.5% in 2014 to 12.3% in 2015 due to lower EBITDA.

EBITDA
(S$ million)



	2012	2013	2014	2015
EBITDA/IC (%)	12.4	13.9	12.5	12.3

Invested capital
(S$ million)



	Dec'12	Dec'13	Dec'14	Dec'15
Working capital	4,584.8	4,156.8	4,396.7	4,230.3
Fixed capital	675.3	685.3	539.7	621.6

Mid/Downstream

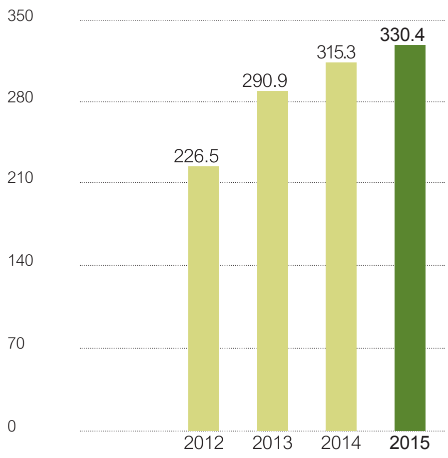
Mid/Downstream segment volumes and revenue recorded strong growth of 32.0% and 27.2%, driven by an increase in wheat milling, palm refining and cocoa processing volumes and from the MMI and ADM Cocoa acquisitions.

EBITDA grew by 4.8% due to strong contribution from wheat milling in Africa, soluble coffee processing in Vietnam and Spain, sugar refining in India, Spices and Vegetable Ingredients and peanut businesses in the USA and from the acquisition of ADM Cocoa. This was partly offset by the adverse impact of currency devaluation on our palm refining operations in Mozambique and the Packaged Foods business in Africa and reduced contribution from the SEZ business.

Our invested capital increased by S$2,654.1 million during the period, mainly due to the MMI and ADM Cocoa acquisitions. EBITDA/IC declined from 8.2% in 2014 to 6.5% in 2015 as there was a significant increase in average invested capital due to the MMI and ADM Cocoa acquisitions.

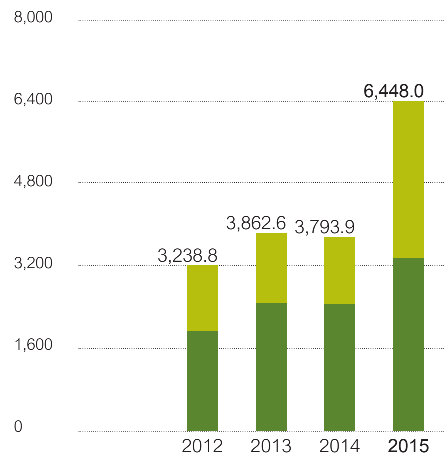
Of the total segment invested capital of S$6.4 billion, S$3.1 billion was partly contributing. The fully contributing invested capital of S$3.4 billion generated an EBITDA/IC of 10.0%.

EBITDA
(S$ million)



	2012	2013	2014	2015
EBITDA/IC (%)	9.0	8.2	8.2	6.5

Invested capital
(S$ million)



	2012	2013	2014	2015
Working capital	1,276.5	1,360.8	1,316.6	3,063.6
Fixed capital	1,962.3	2,501.8	2,477.3	3,384.4

Chilli testing at our factory in Kochi, India

Biscuit manufacturing, Nigeria

Cocoa processing facility, Ghana

Strengthening governance, freedom within fences

As Olam has grown, the Risk Function has continued to strengthen its presence, partnering with the Business Units to facilitate the Company's strategy, independently identifying, measuring and mitigating risk. We control the terms on which risks are taken and employ effective risk management strategies to enhance the overall risk-return profile of the business.

Risk governance at Olam

Risk governance is a central pillar of our risk framework that facilitates the execution of our strategy within the context of risk appetite versus return. In partnership with the relevant risk stakeholders, calibration of risk is a continual process and limits are dynamically managed as the needs of the business determine.

Risk measurement

Olam continually upgrades its risk measurement methodology in line with industry best practice. We focus on the measurement of quantity, dollar value, VaR and stress testing to determine potential impact of adverse market events on the books. Analysis of return drivers provides a clear attribution of returns against risk, and allows an independent flagging of outsized or undesired risk.

Corporate governance

Olam has in place a robust governance framework to support the continual pursuit of risk mitigation. Coupled with our strong risk culture, this acts as an enabler in support of the overall risk process. Every risk is within a defined risk appetite and is approved within the mandated risk framework.

The Board Risk Committee (BRC), made-up of Executive and Non-Executive Directors, is the most senior risk body in Olam. It determines the overall risk capital and VaR and approves risk policies and governance.

The Chief Risk and Compliance Officer (CRCO) reports to both the Group CEO and BRC and is mandated to allocate the risk capital across our Business Units taking into account the competitive position, trading and market conditions and the track record of each business. Performance is continuously monitored and risk capital allocation is recalibrated where necessary.

The Executive Risk Committee (ERC) is made up of Senior Management, and supports the risk governance process by promoting risk culture, approving large exposures and mediating large breaches.

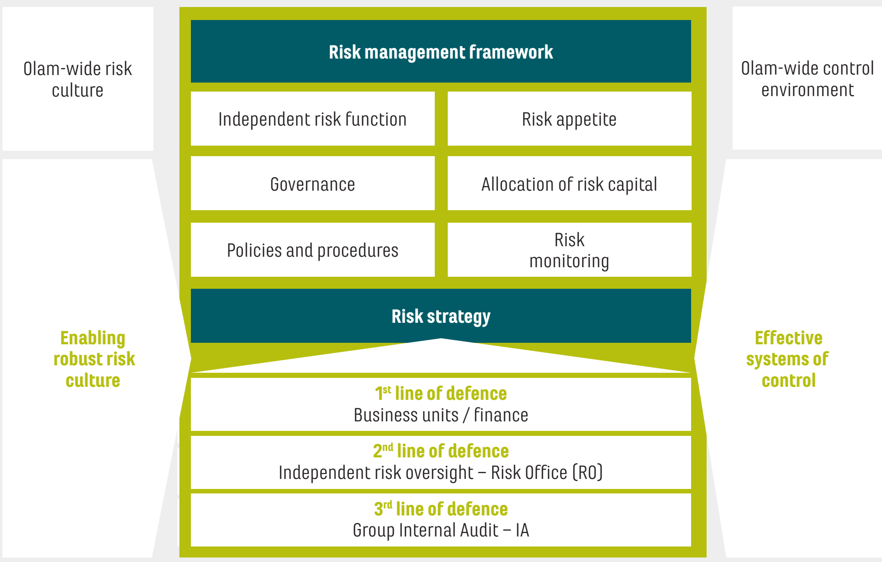
Enterprise Risk Framework

Our Enterprise Risk Framework captures all categories of risk into a comprehensive scorecard. The scorecard maps the likelihood of key risks materialising along with their impacts. The scorecard serves as a tool for highlighting the significant risks which require mitigation actions. The findings from the scorecard are presented to senior management and the BRC.

Risk training and communication

Risk Office frequently presents to Olam's top-most management bodies including the Executive Committee (ExCo) and the Operating Committee (OpCo) to enable strengthening of the control environment. During 2015, there has been continued education and development of Olam's Escalation Policy, New Product Approval and Drawdown Policy in order to continually upgrade and align risk awareness and culture across the firm.

Risk governance at Olam



Risk measurement

Risk monitoring across Olam Value Chain

Our mapping of risks across the Olam Value Chain has identified the specific risks at each stage. Olam seeks to identify, measure and control the drivers of risk from upstream risks such as yield and input costs, to credit and counterparty in the supply chain and trading, downstream and non-trading exposures:

		Upstream	Supply chain	Midstream	Supply chain	Downstream
Risk Category	Risk Factor	Plantation	Origination	Refining and Processing	Trading and Logistics	Downstream
Market Risk	Outright	X	X		X	X
	Basis	X			X	X
	Structure				X	X
Agronomic	Yield	X				
	Quality	X				
	Input Cost	X				
Geographic	Legal	X		X		X
	Regulatory	X		X	X	X
	Tax	X		X		X
	Duty Structure	X		X		X
	Currency	X	X	X	X	X
	Market Compliance			X	X	
Asset	Utilisation		X	X		X
	Efficiency		X	X		X
Counterpart	Counterparty		X		X	X
	Credit		X		X	X
	Documentation		X		X	X
Stock	Liquidity		X	X	X	X
	Quality		X	X	X	X

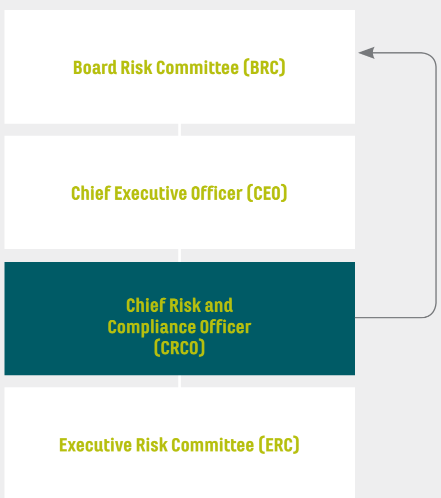
Risk advisories

From time-to-time the Risk Office publishes risk advisories on pertinent matters pertaining to potential control gaps business. Topics covered during 2015 have covered various topics relating to the supply chain and risk measurement.

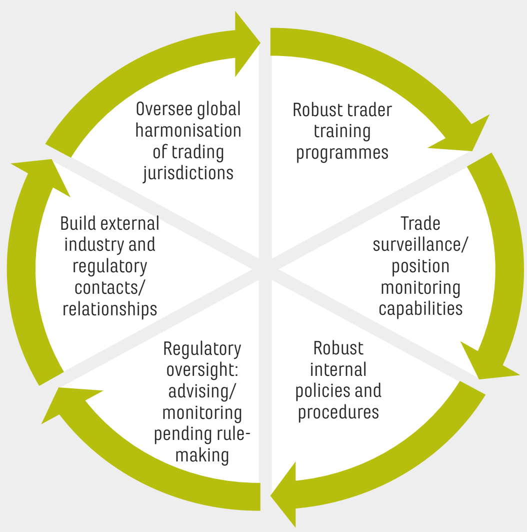
Market compliance controls

Complying with the highest standards of business conduct is a top priority for Olam. The Market Compliance Office (MCO) is responsible for ensuring regulatory compliance for the Company's derivative trading units, carries out regular trader training courses to ensure familiarity with prevailing exchange rules globally and ensures that all new hires are comprehensively trained in Olam's Trading Compliance Manual.

The Executive Risk Committee (ERC)



The six pillars for effective management of regulatory risk



Our sustainability strategy

In 2012, we formalised our long-standing sustainable approach and made 'Growing Responsibly' Olam's Core Purpose. We are committed to achieving profitable growth in an ethically, socially and environmentally sustainable manner.

This means that Growing Responsibly is not merely a sustainability initiative – it is fundamental to our overall business framework. It goes beyond protecting the environment and supporting farmer communities to encompass our business approach in its entirety. Making this happen requires everyone at Olam to be held accountable for delivering the following:

Commercial
- Strong governance
- Transparency
- Reliable systems
- Risk management

Environmental
- Being good stewards of the environment
- Protecting the natural capital essential to our business

Social
- Improving the livelihoods of those communities where we work
- Providing a fair, safe and healthy workplace for our people

Olam Sesame health centre, Nigeria

The agricultural sector faces formidable sustainability challenges that are interlocked and highly complex. On a global level, our operations and those of our suppliers are at risk from climate change, poor soil quality, water scarcity and energy security. In addition, many smallholder farmers face challenges in producing and purchasing affordable and nutritious food because of low productivity yields and income.

By taking a multi-stakeholder and inclusive approach to building a resilient and successful business, our investors, shareholders and employees benefit, while we also unlock mutual value with our farmers, suppliers and customers.

Olam Farmer Information System is being used by our cocoa smallholders

Key facts 2015

Committed to the communities where we work

4 million
smallholder farmers in the Olam network (344,466 in the Olam Livelihood Charter)

2.6 million
hectares of land stewarded under the Plantations, Concessions and Farms Code

US$36 million
invested in sustainable supply chain initiatives

1,263,228 MT
sustainable agricultural products (23% of all our smallholder volume)

50
global partnerships with customers, donors, Development Finance Institutions, technical NGOs and trade bodies

1,100
dedicated sustainability staff

Highlights in 2015

Helping rural communities to thrive so farmers want to stay farming

- 215 ongoing community-based initiatives globally supporting productivity, education, health and rural infrastructure
- Fifth year of the award-winning Olam Livelihood Charter

Using technology to assist smallholders and reduce risk

- Roll-out of the Olam Farmer Information System (OFIS) enabling production of individual farm management plans for 40,000 cocoa smallholders
- GPS mapped almost 200,000 smallholder hectares (134% increase on 2014). Provides better understanding of the agri-landscape, and identifies where schools and healthcare facilities are lacking.

Promoting agricultural research and innovation

- Inaugural Olam Prize for Innovation in Food Security awarded to the SRI International Network and Resources Center housed at Cornell University, New York, for game-changing rice production methodology

Supporting economies by responding to food security and nutritional needs

- Over 24 billion servings of micro-nutrient fortified foods manufactured and sold across West Africa
- One of Africa's most ambitious outgrower models launched with the Republic of Gabon for palm, banana and food crops

Preserving natural resources for the future and for others

Land and forest

- Updated our Sustainable Palm Oil Policy with our Commitment to Forest Conservation
- First company globally to complete a High Conservation Value assessment according to the HCV Resource Network for palm

Water

- 2020 water targets for Olam plantations and farms achieved by end of 2015 (>10% improvement in blue water intensity)
- California almond operations continue to improve soil health to increase water retention

Mitigating and adapting to climate change impacts

- Achieved Olam's 2020 Greenhouse Gas (GHG) intensity targets for plantations / farms, and processing
- Co-Chair with Pepsico, Kellogg Company and Monsanto on the World Business Council for Sustainable Development (WBCSD) 'Low Carbon Technology Partnership initiative for Climate Smart Agriculture'. Olam leads on supporting smallholders

Taking a leadership role at an industry level

- Completed two-year term on Steering Committee of UN CEO Water Mandate
- Became a board member of the Sustainable Coffee Platform
- Contributing to the development of an Industry Rubber Standard
- Participated in the RSPO Climate Change Working Group to review and update the principles and criteria
- Participated in events at Paris Climate Talks
- Supporting governance and business management skills in emerging markets with launch of Postgraduate Scholarship Programme for Change Catalysts in Africa

School in Olam's coffee community, Laos

Drip irrigation testing, almond orchards, USA

Coffee picking, Colombia

Sustainability Goals

In 2011, we set an ambitious vision of achieving end-to-end sustainable supply chains by 2020. This will be a key competitive advantage for Olam and will enable us to meet growing global demand for sustainable products from our customers. At the same time, it guarantees we will have the requisite supply to meet this demand.

We have made significant progress towards our target during the year in review through the hard work of employees and partners on the ground. Our business has continued to evolve, with entry into new product platforms and the integration of significant new assets.

In view of these developments, we have reviewed and reassessed our goal, and now believe that a more realistic target date for all 47 of our products to be sustainable across the supply chain is 2022.

For more information on our Sustainability Strategy, progress on Goals and focus areas, please go to our 2015 web-based report at olamgroup.com/sustainability

Sesame in Nigeria – a truly integrated model addressing food safety, livelihoods, and water consumption

Sesame is an annual crop with a labour intensive harvest, usually grown by small-scale farmers. The plants can grow with minimal rainfall where other crops cannot. Production has shifted increasingly to Africa, where the organic cultivation has proved popular in many destination markets.

Olam is the number one global supplier of sesame worldwide, with over a decade of experience and operations in seven African countries.

In Nigeria we work with 1,800 farmers (25% women) under the Olam Livelihood Charter where our 'training of the trainer' initiative has increased the on-farm yields by 100% in the last five years.

The sesame grown by these farmers then goes to our new mechanical sesame plant in Lagos which began production in 2015. By integrating smallholders to the processing unit, it unlocks mutual value by assuring supply for Olam, provides a market for the smallholders, as well as creates rural employment.

As the first mechanical sesame processing facility in Nigeria, the processing plant and warehouse were custom designed and house state-of-the-art equipment. The facility meets the highest international standards having achieved FSSC 22000 and OHSAS 18001-2007 Certification for hygiene, quality, and health and safety for edible grade sesame, while minimising environmental impacts such as water consumption.

The traditional process for hulling the sesame can consume up to 5,000 litres of water per MT of product input, but our modern plant is based on a new technology that reduces the water consumption by up to 95%.

Dry hulling not only helps in preserving water, but the sesame is safer for human consumption, as contaminated water is the source of most potential pathogens. Olam is also one of the only sesame companies in Africa to have an in-house Aflatoxin testing facility. We have the largest market share in Japan which has some of the highest food safety standards in the world.

Sesame processing, Nigeria

How are we **growing responsibly**?

Sustainability goals

	Labour	Food Safety	Food Security	Livelihoods	Water	Land	Climate Change
Pledge	Providing a safe workplace where everyone's rights are respected	Improving food safety and quality across our business	Improving access to affordable food	Supporting thriving communities	Responsible use of water for our own needs without impacting the needs of others	Selecting and managing land responsibly	Adapting to climate risks and opportunities for Olam and communities
Goals	**Goal 1:** Zero-harm workplace	**Goal 3:** Safe and reliable foods for our customers	**Goal 4:** Food security and nutrition	**Goal 5:** Economic opportunity and inclusion	**Goal 7:** Sustainable water use	**Goal 8:** Sustainable development and use of land-based ecosystems	**Goal 9:** Reduced GHG emissions
	Goal 2: Respect for workers' rights			**Goal 6:** Good health and well-being			**Goal 10:** Increased resilience to climate-related risks

Policies	Health and Safety; Human Resources [1]	Quality and Food Safety	Community and Social [1]	Environment
Standards				
Farmers	Olam Livelihood Charter			
Plantations	Olam Plantations, Concessions and Farms Code			
Suppliers	Supplier Code		Supplier Code	
Factories and worksites	QEHS [2] Standards		QEHS [2] Standards	

1. Policies to be finalised by July 2016
2. Quality, Environment, Health and Safety

Engaging our workforce

> Embedding Olam values and culture across an expanding organisation has been a focus during the year.

Warehouse worker at our onion operation, USA

At the end of 2015, Olam's primary workforce, across our full value chain, was 26,300 people in 70 countries, while our secondary workforce (casual, contract and seasonal) was 36,200. In total, an increase of 12% over 18 months since our 2014 report. In part, this is due to the acquisitions of ADM Cocoa and McCleskey Mills (peanuts) which together brought 1,700 new employees to the Olam family. In this period we have hired more than 250 managers.

To support our business diversification into upstream (plantations and farming) and midstream (manufacturing) operations, we have built significant expertise in the organisation in these two areas. In the last five years our expert technical talent in these two specialist areas has grown from 45 to 150 people.

Regional talent

Enhancing internal capability to drive business growth has always been a key element of Olam's Human Resources strategy. Aligned to our business strategy of prioritising Africa as a key pillar, over the years we have created a solid foundation of talent in the region and a unique set of operating competencies.

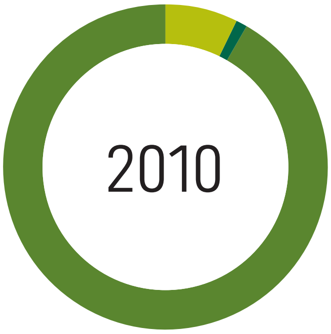
We have created extensive experience in our leadership talent of working in the African context. For instance, our Country Heads in Africa have deep contextual experience, with an average time spent in businesses in Africa at 13 years per leader.

Furthermore three quarters of new hires in FY15 were for positions in Africa. It continues to be a challenge to hire in emerging countries, especially with adverse news last year related to outbreaks of disease and other security concerns. In the face of these challenges, the overall cycle time for hiring (number of days from position approved date to joining date) has been at 85 days, a significant improvement from previous years.

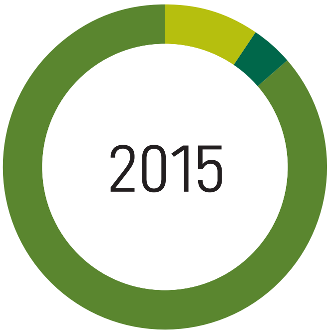
In a region where quality manpower is at an overall premium, we have been able to continuously hire, engage, develop and retain high talent for both existing, as well as new businesses in the continent. Of the 1,090 senior managerial talent that we have across the company, 446 are in Africa.

A critical piece of our overall manpower planning for the region is the regional trainee scheme introduced in 2010. We have been able to tap into a rich source of early talent with more than 50 trainees joining us in Africa in 2015 across the disciplines of Sales, Manufacturing and Supply Chain.

Growth in manufacturing and plantation managerial talent



Manufacturing	39
Plantation and farm	6
Others	485



Manufacturing	105
Plantation and farm	45
Others	948

41% of managerial talent in Africa

Africa	41%
Asia	33%
Europe	11%
North America	8%
Latin America	4%
Australia	3%

Welcoming people from acquired businesses

In FY15 we completed our largest acquisition to date when we acquired ADM's Cocoa business. A clear draw in the deal was the cocoa expertise of the employees. 1,500 new members of staff have joined our Olam Cocoa team as a result of this acquisition.

An important factor determining the success of any integration is the compatibility and assimilation of the two cultures. A clearly defined framework for due diligence and integration led to success in retaining all key talent in the acquisition. As an indicator of the effectiveness of the integration process, in a recent employee pulse survey amongst employees of the newly acquired cocoa business, the overall engagement index is 87%. Furthermore, 75% agreed that they see evidence of shared values in their workplaces.

Olam DNA

At the heart of our success has been the strong Olam DNA that exists across the organisation, binding each employee to the core shared values of Entrepreneurial Spirit, Stretch and Ambition, Mutual Respect and Team Work, Ownership to Deliver, Integrity and Partnerships.

Embedding Olam values and culture across an expanding organisation has been a focus during the year.

Over 1,000 Olam employees across all operations of the company participated in highly engaging and interactive workshops - 'Living our Shared Values'. The programme was custom designed and delivered in partnership with ExCo leaders and HR to engage employees and jointly explore how our values are lived.

Effectively integrating new employees into the unique culture of Olam has always been a critical factor in ensuring high team performance. A systematic on-boarding process called Cultivate has helped in reducing attrition for new employees and elevating performance levels. This process facilitates the new employee to immediately build strong psychological bonds within the organisation.

Another signature process that supports the integration of new managers is the Core Process Workshop, a 4-day highly interactive programme with the CEO. This workshop is one of the fundamental processes contributing to strategy, alignment and culture creation in Olam. This focuses on providing strategic clarity about the building blocks of Olam's business model. During the year, 160 new managers participated in the three workshops held.

Team workshop

Total employees

62,500 employees [1]

Seasonal, contract or temporary employees	36,200 (58%)
Full-time employees	26,300 (42%)

Gender diversity of full-time employees

Men	75%
Women	25%

Age profile of full-time employees

18 – 30	30%	41 – 50	23%	60+	2%
31 – 40	35%	51 – 60	10%		

1. Employees include full-time, seasonal, contract and temporary workers.

Corporate governance

Cashew grading, Côte d'Ivoire

In this section

> The Company continues to focus on the substance and spirit of the Code, while continuing to deliver on the Company's vision and objectives.
>
> **Kwa Chong Seng**
> Non-Executive Chairman, and Independent Director

Observing high standards of corporate governance whilst delivering sustainable profitable growth.

Audit and Compliance Committee page 68	**Board Risk Committee** page 68
Capital and Investment Committee page 71	**Corporate Responsibility and Sustainability Committee** page 71
Governance and Nomination Committee page 62	**Human Resource and Compensation Committee** page 65

In keeping with its commitment, since 2012 Olam has increased compliance of the principles and guidelines of the Code of Corporate Governance (the 'Code'), such as the appointment of a Lead Independent Director, the proportion of Independent Directors on the Board, greater Board diversity, engagement of key stakeholders, poll voting at shareholder meetings, implementing a Board Corporate Responsibility and Sustainability Committee, and a Board Risk Committee. Where there are differences between the Code and the Company's practices, we have listed them within the report.

Olam International Limited ('Olam' or the 'Company') is committed to observing a high standard of corporate governance in keeping with its overarching philosophy of delivering sustainable profitable growth and building capabilities with integrity. The Board constantly reviews the Company's corporate governance practices and seeks to align its practices with the Code. The revised Code of Corporate Governance was issued on 2 May 2012 and took effect from the financial year commencing 1 November 2012 and is applicable to the Company for its 2015 Annual Report. In FY15 under review, the Board has continued the renewal programme in line with the succession plan, bearing in mind Guideline 2.4 of the Code on the tenure of Independent Directors. Independent Directors who have served on the Board beyond nine years are retired gradually. The Company continues to focus on the substance and spirit of the Code, while continuing to deliver on the Company's vision and objectives.

Board matters

Principle 1: The Board's conduct of affairs

Olam is led by an experienced Board with representatives from varied nationalities and diverse international business backgrounds. The Board oversees the affairs of the Company and provides leadership and guidance to the Senior Management Team. Collectively, the Board and the Senior Management Team ensure the long-term success of the Company and discharge their statutory and fiduciary responsibilities, both individually and collectively. The key functions of the Board are:

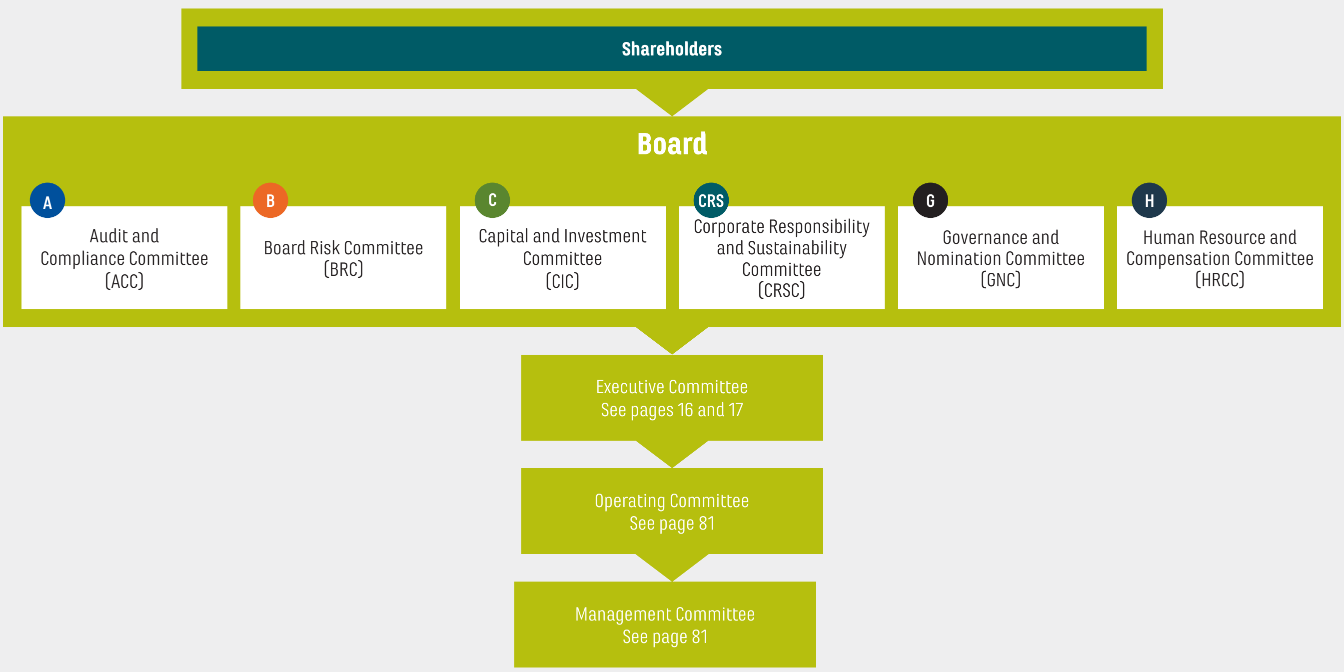
- To provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives, as well as to regularly review the execution and the implementation of the Strategic Plan;
- To oversee the process and framework for evaluating the adequacy of internal controls, risk management, financial reporting and compliance and satisfy itself as to the adequacy and effectiveness of such processes and framework;
- To ensure the Company's compliance with such laws and regulations as may be relevant to the business;
- To assume responsibility for corporate governance;
- To set the Company's values and standards, and ensure that obligations to shareholders and others are understood and met, at all times;
- To review the performance of the Senior Management and the compensation framework for the Board, Executive Directors and Senior Management;
- To oversee the succession plans for the Board, Group CEO, Group COO, Group CFO and Senior Management;
- To oversee and consider corporate responsibility and sustainability issues, policies, standards and strategy in the context of the Company's activities which may have an impact on environmental and social issues; and
- To identify key stakeholder groups and consider their perceptions.

As an established practice, the material matters that require the specific review and approval of the Board are designated as Reserved Matters and include:

- Acquisitions, divestments and capital expenditure exceeding the authority limits established under an internal policy adopted by the Board, while delegating authority for transactions below those limits to Board Committees, the Executive Committee and Senior Management;
- Capital planning and raising, annual budgets and updates to the Strategic Plan;
- Key policy decision-making process and control;
- Banking facilities and corporate guarantees;
- Changes to capital, dividend distribution, issuance and buy-back and changes to shares and other securities;
- Matters considered not in the ordinary course of business of the Group; and
- Any matter which the Board considers significant enough to require the Board's direct attention or would be critical to the proper functioning of the Company or its business.

The Board is assisted by various Board Committees for the effective discharge of its responsibilities. To date, these include the Audit and Compliance Committee (ACC), Board Risk Committee (BRC), Capital and Investment Committee (CIC), Corporate Responsibility and Sustainability Committee (CRSC), Governance and Nomination Committee (GNC), and the Human Resource and Compensation Committee (HRCC).

Our current corporate governance structure



Each Board Committee has clear written terms of reference which set out its role, authority, procedures and qualifications for membership. All of the Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company. The detailed contribution of each Board Member is set out in this report on pages 12 to 15.

The terms of reference of the Board Committees may be reviewed from time to time by each Committee, taking into consideration the changing needs of the business and operations of the Company, relevant laws and regulations. They are ratified by the Governance and Nomination Committee and approved by the Board.

Ad hoc committees of the Board may also be formed from time to time as part of the Board's commitment to engage and provide leadership to management in the business and operations of the Company. These ad hoc committees, formed by Independent Directors and supported by the Executive Team, add to the effectiveness and strength of the Company's governance practices as well as reflecting the interests and perspectives of the various stakeholders of the Company.

Directors are expected to exercise independent and objective judgement in the best interests of the Company. In the annual Board and peer performance evaluation exercise, the ability to discharge duties and responsibilities at all times as fiduciaries in the interests of the Company, as well as the ability to listen and discuss issues with one another objectively, are important assessment criteria.

Board and Board Committee meetings

Meetings of the Board and Board Committees are scheduled one year in advance. They include presentations from Senior Management and key executives on strategic issues in order to provide the Board with updates and an understanding of the Group's business. On occasion, external consultants present relevant strategic expertise. The Board sets aside time at each regular Board meeting to meet without the presence of Executive Directors or management.

In addition to four scheduled meetings each year, the Board meets as and when warranted by particular circumstances as well as engaging in informal discussions. In total, seven Board and 32 Board Committee meetings were held in the financial year ended 31 December 2015. Meetings via telephone or video conference are permitted by the Company's Constitution.

In line with the Company's commitment to business sustainability, conservation of the environment and technological advancement, Olam has done away with voluminous hard-copy Board papers. Directors are instead provided with access through electronic devices to enable them to read Board and Board Committee papers in soft copy prior to and during meetings.

During the year under review, a strategic review presentation was also held to discuss the strategic objectives of the Group, with both three-year and six-year cycles as its planning horizon.

An annual Board offsite visit is also organised in locations where the Company operates, for Directors to gain an in-depth understanding of the activities and business on the ground. Ad hoc visits by the Board Committees are organised wherever required to better facilitate the review of issues delegated by the Board.

Besides meetings of the Board, the Board pursuant to the Company's Constitution and the Board Committees under their terms of reference may also make decisions by way of resolution by circulation. The nature of the current Directors' appointments on the Board and details of their membership on Board Committees are set out on page 59.

Tables showing the number of Board, Board Committee and Non-Executive Directors' meetings held during the year under review along with the attendance of Directors are provided on page 59. Throughout the year, Directors individually and collectively actively engage with other members of the Board, the Group CEO and Group COO, Senior Management Team and external consultants to gain deeper insights into the industry and the business of the Company. The contribution to and involvement of each Director in Board affairs and growth of the Company cannot be quantified simply by their attendance. Their input and engagement in the affairs of the Company far outweigh their attendance at Board and Board Committee meetings.

Membership of Board Committees for the year ended 31 December 2015

	Board membership	Audit and Compliance Committee (ACC)	Board Risk Committee (BRC)	Capital and Investment Committee (CIC)	Corporate Responsibility and Sustainability Committee (CRSC)	Governance and Nomination Committee (GNC)	Human Resource and Compensation Committee (HRCC)
R. Jayachandran [1]	(Non-Executive Chairman)	–	–	Member	–	Member	Member
Kwa Chong Seng [2]	Non-Executive Chairman, and Independent Director	–	–	Member	–	Member	Chairman
Sunny George Verghese	Executive Director and Group CEO	–	Member	Member	–	–	–
Michael Lim Choo San	Lead Independent Director	Chairman	Member	–	–	Chairman	–
Robert Michael Tomlin [3]	Independent Director	Member	Chairman	Member	Member	–	–
Narain Girdhar Chanrai [4]	Independent Director	Member	–	Member	Member	Member	–
Jean-Paul Pinard	Independent Director	–	–	Member	Chairman	–	Member
Sanjiv Misra	Independent Director	–	Member	Chairman	–	–	Member
Nihal Vijaya Devadas Kaviratne, CBE [5]	Independent Director	Member	–	–	Member	–	–
Yap Chee Keong [6]	Independent Director	Member	Member	–	–	Member	–
Marie Elaine Teo [7]	Independent Director	–	Member	Member	Member	–	–
Katsuhiro Ito [8]	Non-Executive Director	Member	–	–	Member	Member	–
Yutaka Kyoya [9]	Non-Executive Director	–	Member	Member			Member
Shekhar Anantharaman	Executive Director and Group COO	–	–	Member	Member	–	–
Mark Haynes Daniell [10]	Independent Director	Member	–	–	Member	Member	(Chairman)
Wong Heng Tew [10]	Independent Director	Member	–	–	–	Member	Member

1. R. Jayachandran was the Chairman of the Board and a member of the CIC, GNC and HRCC until his retirement on 31 October 2015.
2. Kwa Chong Seng was appointed as Non-Executive and Independent Director and Deputy Chairman on 1 October 2014 and was appointed Chairman of the HRCC, and a member of the CIC and GNC on 30 October 2014. He was appointed Chairman of the Board on 31 October 2015.
3. Robert Tomlin stepped down as member of the CIC on 30 October 2014.
4. Narain Girdhar Chanrai was a member of the GNC from 30 June to 30 October 2014; and was a member of the CRSC from 30 October 2014 to 2 December 2015.
5. Nihal Kaviratne, CBE was appointed as Non-Executive and Independent Director with effect from October 2014. He was appointed a member of the ACC and CRSC on 30 October 2014.
6. Yap Chee Keong was appointed as Non-Executive and Independent Director with effect from 1 December 2015 and is a member of the ACC, BRC and GNC.
7. Elaine Teo was appointed as Non-Executive and Independent Director with effect from 1 December 2015 and is a member of the CIC, BRC and CSRC.
8. Katsuhiro Ito was appointed as Non-Executive Director with effect from 1 November 2015 and is a member of the ACC, CSRC and GNC.
9. Yutaka Kyoya was appointed as Non-Executive Director with effect from 1 November 2015 and is a member of the CIC, BRC and HRCC.
10. Mark Haynes Daniell and Wong Heng Tew stepped down as Directors and from their respective committees on 30 October 2014.

Attendance at Board and Non-Executive Directors' meetings for the year ended 31 December 2015

	Scheduled Board meetings	Ad hoc Board meetings, Non-Executive Directors' discussions, offsite and other meetings
R. Jayachandran	5/5	3/3
Kwa Chong Seng	6/6	2/2
Sunny George Verghese	7/7	2/2
Michael Lim Choo San	7/7	2/3
Robert Michael Tomlin	7/7	3/3
Narain Girdhar Chanrai	6/6	3/3
Jean-Paul Pinard	7/7	3/3
Sanjiv Misra	7/7	3/3
Nihal Vijaya Devadas Kaviratne, CBE	6/6	1/2
Yap Chee Keong	1/1	–
Marie Elaine Teo	1/1	–
Katsuhiro Ito	2/2	–
Yutaka Kyoya	2/2	–
Shekhar Anantharaman	7/7	2/2
Mark Haynes Daniell	1/1	1/1
Wong Heng Tew	1/1	1/1

Attendance at Board Committee meetings for the financial year ended 31 December 2015

	Audit and Compliance Committee (ACC)	Board Risk Committee (BRC)	Capital and Investment Committee (CIC)	Corporate Responsibility and Sustainability Committee (CRSC)	Governance and Nomination Committee (GNC)	Human Resource and Compensation Committee (HRCC)
R. Jayachandran	–	–	5/5	–	3/3	1/1
Kwa Chong Seng	–	–	5/5	–	2/2	2/2
Sunny George Verghese	–	6/6	6/6	–	–	–
Michael Lim Choo San	7/7	6/6	–	–	–	3/3
Robert Michael Tomlin	7/7	6/6	1/1	6/6	–	–
Narain Girdhar Chanrai	7/7	–	6/6	5/5	–	1/1
Jean-Paul Pinard	–	–	6/6	6/6	2/2	–
Sanjiv Misra	–	6/6	6/6	–	2/2	–
Nihal Vijaya Devadas Kaviratne, CBE	5/5	–	–	5/5	–	–
Yap Chee Keong	1/1	–	–	–	–	–
Marie Elaine Teo	–	–	–	–	–	–
Katsuhiro Ito	1/1	–	–	1/1	–	–
Yutaka Kyoya	–	1/1	1/1	–	1/1	1/1
Shekhar Anantharaman	7/7	–	5/6	6/6	–	–
Mark Haynes Daniell	2/2	–	–	1/1	2/2	1/1
Wong Heng Tew	2/2	–	–	–	2/2	1/1

Induction and orientation of Directors

Upon their appointment, Directors are issued with a formal appointment pack which outlines their duties and obligations, and includes vital information about their appointment and the Company. They undergo a comprehensive and tailored onboarding process which includes briefings by the Board Chairman, Group CEO and Group COO; industry, business and operations briefings by Senior Management; visits to the Group's key operations; and briefing on governance matters, etc. The newly appointed Directors are further assisted by the corporate secretarial office to enable them to appropriately discharge their statutory and fiduciary duties.

Directors' training

To keep the Directors abreast of developments in the Group's diverse industries as well as the Company's global operations, country visits and interactions with business and geography teams are amongst the different types of exposure provided. Directors are invited to participate in sessions and talks conducted by specific industry specialists and experts on trends, developments and issues concerning the sectors in which the Company operates. Directors are routinely briefed via detailed presentations on the development and progress of the Group's key operations. Regular updates on Directors' duties and responsibilities, and changes to any relevant laws and regulations such as the Listing Rules of the SGX Securities Trading Limited ('SGX-ST'), the Code of Corporate Governance, the Companies Act, etc. are provided to the Board.

During the year under review, the Board was briefed on the Company's strategic initiatives in global sustainability, and on changes and developments in accounting standards by the external auditors. It was also updated on risk management, health and safety, environmental and social risks, market compliance and insurance.

The Board also visited the Company's key operations in Gabon. The five-day visit included rubber and palm operations, the special economic zone and other greenfield sites and meetings with key stakeholders and government representatives.

Principle 2: Board composition and guidance

To align with the extensive geographical spread and depth of the business, the existing Board comprises Directors with diverse skills and expertise. Our Directors bring with them wide-ranging experience and industry knowledge in finance and accounting, banking, investment, strategic planning, retail and infrastructure. The size, composition and blend of experience of the Board allows discussions on matters of policy, strategy and performance to be informed, critical and constructive. A brief profile of and key information on each Director is given on pages 75 to 79 of this report.

Board size

Our Board currently consists of 12 members with two-thirds being Independent Non-Executive Directors. The composition takes into account the appointment of two Non-Independent Non-Executive Directors by Mitsubishi Corporation. The Governance and Nomination Committee (GNC) undertakes an annual examination of the Board's size to ensure that it is appropriate for effective decision-making. The Board reviewed this issue and opined that, given the variety, magnitude, nature and depth of the Group's business and operations, it should have between 10 and 12 members, who collectively possess sufficient depth and breadth to discharge duties and responsibilities effectively as well as to make objective decisions.

Board diversity

The Board is committed to pursuing gender diversity in relation to the composition of the Board. In this connection, the GNC ensures that female candidates are included for consideration whenever it seeks to identify a new Director for the Board.

Our Board currently includes one female member and spans five nationalities. The Directors' ages and the Board composition represent a wide range of capabilities, skillset and experience. Although the Group has evolved into a leading agri-business operating across the value chain in 70 countries, supplying 47 products across 16 platforms to 16,200 customers worldwide, we believe the Board is sufficiently well-appointed for the foreseeable future.

Independence

The GNC determines on an annual basis each Director's independence bearing in mind the definition of an Independent Director under the Code and guidance as to relationships that may exist which would cause a Director to be deemed non-independent. A Director who has no familial or commercial relationship with the Group or its officers and substantial shareholders of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company, is considered to be independent.

The Code further requires the independence of any Director who has served on the Board beyond nine years to be rigorously reviewed. The basis of determination by the GNC takes into account the annual confirmation of independence (the 'Confirmation') completed by each Independent Director. He or she is required to critically assess their independence against a checklist. Each member of the Board is also required to complete a peer assessment. The peer assessment considers, amongst other areas, the contribution by the Director, the uniqueness of his or her skills and his or her participation in meetings.

Having carried out their review for FY15 and taking into account the views of the GNC, the Board has determined that with the exception of the two Non-Executive Directors and two Executive Directors, the remaining eight Non-Executive and Independent Directors are considered independent.

Ongoing renewal of the Board

In line with the ongoing Board renewal plan, Michael Lim and Robert Tomlin, both Non-Executive and Independent Directors, who have both served on the Board for 11 years and 3 months, as at the financial year ended 31 December 2015, will be stepping down as Directors of the Company upon the conclusion of the forthcoming Annual General Meeting to be held on 25 April 2016 ('2016 AGM'). In line with the Board's policy on tenure of directorships, the remaining long-serving Independent Directors will retire progressively, with new Independent Directors appointed in their place.

To fill the offices to be vacated by the retirement of Lim and Tomlin upon the conclusion of the 2016 AGM, the Board had on 1 December 2015 appointed Chee Keong and Elaine as Non-Executive and Independent Directors. The new Independent Directors were appointed subsequent to a thorough review of the Board and the GNC following a rigorous selection process. Both Chee Keong and Marie Elaine will submit themselves for re-election and re-appointment at the forthcoming 2016 AGM.

Non-Executive Directors nominated by shareholders

Mitsubishi Corporation ('MC') on 15 September 2015 acquired 221,962,556 shares from Kewalram Singapore Limited ('Kewalram') at S$2.75 per share. The transfer, a separate and independent transaction to the placement of shares, resulted in MC holding 20% of Olam's enlarged issued and paid-up share capital (excluding treasury shares) immediately following the issuance of new shares. MC's nominations of Katsuhiro and Yutaka were reviewed by the GNC, following which, the Board appointed them as Non-Executive Directors of the Company on 1 November 2015. Under the Code and in accordance with Article 109, Katsuhiro and Yutaka will submit themselves for re-election and re-appointment at the forthcoming 2016 AGM.

Non-Executive Independent Directors

The Non-Executive Independent Directors fulfil a pivotal role in corporate accountability. Their role is particularly important as they provide unbiased and independent views, advice and judgement to protect the interests not only of the Company but also of shareholders, employees, customers, suppliers and the many communities in which the Company conducts business. The Board has during FY15 maintained the number of Executive Directors at two to have a greater proportion of independent representation on the Board.

Principle 3: Chairman and Group Chief Executive Officer

The Chairman, Kwa Chong Seng, is a Non-Executive Director and is not related to the Group Chief Executive Officer ('Group CEO'), Sunny George Verghese, or other members of the Senior Management Team. There is a clear division of responsibility between the Chairman and Group CEO to ensure a balance of power and authority.

The Chairman is responsible for ensuring the effectiveness of the Board and Board Committees as well as the governance process. The Group CEO is at the helm of the Management Team and has overall responsibility for the Company's operations and organisational effectiveness. The Group CEO remains accountable to the Board for the decisions and actions taken, as well as for the performance of the Group. The Chairman works closely with the Group CEO on matters to be tabled at meetings as well as in ensuring that Board members receive accurate, timely and clear information.

Under the leadership of the Chairman, the Board holds robust, open and constructive discussions at its meetings with adequate time allocated to sufficiently review the issues tabled. The Chairman chairs the quarterly Non-Executive Directors' discussions after each Board meeting and organises an offsite meeting of the Non-Executive Directors annually. Along with the Group CEO, the Chairman monitors the translation of the Board's decisions, requests and recommendations into executive action. As part of the Chairman's oversight, he ensures that constructive communication and engagement with shareholders take place at every General Meeting. The Chairman may direct members of the Board to participate in briefings and meetings with other stakeholders to explain publicly available material information.

Lead Independent Director

Michael Lim Choo San, Chairman of the GNC, has acted as the Lead Independent Director since 2010. The appointment of a Lead Independent Director is part of the Board succession planning in order to provide continuity of leadership at Board level in the absence of the Chairman. The Lead Independent Director also acts as a bridge between the Independent Directors and the Chairman and is available to shareholders if they have concerns relating to matters which contact through the normal channels of the Chairman, Group CEO or Executive Directors has failed to resolve, or where such contact is inappropriate.

Principle 4: Board membership

The Governance and Nomination Committee (GNC)

Michael Lim Choo San
Chairman

Kwa Chong Seng	(appointed 30 October 2014)
Katsuhiro Ito	(appointed 1 November 2015)
Yap Chee Keong	(appointed 1 December 2015)
R. Jayachandran	(retired 31 October 2015)
Mark Haynes Daniell	(retired 30 October 2014)
Narain Girdhar Chanrai	(retired 30 October 2014)
Wong Heng Tew	(retired 30 October 2014)

The GNC is chaired by the Lead Independent Director. The GNC comprises only Non-Executive Directors, a majority of whom are Independent Directors. The GNC is guided by its written terms of reference with principal functions as follows:

- To review the size, skills and composition of the Board to ensure there is adequate representation in respect of issues and challenges, without compromising Board effectiveness and participation. In addition, the GNC seeks to identify the critical needs in terms of expertise and skills, as well as knowledge of the jurisdictions in which Olam operates;
- To recommend the appointment and re-appointment of Directors with a view to refreshing the Board;
- To conduct an annual review of the independence of each Director bearing in mind the relationships and the tenure limits under the Code;
- To assess the effectiveness of the Board and its members;
- To review and recommend performance criteria for evaluating the Board's performance;
- To recommend membership for Board Committees;
- To consider and review the Company's corporate governance principles;
- To consider any possible conflicts of interest experienced by any Board members and senior executives; and
- To review and recommend to the Board the induction programme for new Directors and ongoing training and development needs of the Directors and the Board as a whole.

Succession planning

In a review of the terms of reference of the Board Committees by the Board, and taking into consideration the recommendations of the GNC, the review of Board succession plans, including the role of Chairman, shall remain a principal role of the GNC; while review of the succession plans for key positions in the Group, including the Group CEO and Senior Management roles, is delegated to the Human Resource and Compensation Committee (HRCC). The GNC is actively reviewing the present Board composition and the necessity of refreshing the Board. The GNC is of the view that any renewal and refreshment of the Board must be carried out progressively and in an orderly manner to ensure continuity. A formal plan for the renewal of the Board and the process for selection of new Directors were put in place after having been recommended to and approved by the Board in 2012. The key recommendations, approved by the Board for implementation, are effective from 1 July 2013 and were announced in October 2013. They are as follows:

- Longest-serving Independent Director will be retired gradually at each AGM commencing with the 2013 AGM;
- New Independent Directors who possess the required skills and capabilities will be appointed to fill the vacancies created by outgoing Independent Directors after such appointment is reviewed by the GNC in concurrence with the Board;
- All newly appointed Independent Directors are subject to a term of office comprising two terms of three years each, with an additional term of three years at the sole discretion of the Board, subject to a maximum tenure of no more than nine years; and
- All Directors, whether Executive, Non-Executive or Independent, remain subject to an annual performance evaluation notwithstanding the term of office. Independent Directors may be retired prior to completion of the term of office if so determined by the Board, taking into consideration the recommendation of the GNC.

Retirement and re-election

All Directors submit themselves for retirement and re-election at least once every three years. Pursuant to the Articles of Association of the Company, one-third of the Directors shall retire from office at the Company's AGM. A retiring Director is eligible for re-election at the AGM. The Group Managing Director/CEO, as a Director, is subject to the same retirement by rotation provision as the other Directors. In addition, the Company's Articles of Association also provide that a newly appointed Director must submit himself or herself for re-election at the AGM following their appointment.

At the 2016 AGM, Sunny George Verghese and Nihal Vijaya Devadas Kaviratne, CBE will retire pursuant to Article 103 of the Company's Constitution ('Constitution') and will be eligible for re-election by the shareholders at the AGM.

Katsuhiro and Yutaka Kyoya were appointed by the Board as Non-Executive Directors on 1 November 2015. The Board also appointed Yap Chee Keong and Marie Elaine Teo as Non-Executive and Independent Directors on 1 December 2015.

Under the Code and in accordance with Article 109, Katsuhiro Ito, Yutaka Kyoya, Yap Chee Keong and Elaine Marie Teo will submit themselves for re-election and re-appointment at the forthcoming AGM.

In addition, Michael Lim Choo San and Robert Michael Tomlin, both Non-Executive and Independent Directors, will be stepping down as Directors of the Company at the conclusion of the 2016 AGM.

New appointments, selection and re-nomination of Directors

All new appointments, selection and re-nomination of Directors are reviewed and proposed by the GNC. The GNC has access to external search consultants and resources to identify potential candidates. Board members may also make recommendations to the GNC. Shortlisted candidates are met by the GNC Chairman along with the Board Chairman and Group CEO prior to approval at the Board level. Some of the criteria considered by the GNC while evaluating Directors' appointments are:

- The candidate should possess knowledge and experience in a particular area of value to the Group, namely accounting or finance, business or management, industry knowledge, strategic planning or customer-based experience or knowledge;
- The candidate should have the aptitude or experience to understand fully the fiduciary duties of a Director and the governance processes of a publicly listed company;
- Independence of mind;
- Capability and how he/she could meet the needs of the Company and simultaneously complement the skillset of other Board members;

- Experience and track record in multi-national companies;
- Ability to commit time and effort to discharging his/her responsibilities as a Director; and
- Reputation and integrity.

Membership of other boards

The GNC, in assessing the performance of the individual Director, considers whether sufficient time and attention has been given by the Director to the affairs of the Company. It has regard to the Director's other board memberships and commitments. No limit on the number of board representations which a Director may hold has been imposed by the GNC as Directors have demonstrated their commitment and effectiveness in discharging their duties and responsibilities and avoiding actual or potential conflicts of interest caused by serving on other boards.

Key information regarding Directors

Key information regarding Directors, such as academic and professional qualifications, Board committees served on (as a member or Chairman), date of first appointment as a Director, date of last re-election as a Director, directorships both present and past held over the preceding three years in other listed companies and other major appointments, is disclosed on pages 75 to 79 of this corporate governance report. Information relating to Directors' shareholding and interests in the Group is disclosed in the Directors' Report.

Principle 5: Board performance

The Board considers the importance of putting the right people with the right range of skills, knowledge and experience together for effective governance of the Group's business. The GNC assists the Board in ensuring that the Board is comprised of individuals whose background, skills, experience and personal characteristics enhance the effectiveness of the current Board and meet its future needs.

Based on the recommendations of the GNC, the Board has laid down a preliminary set of assessment criteria to assess the effectiveness of the Board as a whole and contribution of each Director. The assessment criteria for the Board evaluation cover amongst other criteria Board performance in relation to discharging its principal functions, the Board's effectiveness in ensuring the long-term success of the Company, the composition of the Board, relationships amongst Board members, and the adequacy and performance of Board Committees in relation to discharging the responsibilities set out in their respective terms of reference. The individual Directors' assessment criteria are in relation to their industry and functional expertise, level of involvement, contribution, objectivity and interactive skills when working with Board members and participating in Board meetings.

During the year, the GNC carried out an evaluation of the effectiveness of the Board, the individual Board members and the Chairman of the Board. The results of the evaluations are critically reviewed by the GNC and the Board with proposed follow-up actions planned and taken. The follow-up actions are undertaken by the GNC Chairman along with the Chairman of the Board. Meetings between the individual Director and the Board Chairman, as well as the GNC Chairman, may be set up to share feedback and comments received and to work out action plans to address specific issues raised.

Principle 6: Access to information

Principle 10: Accountability

The agenda for each Board and Board Committee meeting along with all Board papers, related materials and background materials are sent to the Directors in a timely manner to enable the Directors to obtain further details and explanations where necessary. The Board is briefed and updated on the execution of the Company's Strategic Plan, performance of its investments, variance in budgets, etc. Members of the Management Team are invited to be present at Board and Board Committee meetings to provide additional insight into the matters tabled for deliberation. Global Heads of Business Units are scheduled wherever required to update the Board on platform performance and plans.

Directors have access to the management and the Company Secretary as required. Non-Executive Directors meet with Senior Management independently to be briefed on various issues. Additional information, documents and materials are provided to the Directors as and when required to enable them to make informed decisions.

Board members are invited to participate in the annual Management Committee Meeting to interact with management as well as to gain industry insight through external speakers. Presentations on the Group's business and activities are provided to the Board throughout the year by the Company's Management Team.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Directors and Board Committees may, where necessary, seek independent professional advice, paid for by the Company.

The Board has adopted a policy of openness and transparency in the conduct of the Company's affairs while preserving the commercial interests of the Company. The Company reports its financial results quarterly and holds media and analyst meetings to coincide with the announcements.

Financial results and other price-sensitive information are disseminated to shareholders via SGX-NET, to the SGX-ST, via press releases, on the Company's website (olamgroup.com) and through media and analyst briefings.

The Company has in place a comprehensive investor relations programme to keep investors informed of material developments in the Company's business and affairs beyond that which is prescribed, but without prejudicing the business interests of the Company.

Role of the Company Secretary

The Company Secretary services the Board and Committee meetings and is accountable directly to the Board, through the Chairman, on all matters connected with the proper functioning of the Board. The Company Secretary acts as the sounding board for matters of corporate governance and monitors overall compliance with the law and regulations adhered to by the Group. The Company Secretary is also responsible for ensuring the Company's compliance with the Listing Rules of the Stock Exchange, for interaction with shareholders and for facilitating the convening of general meetings. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Remuneration matters

Principle 7: Procedures for developing remuneration policies

Principle 8: Level and mix of remuneration

Principle 9: Disclosure on remuneration

Human Resource and Compensation Committee (HRCC)

H

Kwa Chong Seng,
Chairman
(appointed 30 October 2014)

Jean-Paul Pinard	
Sanjiv Misra	
Yutaka Kyoya	(appointed 1 December 2015)
Mark Haynes Daniell	(retired 30 October 2014)
Wong Heng Tew	(retired 30 October 2014)
R. Jayachandran	(retired 31 October 2015)

All current members of the HRCC, including the HRCC Chairman, are Independent and Non-Executive Directors, except for Yutaka Kyoya, who is a Non-Executive Director. Mark Haynes Daniell stepped down as Chairman of the HRCC on 30 October 2014 at the 2015 AGM and has been succeeded as HRCC Chairman by Kwa Chong Seng. The HRCC is established by the Board with the following principal functions:

- To review the executive leadership development process and programme;
- To review and recommend executives' compensation framework and equity-based plans;
- To review succession plans for key executives, including the Group CEO;
- To establish and oversee the process for evaluating the performance of the Group CEO and key executives in the fulfilment of their responsibilities, and the meeting of objectives and performance targets; and
- To review annually the remuneration framework and the adequacy of the fees paid to Non-Executive Directors.

The HRCC carries out regular discussions with the Group CEO and the Board on succession planning at the Senior Management level including that of the Group CEO.

During the year, the HRCC actively engaged with the Group CEO, key members of the Human Resource function and an external consultant, Carrots Consulting, to review the existing executives' remuneration framework, which included a proposed new Share Grant Plan.

In 2015, Aon Hewitt assisted the HRCC in valuing the Company's share-based compensation plans, for the purpose of allocation and validation of the value of the grants. The valuation is based on a set of input assumptions regarding the Company and its comparator index. The report on the grants is being made by Olam, under its Olam Share Grant Plan (OSGP) with performance period starting from FY15. Apart from their engagement as remuneration consultants, Aon Hewitt do not have any existing relationships with the Company which will affect their independence and objectivity.

Remuneration policy for Non-Executive Directors

The existing remuneration framework for Non-Executive Directors adopted by the HRCC consists of a base fee for membership of the Board, chairing the Board and as Lead Independent Director, fees for membership of Board Committees, fees for chairing Board Committees and an attendance fee for Board offsite meetings.

Details of the fees for Non-Executive Directors approved at the previous Annual General Meeting of the Company in October 2014 are provided below. The remuneration for Non-Executive Directors is in line with peer companies and those whom Olam was benchmarked against. The fees framework for Non-Executive Directors reflects an equitable and adequate remuneration on account of increased responsibilities and increases in the average amount of time spent by a Director at Board and Board Committee meetings, as well as their separate discussions with management in the discharge of their responsibilities.

Nature of appointment	S$
Board of Directors	
Base fee (Chairman)	180,000
Base fee (Deputy Chairman)	130,000
Base fee (Member)	70,000
Lead Independent Director	25,000
Audit and Compliance Committee **Capital and Investment Committee**	
Chairman's fee	50,000
Member's fee	25,000
Board Risk Committee **Human Resource and Compensation Committee**	
Chairman's fee	35,000
Member's fee	20,000
Governance and Nomination Committee **Corporate Responsibility and Sustainability Committee**	
Chairman's fee	30,000
Member's fee	15,000
Attendance fee	
Home city meeting:	
- Board	3,000
- Committee	1,500
Out-of-region meeting:	
- Board	4,500
- Committee	2,250
Conference call:	
- Board	600
- Committee	400
Conference call (odd hours):	
- Board	1,200
- Committee	750
Board offsite	6,000

To facilitate timely payment of Directors' fees, the fees are paid in advance on a quarterly basis for the current financial year once approval is obtained from shareholders at the Annual General Meeting.

Fees for Non-Executive Directors

The aggregate Directors' fees for Non-Executive Directors are subject to shareholders' approval at the Annual General Meeting. The Non-Executive Directors will refrain from making any recommendation on and, being shareholders, shall abstain from voting on the ordinary resolution for the aggregate Directors' fees. Other than the Chairman who will be voting for proxies under the Listing Rules, the Directors shall also decline to accept appointment as proxies for any shareholder to vote in respect of this resolution unless the shareholder concerned shall have given instructions in his or her proxy form as to the manner in which his or her votes are to be cast in respect of this resolution.

The fees paid to (and accrued for) the Non-Executive Directors for the financial year ended 31 December 2015 quarterly in advance and entirely in cash amounted to S$2,500,850 (FY14: $1,400,250). The breakdown of the fees paid to the Non-Executive Directors for the financial year ended 31 December 2015, including fees to be paid in arrears to the Non-Executive Directors, is tabled below.

Fees paid to (and accrued for) Non-Executive Directors for the financial year ended 31 December 2015

Name	Directors' fees paid in FY15 (S$)	Directors' fees accrued to be paid for FY15 (S$)	Total Directors' fees to be paid for FY15 (S$)
R. Jayachandran [1]	$274,800	$86,000	$360,800
Kwa Chong Seng	$173,600	$115,000	$288,600
Narain Girdhar Chanrai [2]	$178,050	$68,833	$246,883
Michael Lim Choo San	$227,100	$114,000	$341,100
Robert Michael Tomlin	$198,633	$89,400	$288,033
Jean-Paul Pinard	$183,250	$89,000	$272,250
Sanjiv Misra	$198,250	$96,500	$294,750
Nihal Vijaya Devadas Kaviratne, CBE	$107,367	$75,650	$183,017
Katsuhiro Ito [3]	–	$34,833	$34,833
Yutaka Kyoya [3]	–	$38,250	$38,250
Yap Chee Keong [4]	–	$13,833	$13,833
Marie Elaine Teo [4]	–	$13,883	$13,883
Mark Haynes Daniell [5]	$71,333	–	$71,333
Wong Heng Tew [5]	$53,833	–	$53,833
	$1,666,217	$834,633	$2,500,850

1. Stepped down on 31 October 2015. Prorated fees paid and accrued fees to be paid.
2. Stepped down on 2 December 2015. Prorated fees paid and accrued fees to be paid.
3. Appointed on 1 November 2015. Accrued fees to be paid.
4. Appointed on 1 December 2015. Accrued fees to be paid.
5. Stepped down on 30 October 2014.

The Non-Executive Directors only receive directors fees and do not receive any other benefits, hence a breakdown is not required.

In addition to the Directors' fees set out above, Nihal Kaviratne, CBE received aggregate fees of S$31,200 for the period February 2015 to September 2015 in his capacity as Chairman and a Director of Caraway Pte. Ltd, a subsidiary which is a 75% joint venture with Sanyo Foods Limited.

Accrued Directors' fees for 2015

In October 2014, Olam shareholders approved S$1,889,433 as Directors' fees for the financial year ended 30 June 2014 ('Approved Fees'). This quantum was based on scheduled meetings plus 10% headroom (FY14 approved: S$1,440,000). The Non-Executive Directors' fee framework was revised and approved in 2014. As result of the change of year end from June 2015 to December 2015, the Approved Fees ratified at the 2014 Annual General Meeting would have had to be spent over a longer time frame (six quarters) than had originally been envisaged. In addition, the appointment of four new Non-Executive Directors was not foreseen at the time the Approved Fees were tabled for shareholders' approval.

The Company will seek approval by shareholders for S$834,633 to be paid, being accrued Directors' fees for the financial year from 1 July 2014 to 31 December 2015 ('Accrued Fees').

Remuneration policy for Executive Directors and other key executives

Executive Directors are not entitled to either base fees or fees for membership on Board Committees. Remuneration for Executive Directors currently comprises a base salary, a performance bonus tied to the Company's and the individual's performance, and participation in the share option scheme.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market. The total remuneration comprises three components: an annual fixed cash component, an annual performance incentive and a long-term incentive. The annual fixed component consists of the annual basic salary and other fixed allowances. The annual performance incentive is tied to the Company's and individual executive's performance, while the long-term incentive is granted based on the individual's performance and contribution made.

To remain competitive, it would be our aim to benchmark our executives' compensation with that of similar performing companies and remain in the top 25 percentile. The compensation structure has been designed so that as one moves up the corporate ladder, the percentage of total remuneration at risk increases. The Company currently has 11 top key executives who are not also Directors. In considering the disclosure of remuneration of the Executive Directors and top 11 key executives, the HRCC considered the industry conditions in which the Company operates, as well as the confidential nature of the Executive Directors' and key executives' remuneration.

In view of the highly competitive industry conditions the Group operates within, and as many of our competitors are closely held and do not publish details of the specific remuneration of key management personnel, the Board is of the view that detailed publication of the remuneration of the Group's key management personnel should not be made. Given the general sensitivity and confidentiality of remuneration matters, it would be disadvantageous to the interests of the Group to divulge remuneration of Executive Directors, CEO and key management personnel in such detail as recommended by the Code.

Level and mix of remuneration of Executive Directors for the year ended 31 December 2015

Remuneration band and name of Executive Director	Base/ fixed salary	Variable or performance-related income/ bonuses	Benefits in kind	Total	Options	OSGP
$2,500,000 and above						
Sunny George Verghese	10%	88%	2%	100%	15,000,000 [1]	400,000 [3]
Shekhar Anantharaman	28%	74%	–	100%	5,000,000 [2]	250,000 [3]

1. The subscription/exercise price of $2.35 per share for 15,000,000 share options is the price equal to the average of the last dealt prices for a share for the five consecutive market days preceding the date of grant.
2. The subscription/exercise price of $2.28 per share for 1,750,000 share options and $1.76 per share for 3,250,000 share options is the price equal to the average of the last dealt prices for a share for the five consecutive market days preceding the date of grant.
3. The actual number of Shares to be delivered pursuant to the Award granted will range from 0% to 192.5% of the base award and is contingent on the achievement of pre-determined targets set out in the three year performance period and other terms and conditions being met.

Remuneration band of the top key executives for the year ended 31 December 2015

Remuneration band	No. of executives
$1,000,000 and above	11

Remuneration of employees who are immediate family members of a Director or the Group CEO

No employee of the Company and its subsidiaries whose remuneration exceeded $50,000 during the year under review was an immediate family member of a Director or the Group CEO. Immediate family member is defined as a spouse, child, adopted child, step-child, brother, sister or parent.

Employee Share Grant Plan

The Company had adopted the new Olam Share Grant Plan (OSGP) at the 2014 Annual General Meeting. The OSGP involves the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. Any performance targets set under the OSGP are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth.

The OSGP helps retain staff whose contributions are essential to the wellbeing and prosperity of the Group and to give recognition to outstanding employees and Executive Directors of the Group who have contributed to growth. The OSGP gives participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

- motivate participants to optimise their performance standards and efficiency, maintain a high level of contribution to the Group and strive to deliver long-term shareholder value;
- align the interests of employees with the interests of the shareholders of the Company;

- retain key employees and Executive Directors of the Group whose contributions are key to the long-term growth and profitability of the Group;
- instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company; and
- attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders of the Company.

The actual number of shares to be delivered pursuant to the award granted will range from 0% to 192.5% of the base award and is contingent on the achievement of pre-determined targets set out in the three-year performance period and other terms and conditions being met.

Accountability and audit

Principle 11: Risk management internal control

Principle 12: Audit and Compliance Committee

The Board, supported by the ACC and BRC, oversees the Group's system of internal controls and risk management.

B

Board Risk Committee (BRC)

Robert Michael Tomlin
Chairman

Michael Lim Choo San	
Sunny Verghese	
Sanjiv Misra	
Yutaka Kyoya	(appointed 1 November 2015)
Yap Chee Keong	(appointed 1 December 2015)
Marie Elaine Teo	(appointed 1 December 2015)

The Board is responsible for the governance of risk. To assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies, the Board Risk Committee was established in 2005. The BRC convened six times during the year under review and it has oversight of the following matters:

- To review with management the Group's guidelines, policies and systems to govern the process for assessing and managing risks;
- To review and recommend risk limits and budgets;
- To review benchmarks for, and major risk exposures from, such risks;
- To request, receive and review reports from management on risk exposures;
- To identify and evaluate new risks at an enterprise level and to table a report to the Board;
- To review the Enterprise Risk Scorecard bi-annually and determine the risks to be escalated to the Board;
- To review the framework and effectiveness of the Enterprise Risk Scorecard; and
- To review market compliance updates and issues reported.

The Company complies with the recommendations contained in the Risk Governance Guidelines issued by the Corporate Governance Council in the approach to risk governance for the Group. The Company has robust mechanisms and systems to identify risks inherent in the Group's business model and strategy, risks from external factors and other exposures, and to monitor the Company's exposure to key risks that could impact the business sustainability, strategy, reputation and long-term viability of the Group. The Board along with the BRC, the executive risk team and management has instilled the right culture throughout the Company for effective risk governance.

The BRC has in the course of the year reviewed its terms of reference against the Risk Governance Guidelines and the Code, taking into consideration the changing needs of the organisation. The BRC Chair actively engages with the risk management team on various risk matters as well as the matters to be discussed at each BRC meeting. A Board risk field day was organised during the year under review where the Board was refreshed on areas such as risk governance, risk identification, risk monitoring and control, risk management tools, market compliance, environmental and social risks, health and safety, and the Enterprise Risk Framework, among other topics presented and discussed in detail.

The Committee is assisted by the Executive Risk Committee (ERC), which approves large exposures, provides support in the escalation process for limit breaches and promotes risk culture and awareness. The ERC comprises the Managing Director – Chief Risk and Compliance Officer as its Chairman and the Managing Directors of our Cocoa, Edible Nuts and Cotton business units, along with the President of our Internal Audit function and Assurance as its members. During the year under review, the BRC carried out a rigorous review of the Enterprise Risk Scorecard and engaged management actively in ensuring the adequacy, effectiveness and relevance of the Enterprise Risk Scorecard against the business and operations of the Group.

A

Audit and Compliance Committee (ACC)

Michael Lim Choo San
Chairman

Robert Michael Tomlin	
Nihal Kaviratne, CBE	(appointed 30 October 2014)
Katsuhiro Ito	(appointed 1 November 2015)
Yap Chee Keong	(appointed 1 December 2015)
Mark Haynes Daniell	(retired 30 October 2014)
Wong Heng Tew	(retired 30 October 2014)
Narain Girdhar Chanrai	(retired 2 December 2015)

All the members of the Audit and Compliance Committee (ACC) are Non-Executive Directors with a majority of members including the ACC Chairman being independent. Michael Lim, who is also the Chairman of the Singapore Accountancy Commission and the Accounting Standards Council, and the members of the ACC have significant and varied experience and backgrounds in accounting and financial management-related fields.

Besides the formal briefing to the full Board held twice in FY15, the external auditors also update the Committee at its quarterly meetings on any changes to accounting standards and developments in issues with a direct impact on financial statements.

The ACC met six times during the year under review. The ACC has established terms of reference approved by the Board and has explicit authority to investigate any matter within its terms of reference. The key functions of the ACC are to:

- Assist the Board in discharging its statutory and other responsibilities on internal controls, financial and accounting matters, operational and compliance controls, and business and financial risk management policies and systems; and to ensure that a review of the effectiveness of the same (which may be carried out by the external or internal auditors) is conducted at least annually;
- Review with the external auditors their audit plan, their evaluation of the system of internal controls, their audit report, their management letter, the Company management's response, and the allocation of audit resources according to the key business and financial risk areas as well as the optimum coverage and efforts between the external and internal auditors;
- Review the quarterly and annual financial statements before submission to the Board of Directors for approval, focusing in particular on changes in accounting policies and practices, major operating risk areas, the overview of all Group risk on an integrated basis, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards, and compliance with any SGX and statutory/regulatory requirements;
- Review the proposed scope of the Internal Audit function, the performance of the Internal Audit function, internal audit findings and the Internal Audit Plan semi-annually;
- Review the internal controls and procedures and ensure coordination between the external auditors and the Company management, reviewing the assistance given by the Management Team to the auditors, and discussing problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- Review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has, or is likely to have, a material impact on the Group's operating results or financial position, and management's response to the same;
- Consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
- Review the scope and results of the audit and its cost-effectiveness, and the independence and objectivity of the external auditors, annually;
- Review interested party transactions falling within the scope of Chapter 9 of the Singapore Exchange Listing Rules for potential conflicts of interest;
- Undertake such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the ACC; and
- Undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The ACC has full access to and cooperation of the management and full discretion to invite any Director or executive officer to attend its meetings. The Group COO, Group CFO, Managing Director – Risk, Compliance and Internal Audit, President of Internal Audit and the external auditors are invited to attend these meetings.

The Company has an internal audit team which, together with the external auditors, reports its findings and recommendations independently to the ACC. During the year, the ACC reviewed the unaudited financial statements of the Company before the announcement of the financial results and the audited financial statements prior to despatch to shareholders. During the year, the ACC along with management reviewed the adequacy, structure and content of its results announcements to enable easier interpretation and analysis by its stakeholders. The ACC also reviewed the proposed Accounting Policy and Procedures Manual to formalise enterprise-wide practices, policies and procedures drawn up by management with the assistance of the external auditors.

Internal audit

The ACC regularly reviews the resource adequacy and the effectiveness of the Internal Audit function as well as the areas of audit undertaken by the Internal Audit team. During the year under review, the ACC is satisfied that the team has appropriate standing within the Company. The Committee met with the Internal Audit team during the year under review, without the presence of management, to discuss any issues of concern.

External auditors

The Committee met with the external auditors during the year under review, without the presence of the Management Team, to discuss with them any issues of concern. The ACC also reviewed the nature and extent of all non-audit services performed by the external auditors to establish whether their independence has in any way been compromised as a result. From the review, the ACC has confirmed that the non-audit services performed by the external auditors would not affect their independence. Details of the fees payable to the external auditors in respect of audit and non-audit services are set out in the notes to financial statements of this report. The Company has complied with Rule 712, and Rule 715 read with Rule 716, of the Singapore Exchange Listing Manual in relation to its auditing firms.

As a part of good corporate governance practices, during the year the ACC carried out a review of the external audit services provided. Taking all relevant factors into consideration, the Committee made its recommendation to the Board to re-appoint the current auditors, which was accepted.

Whistle-blowing

On the recommendation of the ACC and the approval of the Board, the Company has formalised a Code of Conduct (CoC) for Group companies with the objective of conducting business in compliance with the letter and spirit of the law and other accepted standards of business conduct and to maximise shareholder value for its continuing shareholders in an ethical and environmentally sustainable manner. It provides the key standards and policies that everyone working in and for Olam should adhere to. The CoC also encourages and provides a channel for employees to report possible improprieties, unethical practices, etc. in good faith and confidence, without fear of reprisals or concerns. All information and reports are received confidentially to protect the identity and the interest of all whistle-blowers. Different modes of reporting are provided in the CoC including an internal compliance hotline and email address. To ensure that all incidents that are reported are adequately brought to the notice of the stakeholders concerned as well as to initiate corrective action, a reporting structure is provided in detail in the CoC.

Internal controls

The Company's internal controls structure consists of the policies and procedures established to provide reasonable assurance that the organisation's related objectives will be achieved.

Olam has established authorisation and financial approval limits for operating and capital expenditure, the procurement of goods and services, and the acquisition and disposal of investments. Apart from reserved matters that require the Board's specific approval, such as the issue of shares and dividend and other distributions, Board approval is required for transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Board Committees and management to optimise operational efficiency.

The Standard Operating Procedure (SOP) and Field Operations Manual (FOM) policies prescribe the process and documentation requirement for all our procurement, grading, sorting, processing, storage, transits and shipment of our products. Strict adherence to the SOP and FOM is the key to our control over financial and operational risks. To ensure compliance, periodical internal and external audit reviews are routinely carried out.

Additionally, the internal audit findings are tracked and included as key performance indicators in managers' performance evaluation systems, to ensure the desired influence on behaviour.

The Company's Enterprise Risk Management (ERM) Framework covers market risks, credit and counterparty risks, operational risks, information risks, sovereign risks, health and safety risks, legal and regulatory risks and other tail risks. The Market Compliance team puts in place a Market Compliance and Procedures Manual and an annual e-training session to provide guidance to officers and employees of the Group who are involved in the trading of commodity futures contracts and options on commodity futures contracts on the exchanges. The Market Compliance and Procedures Manual is periodically reviewed and updated for changes in exchange rules and regulations. The Company has a Board Risk Committee and an independent Risk Control function to measure and monitor market risks and credit and counterparty risks. Our risk management system is outlined on pages 46 and 47.

During the year, an assessment was carried out on the Company's Enterprise Risk Management Framework, systems and policies and processes including financial, operational, compliance and information technology controls.

The Board has received assurance from the Group CEO and the Group COO that:

- the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- from their review with the risk owners of their assessments of the standard operating procedures framework, escalation reporting, breaches and assurance processes, they are satisfied with the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the work performed by the internal and external auditors, the internal controls and risk management systems established and reviewed by management, as well as the regular reviews undertaken by various Board Committees:

- The Board, with the concurrence of the BRC, is of the view that the Group's risk management systems are adequate and effective; and
- The Board, with the concurrence of the ACC, is of the opinion that the internal controls, addressing the financial, operational, compliance and information technology risks of the Company, are adequate to meet the needs of the Group in its current business environment.

Whilst the internal audit and the internal controls systems put in place by management provide reasonable assurance against material financial mis-statements or loss, and assurance reliability, relevance and integrity of information (including financial information), completeness of records, safeguarding of assets, effectiveness and efficiency of operations and compliance with applicable policies, laws and regulations, it is opinioned that such assurance cannot be absolute in view of the inherent limitations of any internal audit and internal controls system against the occurrence of significant human and system errors, poor judgement in decision-making, losses, fraud or other irregularities.

Principle 13: Internal audit

The Internal Audit function is established to support the governance process and provide a source of confidence to both management and the ACC that there is sound managerial control over all aspects of the operations of Olam including statutory compliance, accounting, asset management and control systems.

The Managing Director – Risk, Market Compliance and Internal Audit and President of Internal Audit and Assurance report directly to the Chairman of the ACC and administratively to the Group CEO. The Internal Audit team, comprised of members with relevant qualifications and experience and specialised in audits, may be outsourced to reputable accounting/auditing firms. Internal audit is carried out according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Internal Audit team has full, free and unrestricted access at all times to all books, personnel, documents, accounts, property, vouchers, records, correspondence and other data of the Company. The internal auditors also have the right to enter any premises of the Group and to request any officer to furnish all information and such explanations deemed necessary for them to form an opinion on the probity of action and adequacy of systems and/or controls.

The scope of the internal audit carried out by the Internal Audit team is comprehensive, to enable the effective and regular review of all operational, financial and related activities. The internal audit coverage extends to all areas of the Company and its controlled entities and includes financial, accounting, administrative, computing and other operational activities. An internal compliance monitoring system has also been developed as a self-assessment tool for monitoring the performance of the business units on key control aspects and processes.

The ACC reviews the proposed scope and performance of the Internal Audit function, internal audit's findings and management response, and the Internal Audit Plan, semi-annually. It ensures that no limitation on audit has been imposed. Internal audit's summary of findings, recommendations and actions taken are reviewed and discussed at ACC meetings.

The ACC is assisted in the discharge of this function by the Executive Audit Committee (EAC). The EAC has the Managing Director – Risk, Market Compliance and Internal Audit as its Chairman and the Managing Director – Africa and Middle East, the President of Internal Audit and Assurance and the President of Finance and Accounts as its members.

C

Capital and Investment Committee (CIC)

Sanjiv Misra
Chairman

Jean-Paul Pinard	
Sunny Verghese	
A. Shekhar	
Kwa Chong Seng	(appointed 30 October 2014)
Yutaka Kyoya	(appointed 1 November 2015)
Marie Elaine Teo	(appointed 1 December 2015)
Robert Michael Tomlin	(retired 30 October 2014)
R. Jayachandran	(retired 31 October 2015)
Narain Girdhar Chanrai	(retired 2 December 2014)

The CIC meets every quarter, and more often if required, either by way of physical meetings or via telephone conference. The CIC is governed by established terms of reference and has oversight of the following matters:

- To review the financial strategies, policies, gearing and financial risks new business risks, and capital structure of the Company;
- To review and recommend equity capital-raising plans;
- To review and recommend debt capital-raising plans and significant banking arrangements;
- To review investment policy guidelines and capital expenditure plans;
- To review and assess the adequacy of foreign currency management;
- To review and recommend on mergers, acquisitions and divestments;
- To evaluate periodically the performance of the businesses in relation to the capital allocated; and
- To review and recommend the annual budget.

The Committee has access to any member of the Management Team in its review of investments and divestments, and actively engages the Management Team and consultants when deliberating on any investment or divestment proposal. During the year, the Board has renewed the Committee's terms of reference and the policy governing the authority limits of the Committee and Group CEO.

CRS

Corporate Responsibility and Sustainability Committee (CRSC)

Jean-Paul Pinard
Chairman

Robert Michael Tomlin	
A. Shekhar	
Nihal Kaviratne, CBE	(appointed 30 October 2014)
Katsuhiro Ito	(appointed 1 November 2015)
Marie Elaine Teo	(appointed 1 December 2015)
Narain Girdhar Chanrai	(appointed 30 October 2014, retired 2 December 2015)
Mark Haynes Daniell	(retired 30 October 2014)

At Olam, we believe that profitable growth, as a way of doing business, needs to incorporate creating value on an ethical, socially responsible and environmentally sustainable basis. We have called this 'Growing Responsibly'.

The CRSC met six times during the year. The terms of reference of this Committee include:

- To review and recommend to the Board the Corporate Responsibility and Sustainability (CR&S) vision and strategy for the Group;
- To oversee the integration of CR&S perspectives into the Company's strategy and businesses;
- To review global CR&S issues and trends and assess their potential impact on the Group;
- To monitor implementation, through the Executive CR&S Committee, strategy as well as policies and investments in the CR&S area;
- To review the progress made on various initiatives;
- To support management's response to crisis, where required;
- To review the Company's annual Sustainability Report and its (Olam) Livelihood Charter; and
- To review the adequacy of the CR&S function.

The CRSC engages the Executive CR&S Committee which comprises Gerard Manley, Managing Director and CEO Cocoa, and Chris Brett, Senior Vice President and Head of Corporate Responsibility and Sustainability, in the formulation and implementation of various sustainability policies and projects.

The Committee actively monitors corporate responsibility and sustainability issues and the reporting by management on such issues in the Company's pursuit of various investments. As part of the CRSC's vigorous engagement with corporate responsibility and sustainability matters concerning the Group's business and operations, the Chairman of the CRSC visited some of the Company's global operations during the year along with members of the Management Team, to gain deeper insights into the CR&S activities on the ground.

Principle 14: Shareholders' rights

Principle 15: Communication with shareholders

Principle 16: Conduct of shareholder meetings

Enhancing investor communication

At Olam, we believe it is important for us to communicate our business, strategic developments, and financial and non-financial information to shareholders, investors, analysts (collectively referred to as the investing community) and key intermediaries (including financial media, brokers and independent research organisations) who provide research and information on the Company. Concurrently, we aim to understand their perspectives and requirements for decision-making and improve two-way communication.

In the Strategic Plan for 2014-2016, one of the four key priorities is to promote a better understanding of Olam's business by enhancing stakeholder communication. To achieve this, we have supplemented our Company disclosure with details on investment performance; held investor days and field visits to Olam's operational sites globally; and improved the structure and content of our results announcements to facilitate better understanding and analysis.

As we continue to improve these aspects of our communication, to shape a deeper understanding of our business, we launched 'Olam Insights', a quarterly newsletter for investors during the year. This document features our different business platforms and profit centres around the world by looking into the opportunities and challenges within the business and sharing the insights of our people on the ground. We also share how we are making an impact both locally and globally in each of our businesses and how we continue to invest in the sustainability of these businesses.

The Group Investor Relations department has lead responsibility for enhancing communication with the investing community, with the active involvement of the Group CEO, Group COO and Group CFO, and in consultation with the Global Corporate Responsibility and Sustainability department on environmental, social and governance issues.

Delivering quality and timely information in a transparent manner

Since Q3 2013, we have published a quarterly Management Discussion and Analysis (MD&A) statement, which includes a business commentary, key operational and financial highlights and a detailed review of financial performance. In order to track and measure progress against our targets as stated in the Strategic Plan, we also introduced new key financial metrics.

As well as enhancing the quality of our financial information, we aim to deliver information to the investing community and key intermediaries in a timely manner. We hold media and analysts' conferences quarterly to announce our financial and operating results. These quarterly results briefings are webcast live to cater to global audiences. (The full financial statements, press release, MD&A and presentation materials provided at the conferences are disseminated through the SGX-NET onto the SGX website outside trading hours, uploaded onto the Company's website and disseminated by email to subscribers to our news alerts.)

In addition to these quarterly events, we hold media and analysts' conferences and teleconference calls to communicate important corporate developments. Such media and analyst conferences are also webcast live.

Engaging the investing community

Apart from these forums, we hold frequent meetings, telephone and video conference calls with the investing community and organise investor days to facilitate their understanding of the Company's business model and growth strategies.

We aim to reach out to a broad spectrum of investors across the globe as part of our efforts to achieve a geographically diversified shareholder base. As part of this aim, we actively engage analysts with the objective of extending research coverage and thereby our reach to investors. As of year end, nine research institutions cover Olam. We actively and continuously engage other leading international, local and independent research firms to initiate coverage of our stock.

We conduct investment roadshows and attend investment conferences on a selective basis in major targeted investing locations, such as Singapore, Malaysia, Hong Kong, the UK, Continental Europe and the USA. Where necessary, the frequency of conducting roadshows and attending investment conferences may increase to meet the Company's requirements of communicating important key messages and addressing market concerns.

Investor Relations activities in 2015

Date	Event
5 January	DBS Vickers Pulse of Asia Conference, Singapore
13 January	RHB OSK DMG Asean and Hong Kong Corporate Day, Singapore
5 March	Bank of America Merrill Lynch ASEAN Conference, Singapore
8 April	Nomura ASEAN Corporate Day, Singapore
20 May	6th Annual dbAccess Asia Conference, Singapore
4 June	Citi ASEAN Investor Conference, Singapore
24 August	Macquarie ASEAN Conference, Singapore
17 November	Morgan Stanley Asia Pacific Summit, Singapore

The Group Investor Relations department periodically receives investor/analyst requests for meetings or conference calls to discuss the Company. Generally, we accede to all requests for meetings/calls where our schedule permits, provided these meetings/calls do not fall within the closed periods prior to the announcement of financial results.

In addition to outreach programmes targeted at institutional investors, we maintain communication with our employee and retail shareholders, through our employee portal and shareholder communication services facilitated by the Securities Investors' Association of Singapore (SIAS) respectively.

Tracking changes in the shareholder base and interaction with the investing community

We track and monitor changes in our shareholder base regularly to help us tailor our shareholder engagement and targeting programmes.

We maintain an active electronic database of the investing community, which allows us to target investors and track every investor meeting so that we can measure the frequency and quality of conversations. This system also enables us to deliver our Company results and announcements to the investing community electronically at the same time as these are disseminated through SGX-NET so that investors have access to our information on a timely basis.

As the internet, social media and other mobile applications have become more accessible, we continue to leverage such means to achieve a greater and faster reach to the investing community and facilitate their research by providing online easy-to-access financial and non-financial information, resources and tools.

Obtaining and acting on feedback from the investing community

We conduct investor perception surveys to seek the investing community's feedback on the Company. The study we initiated in 2013 informed our 2013 Strategy Review and helped formulate our 2014-2016 Strategic Plan.

Encouraging greater shareholder participation at Annual General Meetings (AGMs)

We regard the AGM as an opportunity to communicate directly with shareholders. We are committed to establishing more effective ways of communicating with our shareholders around the AGM. Shareholders are informed of these meetings through notices published in the newspapers or through circulars. To encourage more shareholder participation, our AGMs are held in Singapore's city centre, which is easily accessible by most shareholders.

Board members including the Chairman of the Audit and Compliance Committee, the Human Resource and Compensation Committee, and the Governance and Nomination Committee, and key executives of the Senior Management Team, attend the AGM. Our external auditors are also present to assist the Directors in addressing shareholders' queries.

We treat shareholder issues, particularly those that require shareholders' approval, such as the re-election of Directors and approval of Directors' fees, as distinct subjects and submit them to the AGM as separate resolutions.

In support of greater transparency and an efficient voting system, the Company has been conducting electronic poll voting since 2011. Shareholders who are present in person or represented at the meeting will be entitled to vote on a one-share, one-vote basis on each of the resolutions by poll, using an electronic voting system. The results of all votes cast for and against in respect of each resolution are instantaneously displayed at the meeting and announced through SGX-NET immediately following the AGM.

Voting in absentia by mail or electronic means requires careful study and is only feasible if there is no compromise to either the integrity of the information and/or the true identity of the shareholder.

Detailed minutes of the AGM are prepared and are available to shareholders upon request.

Accolades

Most Progress in IR and Best in Sector

Olam was the winner of the awards for Most Progress in IR and Best in Sector (Consumer Staples) at the IR Magazine Awards and Conference – South East Asia 2014. The winners of the IR Magazine Awards were identified solely by means of an independent survey of investors and analysts, all of whom are located in the region. More than 400 members of the Asian investment community participated in the investor perception survey, which aimed to ascertain which companies and individuals were the best at investor relations and discover current levels of satisfaction with the standard of investor relations more generally.

Most Transparent Company

Olam was named winner of the 15th SIAS Investors' Choice Award – Most Transparent Company Award 2014 – in the Food and Beverages category for its outstanding efforts in improving disclosure and transparency standards. SIAS had appointed the Sim Kee Boon Institute of Singapore Management University to conduct research using the Singapore Corporate Governance Index (SCGI), a balanced, weighted index which covers five aspects in accordance with OECD principles, as stage one of the award's selection process. Companies were then shortlisted in their respective industry classification benchmark sub-sector, followed by a stage two nomination from financial journalists, analysts and fund managers. This year's stage two included SIAS members' nominations, to incorporate their views on the corporate governance and transparency practices of the shortlisted companies. The selection committee comprised senior financial journalists, brokers and fund managers and SIAS.

Securities transactions

The Company is committed to transparency, fairness and equity in dealing with all shareholders and in ensuring adherence to all laws and regulations that govern a company listed and trading on the SGX Securities Trading Limited ('SGX-ST'). The Employee Share Dealing Committee ('ESDC') was set up to formulate and review best practice in the dealing of securities by Directors, executives and employees. The ESDC is chaired by a Senior Management Team member – Ranveer Singh Chauhan – with V. Srivathsan as Co-Chairman and Joydeep Bose, N. Muthukumar and Sriram Subramanian as its members. The ESDC reports to the Group CEO.

Through the ESDC, the Company has a policy on dealings in securities of the Company in line with the SGX Listing Rules to its Directors and employees, setting out the implications of insider trading and guidance on such dealings. The policy provides that the Company, its Directors and employees must not deal in the Company's securities at any time after a price-sensitive development has occurred, or has been the subject of a decision, until the price-sensitive decision has been publicly announced. Directors and employees are discouraged from short-term speculative trading in the Company's securities; personal investment decisions should be geared towards long-term investment. In particular, the Company, its Directors and executives will not deal in the Company's securities during the following periods:

- commencing two weeks prior to making public the quarterly financial results and ending at the close of trading on the date of the announcement of the relevant results; and
- commencing one month prior to making public the annual financial results and ending at the close of trading on the date of the announcement of the relevant results.

In keeping with the policy, Directors, executives and employees of the Company are notified of close periods for dealing in the Company's securities.

Material contracts

There were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any Director or controlling shareholder.

Interested person transactions

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the ACC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company or its minority shareholders. The Company's disclosures in respect of interested person transactions for the financial year ended 31 December 2015 are as follows:

Parties	FY15 S$
Singapore Telecommunications Limited	1,162,436
Singapore Airlines Limited	9,314
SP Services Limited	3,529
Starhub Limited	19,460
DBS Bank Limited	2,872,945
Standard Chartered Bank Limited	2,054,376
Total	**6,122,059**

Recognition

Olam has received accolades from the investment community for excellence in corporate governance. More details are included on page 73 and our website at olamgroup.com/about-us/accolades/.

Kwa Chong Seng

H G C

Chairman and Non-Executive and Independent Director

Date of appointment: 1 October 2014

Date of last rotation: AGM 2014 Article 109

To retire at AGM 2016 under: N.A.

Age as at 31 December 2015: 69

Committee(s) served on:
Human Resource and Compensation Committee (Chairman),
Capital and Investment Committee (Member),
Governance and Nomination Committee (Member).

Academic and professional qualification(s):
Bachelor of Engineering (Mechanical), University of Singapore,
Fellow of the Academy of Engineering Singapore.

Directorships in other listed companies:
Neptune Orient Lines Limited (Chairman),
Singapore Technologies Engineering Ltd (Chairman),
Singapore Exchange Ltd (Lead Independent Director).

Other principal commitments:
APL Co. Pte Ltd (Chairman), APL Logistics Ltd (Chairman), APL (Bermuda) Ltd. (Chairman), Automar (Bermuda) Ltd. (Chairman), APL Limited (Chairman), NOL Liner (Pte.) Ltd. (Chairman), Seatown Holdings Pte Ltd (Director), Delta Topco Limited (Director), Fullerton Fund Management Company Ltd (Chairman), Singapore Technologies Holdings Pte Ltd (Director).

Major appointments (other than Directorships):
Public Service Commission, Singapore (Deputy Chairman),
Defence Science and Technology Agency (Board Member).

Directorships in other listed companies held over the preceding three years:
DBS Bank (Hong Kong) Ltd (Chairman), DBS Bank Ltd, DBS Group Holdings Ltd, Esso China Inc. (Chairman and President), ExxonMobil Asia Pacific Pte Ltd (Chairman and Managing Director), ExxonMobil Oil Singapore Pte Ltd, Sinopec SenMei (Fujian) Petroleum Co. Ltd, Temasek Holdings Pte Ltd (Deputy Chairman).

Sunny George Verghese

B C

Co-Founder and Group CEO

Date of appointment: 11 July 1996

Date of last rotation: AGM 2012 Article 103

To retire at AGM 2016 under: Article 103

Age as at 31 December 2015: 56

Committee(s) served on:
Capital and Investment Committee (Member),
Board Risk Committee (Member).

Academic and professional qualification(s):
Postgraduate Degree in Business Management,
Indian Institute of Management, Ahmedabad

Advanced Management Program, Harvard Business School.

Directorships in other listed companies:
Société SIFCA (Non-Executive Director).

Other principal commitments: Nil

Major appointments (other than Directorships):
Human Capital Leadership Institute (Chairman).

Directorships in other listed companies held over the preceding three years:
PureCircle Limited (Non-Executive Director).

Past key appointment(s):
Cityspring Infrastructure Management Pte Ltd (Chairman),
International Enterprise Singapore (Chairman),
National University of Singapore (Trustee).

Key information regarding Directors continued

Michael Lim Choo San

A G B

Non-Executive and Lead Independent Director

Date of appointment: 24 September 2004

Date of last rotation: AGM 2014 Article 103

To retire at AGM 2016 under: N.A.

Age as at 31 December 2015: 69

Committee(s) served on:
Audit and Compliance Committee (Chairman),
Governance and Nomination Committee (Chairman),
Board Risk Committee (Member).

Academic and professional qualification(s):
Bachelor of Commerce and Administration,
Victoria University of Wellington, New Zealand

Chartered Accountant, New Zealand Fellow,
Institute of Certified Public Accountants of Singapore.

Directorships in other listed companies:
Nomura Holdings Inc, Japan (Non-Executive Director).

Other principal commitments:
Land Transport Authority (Chairman),
Nomura Singapore Limited (Chairman).

Major appointments (other than Directorships):
Accounting Standards Council (Chairman), Singapore Accountancy Commission (Chairman), Public Service Commission (Member).

Directorships in other listed companies held over the preceding three years:
Chemoil Energy Limited.

Past key appointment(s):
PricewaterhouseCoopers, Singapore (Executive Chairman), National Healthcare Group Pte Ltd (Chairman), Legal Service Commission (Member), PSA International Pte Ltd (Director), Nanyang Technological University (Trustee).

Robert Michael Tomlin

B A CRS

Non-Executive and Independent Director

Date of appointment: 24 September 2004

Date of last rotation: AGM 2012 Article 109

To retire at AGM 2016 under: N.A.

Age as at 31 December 2015: 70

Committee(s) served on:
Board Risk Committee (Chairman),
Audit and Compliance Committee (Member),
Capital and Investment Committee
(Member – retired 30 October 2014),
Corporate Responsibility and Sustainability Committee (Member).

Academic and professional qualification(s):
Bachelor in Modern Language, Downing College, Cambridge

Business Management Graduate, Harvard Business School.

Directorships in other listed companies: Nil

Other principal commitments:
Lepercq de Neuflize Asia Pte Ltd (Vice Chairman), Dane Court Pte Ltd (Executive Director), Lasalle College for the Arts Limited (Non-Executive Director).

Major appointments (other than Directorships):
DesignSingapore Council (Chairman), Singapore Management University (Trustee), Singapore Repertory Theatre (Chairman), Yong Siew Toh Conservatory (Governor).

Directorships in other listed companies held over the preceding three years: Nil

Past key appointment:
Mediacorp Pte Ltd (Director), Aviva Ltd (Director), Aviva Life Insurance Co. Ltd (Director).

Jean-Paul Pinard

CRS C H

Non-Executive and Independent Director

Date of appointment: 29 October 2008

Date of last rotation: AGM 2012 Article 103

To retire at AGM 2016 under: N.A.

Age as at 31 December 2015: 65

Committee(s) served on:
Corporate Responsibility and Sustainability Committee (Chairman),
Capital and Investment Committee (Member),
Human Resource and Compensation Committee (Member).

Academic and professional qualification(s):
PhD in Economics, University of California

Diplôme d'Ingénieur, École Polytechnique, Paris.

Directorships in other listed companies: Nil

Other principal commitments: Nil

Major appointments (other than Directorships): Nil

Directorships in other listed companies held over the preceding three years:
Yantai Changyu Pioneer Wine Company Limited (Director).

Sanjiv Misra

C B H

Non-Executive and Independent Director

Date of appointment: 1 November 2013

Date of last rotation: AGM 2014 Article 109

To retire at AGM 2016 under: N.A.

Age as at 31 December 2015: 56

Committee(s) served on:
Capital and Investment Committee (Chairman),
Human Resource and Compensation Committee (Member),
Board Risk Committee (Member).

Academic and professional qualification(s):
Bachelor's Degree in Economics, St Stephen's College, University of Delhi, India

Postgraduate Degree in Management, University of Delhi, Indian Institute of Management, Ahmedabad

Master in Management, JL Kellogg Graduate School of Management, Northwestern University.

Directorships in other listed companies:
Edelweiss Financial Services Ltd (Independent Director), OUE Hospitality Trust Management Pte. Ltd. (Independent Director), OUE Hospitality REIT Management Pte. Ltd. (Independent Director).

Other principal commitments:
Phoenix Advisers Pte. Ltd. (President and Director), Edelweiss Capital (Singapore), Pte Ltd (Independent Director).

Major appointments (other than Directorships):
Singapore Management University (Trustee), National University Health System (Board Member).

Directorships in other listed companies held over the preceding three years:
Dart Energy Ltd (ASX-listed).

Nihal Vijaya Devadas Kaviratne, CBE

A CRS

Non-Executive and Independent Director

Date of appointment: 1 October 2014

Date of last rotation: AGM 2014 S.153(6)

To retire at AGM 2016 under: Article 103

Age as at 31 December 2015: 71

Committee(s) served on:
Audit and Compliance Committee (Member),
Corporate Responsibility and Sustainability Committee (Member).

Academic and professional qualification(s):
Bachelor of Arts, Economics (Honours), Bombay University, India

Directorships in other listed companies:
Akzo Nobel India Limited (Chairman), DBS Group Holdings Ltd (Director), GlaxoSmithKline Pharmaceuticals Ltd (Director), SATS Ltd (Director), StarHub Ltd (Director).

Other principal commitments:
DBS Bank Ltd (Director), DBS Foundation Ltd (Director), TVS Motor (Singapore) Pte. Limited (Director), Wildlife Reserves Singapore Pte Ltd (Director), PT TVS Motor Company (President Commissioner), Bain & Company SE Asia, Inc (Member, Advisory Board for South East Asia/Indonesia).

Major appointments (other than Directorships):
Private Sector Portfolio Advisory Committee in India of the UK Government's Department for International Development (Member).

Directorships in other listed companies held over the preceding three years:
Titan Company Limited (Director).

Yap Chee Keong

A B G

Non-Executive and Independent Director

Date of appointment: 1 December 2015

Date last rotation: N.A.

To retire at AGM 2016 under: Article 109

Age as at 31 December 2015: 56

Committee(s) served on:
Audit and Compliance Committee (Member/Chairman designate),
Board Risk Committee (Member),
Governance and Nomination Committee (Member).

Academic and professional qualifications:
Bachelor of Accountancy, National University of Singapore and elected a fellow member of the Institute of Singapore Chartered Accountants and Certified Public Accounts, Australia

Directorships in other listed companies held over the preceding three years:
Straits Trading Limited (Director), CapitaMalls Asia Limited (Director) and Hup Soon Global Corporation Limited (Director).

Past key appointments:
Singapore Power Group (CFO).

Directorships in other listed companies:
Olam International Limited (Director), InterOil Corporation (Director), The Straits Trading Company Limited (Director), ARA Asset Management Limited (Director),

Tiger Airways Holdings Limited (Director).

Other principal commitments: NIL

Major appointments (other than Directorships):
Board Member of the Accounting and Corporate Regulatory Authority and a member of the Public Accountants Oversight Committee.

Directorships in other listed companies held over the preceding three years:
CapitaMalls Asia Limited (Director) and Hup Soon Global Corporation Limited (Director).

Past key appointments:
Straits Trading Limited (Director) and Singapore Power Group (CFO).

Marie Elaine Teo

B C CRS

Non-Executive and Independent Director

Date of appointment: 1 December 2015

Date of last rotation: N.A

To retire at AGM 2016 under: Article 109

Age as at 31 December 2015: 49

Committee(s) served on:
Board Risk Committee (Member/Chairman designate),
Capital and Investment Committee (Member),
Corporate Responsibility and Sustainability Committee (Member).

Academic and professional qualifications:
Bachelors of Arts (Honours) in Experimental Psychology,
Oxford University.

Directorships in other listed companies: Nil

Other principal commitments:
Senior Advisor and Partner at the Holdingham Group Ltd..

Major appointments (other than Directorships): Nil

Directorships in other listed companies held over the preceding three years: Nil

Past key appointments: Nil

Katsuhiro Ito

A CRS G

Non-Executive Director

Date of appointment: 1 November 2015

Date of last rotation: N.A.

To retire at AGM 2016 under: Article 109

Age as at 31 December 2015: 56

Committee(s) served on:
Audit and Compliance Committee (Member),
Corporate Responsibility and Sustainability Committee (Member),
Governance and Nomination Committee (Member).

Academic and professional qualifications:
Degree in Economics, Yokohama National University,
Advanced Management Program, Harvard Business School.

Directorships in other listed companies: Nil

Other principal commitments:
Senior Vice President of Mitsubishi Corporation.

Major appointments (other than Directorships): Nil

Directorships in other listed companies held over the preceding three years: Nil

Past key appointments: Nil

Yutaka Kyoya

C B H

Non-Executive Director

Date of appointment: 1 November 2015

Date of last rotation: N.A.

To retire at AGM 2016 under: Article 109

Age as at 31 December 2015: 54

Committee(s) served on:
Capital and Investment Committee (Member),
Board Risk Committee (Member),
Human Resource and Compensation Committee (Member).

Academic and professional qualifications:
Degree in Commerce, Waseda University Tokyo.

Directorships in other listed companies: Nil

Other principal commitments:
Senior Vice President of Mitsubishi Corporation.

Major appointments (other than Directorships): Nil

Directorships in other listed companies held over the preceding three years: Nil

Past key appointments: Nil

Shekhar Anantharaman

C CRS

Executive Director and Group Chief Operating Officer

Date of appointment: 1 April 1998

Date of last rotation: AGM 2014 Article 103

To retire at AGM 2016 under: N.A.

Age as at 31 December 2015: 52

Committee(s) served on:
Capital and Investment Committee (Member),
Corporate Responsibility and Sustainability Committee (Member).

Academic and professional qualification(s):
Bachelor's Degree in Aeronautical Engineering,
Panjab University, India
Postgraduate Degree in Business Management,
Panjab University, India
Advanced Management Program, Harvard Business School.

Directorships in other listed companies: Nil

Other principal commitments: Nil

Major appointments (other than Directorships): Nil

Directorships in other listed companies held over the preceding three years: Nil

Past key appointments: Nil

Our governance framework

The Olam Board of Directors

	Board members	Key objectives
12 Directors: 8 Independent, 2 Non-Executive and 2 Executive Directors **Chairman** **Kwa Chong Seng**	Sunny George Verghese Michael Lim Choo San Robert Michael Tomlin Jean-Paul Pinard Sanjiv Misra Nihal Vijaya Devadas Kaviratne, CBE Yap Chee Keong Marie Elaine Teo Katsuhiro Ito Yutaka Kyoya Shekhar Anantharaman	To provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary resources are in place to meet the Company's objectives; and to review the execution and implementation of long-term strategy plans.

Audit and Compliance Committee (ACC)

	Committee members	Key objectives
4 Independent and 1 Non-Executive Directors **Chairman** **Michael Lim Choo San**	Robert Michael Tomlin Nihal Vijaya Devadas Kaviratne, CBE Katsuhiro Ito Yap Chee Keong	To assist the Board in discharging its statutory and other responsibilities on internal controls, financial and accounting matters, operational and compliance controls, and business and financial risk management policies and systems; and to review and report on the effectiveness of the same.

Board Risk Committee (BRC)

	Committee members	Key objectives
5 Independent, 1 Non-Executive and 1 Executive Directors **Chairman** **Robert Michael Tomlin**	Michael Lim Choo San Sanjiv Misra Yap Chee Keong Marie Elaine Teo Yutaka Kyoya Sunny George Verghese	To review the Group's guidelines, policies and systems for assessing and managing risks; review and recommend risk limits and budgets; review risk exposure reports; identify and evaluate new risks; and review market compliance updates and report to the Board.

Capital and Investment Committee (CIC)

	Committee members	Key objectives
4 Independent, 1 Non-Executive and 2 Executive Directors **Chairman** **Sanjiv Misra**	Kwa Chong Seng Jean-Paul Pinard Marie Elaine Teo Yutaka Kyoya Shekhar Anantharaman Sunny George Verghese	To review and recommend financial strategies, policies, gearing and financial risks, new business risks, and capital structure of the Company; review the Group's capital investment and treasury policies; and evaluate and approve investment policy guidelines and capital expenditure plans.

Corporate Responsibility and Sustainability Committee (CRSC)

	Committee members	Key objectives
4 Independent and 1 Non-Executive and 1 Executive Directors **Chairman** **Jean-Paul Pinard**	Robert Michael Tomlin Nihal Vijaya Devadas Kaviratne, CBE Marie Elaine Teo Katsuhiro Ito Shekhar Anantharaman	To assist the Board in its vision to create value on an ethical, socially responsible and environmentally sustainable basis; and to review the Company's annual Sustainability Report and the Olam Livelihood Charter.

Governance and Nomination Committee (GNC)

	Committee members	Key objectives
3 Independent and 1 Non-Executive Directors **Chairman** **Michael Lim Choo San**	Yap Chee Keong Katsuhiro Ito Kwa Chong Seng	To review the size, skills and composition of the Board to ensure there is adequate representation in respect of issues and challenges; to conduct an annual review of the independence of Directors; and to recommend the appointment and re-appointment of Directors while assessing the effectiveness of the Board and its members.

Human Resource and Compensation Committee (HRCC)

	Committee members	Key objectives
3 Independent and 1 Non-Executive Directors **Chairman** **Kwa Chong Seng**	Jean-Paul Pinard Sanjiv Misra Yutaka Kyoya	To review and guide the Company on executive leadership development, executives' compensation framework and equity-based plans; establish succession plans and oversee the process for evaluating the performance of the Group CEO and key executives; and review and recommend the remuneration framework of fees paid to Non-Executive Directors.

Management Committee

Executive Committee

Sunny Verghese	Vivek Verma	Greg Estep
A. Shekhar	Ashok Krishen	Joe Kenny
Sridhar Krishnan	Ashok Hegde	K. C. Suresh
Jagdish Parihar	V. Srivathsan	
Gerard Manley	Ranveer Chauhan	

Operating Committee

Amit Suri	Mahesh Menon	Ravi Pokhriyal
Anupam Jindel	Mukul Mathur	S. Venkita Padmanabhan
Devashish Chaubey	N. Muthukumar	Stephen Driver
Gagan Gupta	Raja Saoud	Supramaniam R.
Jayant Parande	Rajeev Kadam	Suresh Sundararajan
Joydeep Bose	Ramanarayanan M.	
M. D. Ramesh	Ramesh Sundaresan	

Abhishek Sahai	Jeff Pfalzgraf	Sachin Sachdev
Alain Fredericq	Jeronimo Antonio Pereira	Sameer Kaushal
Alex Tan	Jim Fenn	Sameer Patil
Amit Agrawal	Joe West	Sandeep Daga
Amit Khirbat	Juan Antonio Rivas	Sandeep Hota
Anupam Gupta	Kamesh Ellajosyula	Sandeep Jain
Aravind VR	Kaushal Khanna	Sanjay Sacheti
Arouna Coulibaly	L. G. Moorthy	Sathyamurthy M.
Arun Sharma	Manish Dhawan	Saurabh Mehra
Ashish Govil	Manoj Vashista	Shankar Rao
Azeez Abdul Syed	Manvinder Singh	Sharad Gupta
Bikash Prasad	Michael Smyth	Sivaswami Raghavan
Bob Dall'Alba	Munish Minocha	Sriram Subramanian
Brijesh Krishnaswamy	Naveen Sharma	Sridhar Krishnan
Chris Beetge	Partheeban Theodore	Sumanta De
Chris Brett	Paul Hutchinson	Sunil Agarwal
Chris Thompson	Prakash Jhanwer	Suresh Ramamurthy
Damien Houlahan	Prakash Kanth	Tejinder Saraon
Darshan Raiyani	Premender Sethi	Thiagaraja Manikandan
Dave DeFrank	Raj Kanwar	Thomas Gregersen
David Watkins	Raj Vardhan	Vasanth Subramanian
Deepak Kaul	Rajeev Raina	Vibhu Nath
G. Srinivaskumar	Ranjan Naik	Vinayak Narain
George Joseph	Ray Steitz	Vipan Kumar
Girish Nair	Richard Hedges	Yeong Chye
Hank Gray	Rinus Hemskerk	
Janaky Grant	Rishi Kalra	

Secretaries

Tan Tiang Soon Colin
(Appointed on 31 July 2015)

Yoo Loo Ping
(Resigned on 31 July 2015)

Registered office

9 Temasek Boulevard
#11-02 Suntec Tower Two
Singapore 038989
Telephone: (65) 63394100
Fax: (65) 63399755

Auditor

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner in charge:
Vincent Toong Weng Sum
(since financial year 30 June 2013)

Principal bankers

Australia and New Zealand Banking Group Limited
Banco Bilbao Vizcaya Argentaria S.A
BNP Paribas
Commerzbank AG
Credit Suisse Group AG
DBS Bank Ltd
ING Bank N.V.
JPMorgan Chase Bank, N.A.
National Australia Bank Limited
Natixis
Rabobank International
Standard Chartered Bank
The Bank of Tokyo-Mitsubishi UFJ, Ltd
The Hongkong and Shanghai Banking Corporation Limited
Commonwealth Bank of Australia
Mizuho Bank, Ltd
Westpac Banking Corporation

General information

This General Information is intended to help readers understand the bases of our financial reporting and analysis contained in this Annual Report 2015.

The Company (Olam International Limited) has changed its fiscal year end from 30 June to 31 December. With this change, the Company's fiscal year 2015 (FY15), which began on 1 July 2014, ended on 31 December 2015. Since that date, the Company follows a January to December fiscal year.

As part of the transition to the new fiscal year, pages 20 to 45 of the Annual Report 2015 present an overview of the Company and the Group's (Olam International Limited and its subsidiaries) financial performance for January 2015 to December 2015 against that of the previous corresponding period from January 2014 to December 2014.

Pro-forma historical financial statements (profit and loss statement, balance sheet, abridged cash flow) as well as business and value chain segmental analysis have been re-stated to the new fiscal year basis from January to December between 2012 and 2014 to facilitate analysis. These were announced in May 2015 and are available on our website (olamgroup.com/investor-relations). Some of the key metrics are presented on pages 6 to 9 in this Annual Report.

The audited statutory accounts from pages 86 to 174 present the financial statements and notes for the 18-month fiscal year from 1 July 2014 to 31 December 2015 (FY15) against the preceding 12-month period from 1 July 2013 to 30 June 2014 (FY14). The financial statements presented in this section are therefore not comparable between the two periods.

Business segmentation and reporting

For financial reporting purposes, we organise our 16 business platforms into five segments – Edible Nuts, Spices and Vegetable Ingredients; Confectionery and Beverage Ingredients; Food Staples and Packaged Foods; Industrial Raw Materials; and Commodity Financial Services. The table below shows the distribution of platforms across these five segments.

5 business segments	16 platforms
Edible Nuts, Spices and Vegetable Ingredients	1) Edible Nuts (cashews, peanuts, almonds, hazelnuts and sesame) 2) Spices and Vegetable Ingredients (including pepper, onion, garlic and tomato)
Confectionery and Beverage Ingredients	3) Cocoa 4) Coffee
Food Staples and Packaged Foods	5) Rice 6) Sugar and Natural Sweeteners 7) Grains and Animal Feed (including wheat, corn and barley) 8) Palm 9) Dairy 10) Packaged Foods
Industrial Raw Materials	11) Natural Fibres (cotton) 12) Wood Products 13) Rubber 14) Fertiliser 15) Ag Logistics and Infrastructure
Commodity Financial Services (CFS)	16) Commodity Financial Services (Market-making/volatility trading, risk management solutions and commodity funds management)

In addition, we report our financial performance on the various value chain initiatives across three value chain segments as follows:

3 value chain segments	Value chain activity
Selective upstream	Includes all activities relating to farming (broadacre row crops), plantations (perennial tree crops), dairy farming and forest concessions.
Supply chain	Includes all activities connected with origination and sourcing, primary processing, inland and marine logistics, merchandising, trading, marketing (including value-added services) and risk management of agricultural products, and the CFS platform.
Selective midstream and downstream	Includes all activities relating to secondary processing, contract manufacturing, branded distribution, private label activities and our Ag Logistics and Infrastructure business (Gabon).

EBITDA and EBITDA/IC

One of the strategic priorities identified in the Strategic Plan for 2014-2016 is to promote a better understanding of Olam's business by enhancing stakeholder communication. In order to track and measure progress against our targets as stated in the Strategic Plan, we have introduced two key financial metrics since 2013 – Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and EBITDA on average Invested Capital (EBITDA/IC), presented for the Group as well as across business segments and value chain segments.

Absolute EBITDA as a metric is a good indicator to track our progress towards our goal of generating free cash flows on a sustainable basis. EBITDA/IC provides better visibility of the link between the growth in earnings (as reflected by the growth in EBITDA) and the capital invested in each business segment and value chain segment. As Invested Capital captures both the fixed and working capital directly attributed to the business segments and value chain segments, EBITDA/IC is a close proxy for Return on Invested Capital (ROIC).

To facilitate the comparison of financial performance against prior years, EBITDA and EBITDA/IC are presented for the periods from 2012 to 2015.

Definitions of key financial metrics

The definitions for the key financial metrics are as follows:

Sales volume: There are no associated volumes for the Ag Logistics and Infrastructure and Commodity Financial Services platforms.

Revenue: Sale of goods and services.

Other income: Includes sale of scrap materials, commissions and claims income and fair value gain on investments held for trading. Negative goodwill, gain on sale of assets and other non-recurring items are classified as Exceptional Items.

Cost of sales: Cost of goods sold, shipping and logistics, commissions and claims expenses and the net measurement of derivative assets.

Overhead expenses: Employee benefit costs, manufacturing overheads, travel expenses and other direct expenses.

Other operating expenses: Unrealised foreign exchange gain/loss and other expenses.

Net changes in fair value of biological assets: Includes only operational changes in the fair value of biological assets. Non-operational changes (arising due to changes in the fair value model) are classified as Exceptional Items.

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation, which includes minority interest and excludes Exceptional Items.

Exceptional items: One-off, non-recurring items, including negative goodwill and related transaction costs, gain/loss on sale of assets/business, gain/loss on buy-back of bonds, impairment loss, non-operational gain/loss from changes in fair value of biological assets, finance charges on pre-payment of loans and non-recurring business restructuring expenses. Tax expenses associated with these items are also presented as Exceptional Items.

Operational PATMI: Profit After Tax and Minority Interest excluding Exceptional Items.

Invested capital (IC): Excludes cash and bank balances, deferred tax assets, fixed deposits, other current/non-current assets (other than option premiums payable/receivable) and fair value of derivative assets on bonds.

EBITDA/IC: EBITDA on average Invested Capital based on beginning and end-of-period invested capital.

Net gearing: Ratio of net debt (gross debt less cash) to equity (before fair value adjustment reserves).

Free cash flow to firm (FCFF): Operating cash flow less changes in working capital, cash taxes, capital expenditures and investments.

Free cash flow to equity (FCFE): FCFF less net interest paid.

Note: Due to rounding, some numbers presented in this Annual Report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Disclaimer

Certain sections of our Annual Report 2015 have been audited. The sections that have been audited are set out on pages 86 to 175. Readers should note that legislation in Singapore governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Except where you are a shareholder, this material is provided for information only and is not, in particular, intended to confer any legal rights on you. This Annual Report does not constitute an invitation to invest in the Company's shares. Any decision you make relying on this information is solely your responsibility. The information given is as of the dates specified, is not updated and any forward-looking statement is made subject to the reservation specified in the following paragraph.

Cautionary statement

This document may contain forward-looking statements. Words such as 'expect', 'anticipate', 'intend' or the negative use of these terms and other similar expressions of future performance or results and their negatives are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual reports to differ materially from those expressed or implied by these forward-looking statements, including among others, competitive pricing and activity, demand levels for the products that we supply, cost variances, the ability to maintain and manage key supplier and customer relationships, supply chain sources, currency values, interest rates, the ability to integrate acquisitions and complete planned divestitures, physical risks, environmental risks, the ability to manage regulatory, tax and legal matters and resolve pending matters within current estimates, legislative, fiscal and regulatory developments, political, economic and social conditions in the geographic markets where the Group operates and new or changed priorities of the Company's or its subsidiaries' Boards. Further details of potential risks and uncertainties affecting the Group are updated in the Group's Offering Circular on its US$5.0 billion Euro Medium Term Note Programme dated 21 August 2015.

These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revision to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Annual financial statements

Rice outgrower programme, Nigeria

In this section

Annual financial statements

Shareholder information

During the period, the Company changed its financial year end from 30 June to 31 December. Accordingly, these financial statements cover the financial year from 1 July 2014 to 31 December 2015. The comparatives cover the financial year from 1 July 2013 to 30 June 2014.

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Olam International Limited (the 'Company') and its subsidiary companies (the 'Group') and the balance sheet and statement of changes in equity of the Company for the financial year from 1 July 2014 to 31 December 2015.

1. Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheets and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity of the Group and of the Company, and cash flows of the Group for the financial year from 1 July 2014 to 31 December 2015 then 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.

2. Directors

The directors of the Company in office at the date of this statement are:-

Kwa Chong Seng	(Appointed on 1 October 2014)
Sunny George Verghese	
Michael Lim Choo San	
Robert Michael Tomlin	
Jean-Paul Pinard	
Sanjiv Misra	
Nihal Vijaya Devadas Kaviratne, CBE	(Appointed on 1 October 2014)
Yap Chee Keong	(Appointed on 1 December 2015)
Marie Elaine Teo	(Appointed on 1 December 2015)
Yutaka Kyoya	(Appointed on 1 November 2015)
Katsuhiro Ito	(Appointed on 1 November 2015)
Shekhar Anantharaman	

In accordance with the Company's Articles of Association, Sunny George Verghese and Nihal Vijaya Devadas Kaviratne, CBE will retire under Article 103 and Yap Chee Keong, Marie Elaine Teo, Katsuhiro Ito and Yutaka Kyoya, will retire under Article 109 and being eligible, offer themselves for re-election.

3. 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 from 1 July 2014 to 31 December 2015 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.

4. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of directors	Held in the name of the director or nominee: As at 1.7.2014 or date of appointment, if later	As at 31.12.2015	As at 21.1.2016	Deemed interest: As at 1.7.2014 or date of appointment, if later	As at 31.12.2015	As at 21.1.2016
The Company						
Olam International Limited						
(a) Ordinary shares						
Kwa Chong Seng	420,000	420,000	420,000	–	–	–
Sunny George Verghese	111,646,477	111,646,477	111,646,477	–	–	–
Shekhar Anantharaman	12,619,672 [1]	12,619,672 [1]	12,619,672 [1]	–	–	–
Robert Michael Tomlin	200,000	200,000	200,000	–	–	–
Michael Lim Choo San	200,000	200,000	200,000	–	–	–
(b) $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						
Jean-Paul Pinard	$250,000	$250,000	$250,000	–	–	–
(c) US$500,000,000 6.0% Convertible Bonds due 2016 ('Convertible Bonds') issued in denominations of US$100,000						
Robert Michael Tomlin [2]	US$500,000	–	–	–	–	–
(d) US$750,000,000 6.75% Bonds due 2018 ('Bonds') issued in denominations of US$1.00 each						
Sunny George Verghese	US$34,945,346	–	–	–	–	–
Robert Michael Tomlin [2]	US$183,000	–	–	–	–	–
Michael Lim Choo San	US$563,000	–	–	–	–	–
(e) 397,826,160 Warrants issued at an exercise price of US$1.25 for each new share [3]						
Kwa Chong Seng	35,000	36,594	36,594	–	–	–
Sunny George Verghese	18,575,086	19,421,192	19,421,192	–	–	–
Shekhar Anantharaman	2,567,500	2,684,452	2,684,452	–	–	–
Robert Michael Tomlin [2]	1,027,000	1,073,781	1,073,781	–	–	–
Michael Lim Choo San	299,884	313,544	313,544	–	–	–
Jean-Paul Pinard	718,900	751,647	751,647	–	–	–
(f) Euro Medium Term Note Programme						
Nihal Vijaya Devadas Kaviratne, CBE [4]	US$200,000	US$200,000	US$200,000	–	–	–
(g) Options to subscribe for ordinary shares						
Sunny George Verghese	15,000,000	15,000,000	15,000,000	–	–	–
Shekhar Anantharaman	5,000,000	5,000,000	5,000,000	–	–	–
Subsidiaries of the Company's holding company						
Temasek Group of companies						
(a) Cityspring Infrastructure Management Pte. Ltd.						
(Unit holdings in Keppel Infrastructure Trust)						
Sunny George Verghese	400,000	400,000	400,000	–	–	–

4. Directors' interests in shares and debentures continued

	Held in the name of the Director or nominee			Deemed interest		
Name of directors	As at 1.7.2014 or date of appointment, if later	As at 31.12.2015	As at 21.1.2016	As at 1.7.2014 or date of appointment, if later	As at 31.12.2015	As at 21.1.2016
Subsidiaries of the Company's holding company continued						
Temasek Group of companies continued						
(b) Mapletree Commercial Trust Management Ltd.						
(Unit holdings in Mapletree Commercial Trust)						
Michael Lim Choo San	150,000	150,000	150,000	–	–	–
(3.25% Bonds Maturity 3 February 2023)						
Yap Chee Keong [5]	250,000	250,000	250,000	–	–	–
(c) Mapletree Logistics Trust Management Ltd.						
(Perpetual Securities in Mapletree Logistics Trust)						
Michael Lim Choo San	250,000	250,000	250,000	–	–	–
(d) Singapore Telecommunications Limited						
(Ordinary Shares)						
Sanjiv Misra	23,560	23,560	23,560	–	–	–
(e) Mapletree Greater China Commercial Trust Management Ltd.						
(Unit holdings in Mapletree Greater China Commercial Trust)						
Sanjiv Misra	382,215	382,215	382,215	–	–	–
(f) Starhub Ltd						
(Ordinary Shares)						
Nihal Vijaya Devadas Kaviratne, CBE	15,000	15,000	15,000			
Sanjiv Misra	60,000	60,000	60,000	–	–	–
(g) Singapore Airlines Limited						
(Ordinary Shares)						
Sanjiv Misra	38,090	38,090	38,090	–	–	–
(h) Temasek Financial Ltd						
(2.375% Bonds due 23 Jan 2023)						
Sanjiv Misra [6]	US$500,000	US$500,000	US$500,000	–	–	–

1. A total of 1,418,826 shares ('the Trust Shares') were jointly registered in the name of Sridhar Krishnan, Shekhar Anantharaman and Joydeep Bose ('the Trustees') and were held in trust for the management (including the directors) and the employees of the Group pursuant to the Olam International Limited Employee Share Subscription Scheme 2004.
2. The interests in the Convertible Bonds, Bonds and Warrants are registered in the name of Robert Michael Tomlin and his spouse.
3. 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'). The 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 2016 to 28 January 2018. In the current financial year, as a result of the payment of the first and final dividend and a special silver jubilee dividend in respect of the financial year ended 30 June 2014, the Company announced the issuance of 12,333,258 additional warrants and the exercise price was adjusted to US$1.21. Furthermore, as a result of the payment of interim dividend, the exercise price was reduced to US$1.19 and an additional 5,789,345 warrants were listed resulting in a total of 415,948,763 warrants outstanding as at 31 December 2015.
4. This refers to the Notes issued under Series 006 of the US$5,000,000,0000 Euro Medium Tem Note Programme ("EMTN") established by the Company on 6 July 2012 and subsequently updated on 14 July 2014 and 21 August 2015, comprising US$300,000,000 in principal amount of 4.50% fixed rate notes due 2020.
5. Jointly held by Yap Chee Keong and spouse.
6. Held in trust by Windsor Castle Holding Ltd for Sanjiv Misra and spouse.

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.

5. Directors' contractual benefits

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, except as disclosed in the accompanying financial statements and in this report.

6. Olam employee share option scheme and Olam share grant plan

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.

Pursuant to the voluntary conditional cash offer by Breedens International Pte Ltd approval was sought and granted on 8 April 2014 such that all outstanding options which have not been exercised at the expiry of the accelerated exercise period shall not automatically lapse and become null and void but will expire in accordance with their original terms.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS outstanding as at 31 December 2015 are as follows:-

Expiry date	Exercise price ($)	Number of options
21 July 2019	2.28	34,105,000
17 February 2020	2.35	15,000,000
23 July 2020	2.64	3,425,000
17 December 2020	3.10	780,000
14 March 2021	2.70	1,355,000
30 December 2021	2.16	2,910,000
15 June 2022	1.76	16,842,000
Total		**74,417,000**

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
Sunny George Verghese	–	–	15,000,000	–	15,000,000
Shekhar Anantharaman	–	–	5,000,000	–	5,000,000

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 1,750,000 options granted to Shekhar Anantharaman in financial year 2010 are exercisable in tranches of 25% and 75% at the end of the third anniversary and fourth anniversary from the date of grant (21 July 2009) at the exercise price of $2.28 if the vesting conditions are met. The 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.

6. Olam employee share option scheme and Olam share grant plan continued

Olam Share Grant Plan

The Company had adopted the Olam Share Grant Plan ('OSGP') at the 2014 Annual General Meeting. The OSGP involves the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. Any performance targets set under the OSGP are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth.

The OSGP helps retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees and executive directors of the Group who have contributed to the growth of the Group. The OSGP gives participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

– motivate participants to optimise their performance standards and efficiency, maintain a high level of contribution to the Group and strive to deliver long-term shareholder value;
– align the interests of employees with the interests of the Shareholders of the Company;
– retain key employees and executive directors of the Group whose contributions are key to the long-term growth and profitability of the Group;
– instill loyalty to, and a stronger identification by employees with the long-term prosperity of, the Company; and
– attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders of the Company.

In accordance to Rule 704(29) of the Listing Manual of the Singapore Exchange Securities Trading Limited, pursuant to the Company's OSGP the Company issued interest in ordinary shares on 7 April 2015 as follows:-

Date of Grant	7 April 2015
Number of Shares which are subject of the Awards granted(*)	11,817,500
Number of Employees receiving Shares Awards	280
Market Value of Olam Shares on the Date of Grant	$1.985
Number of Shares awarded Granted to Directors and Controlling Shareholders (and their Associates) of the Company, if any.	Mr Sunny Verghese 400,000
	Mr Shekhar Anantharaman 250,000
Vesting Date of Shares awarded	April 2018

The actual number of shares to be delivered pursuant to the Award granted will range from 0% to 192.5% of the base award and is contingent on the achievement of pre-determined targets set out in the three year performance period and other terms and conditions being met.

As at the date of this report, the ESOS and OSGP are administered by the Human Resource and Compensation Committee ('HRCC'), which comprises the following directors:-

Kwa Chong Seng (Appointed on 1 October 2014)
Yutaka Kyoya (Appointed on 1 November 2015)
Jean-Paul Pinard
Sanjiv Misra

Apart from that which is disclosed above, no directors or employees of the Group received 5% or more of the total number of options/shares available under the ESOS/OSGP.

The options/shares 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/shares granted from commencement of ESOS/OSGP to the financial year end under review.

There were no options/shares granted at a discount.

There were no options/shares granted to controlling shareholders of the Company and their associates.

7. Audit and Compliance Committee

The Audit and Compliance Committee (the 'ACC') comprises five Independent Directors and a Non-Executive Director. The members of the ACC are Michael Lim Choo San (Chairman), Katsuhiro Ito (Appointed on 1 November 2015), Robert Michael Tomlin, and Nihal Vijaya Devadas Kaviratne, CBE (Appointed on 1 October 2014) and Yap Chee Keong (Appointed on 1 December 2015). The ACC performed the functions specified in section 201B(5) 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 recommendations to the Board of Directors in relation to the external auditor's reappointment 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.

8. Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as independent auditor.

On behalf of the board of directors,

Kwa Chong Seng

Kwa Chong Seng
Director

Sunny G. Verghese

Sunny George Verghese
Director
21 March 2016

Independent Auditor's Report

To the Members of Olam International Limited
For the financial year from 1 July 2014 to 31 December 2015

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 93 to 174, which comprise the balance sheets of the Group and the Company as at 31 December 2015, the statements of changes in equity of the Group and the Company and the consolidated profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year from 1 July 2014 to 31 December 2015, 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 financial statements 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of 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 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 financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year from 1 July 2014 to 31 December 2015.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst&Young LLP

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore

21 March 2016

Consolidated Profit and Loss Accounts

For the financial year from 1 July 2014 to 31 December 2015

	Note	Group 1 July 2014 to 31 December 2015 $'000	Group 1 July 2013 to 30 June 2014 $'000
Sale of goods and services	4	28,230,586	19,421,802
Other income	5	142,237	452,391
Cost of goods sold	6	(25,045,117)	(17,481,766)
Net (loss)/gain from changes in fair value of biological assets	12	(86,762)	14,168
Depreciation and amortisation	10, 11	(341,977)	(215,577)
Other expenses	7	(1,877,463)	(940,583)
Finance income		49,992	14,399
Finance costs	8	(835,733)	(519,240)
Share of results from jointly controlled entities and associates	14	2,285	2,187
Profit before taxation		238,048	747,781
Income tax expense	9	(141,577)	(106,509)
Profit for the financial year		96,471	641,272
Attributable to:			
Owners of the Company		98,723	608,488
Non-controlling interests		(2,252)	32,784
		96,471	641,272
Earnings per share attributable to owners of the Company (cents)			
Basic	25	2.94	24.65
Diluted	25	2.83	24.21

Consolidated Statement of Comprehensive Income

For the financial year from 1 July 2014 to 31 December 2015

	Group	
	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000
Profit for the financial year	96,471	641,272
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net loss on fair value changes during the financial year	(189,049)	(8,248)
Reclassification of fair value changes from equity to profit and loss account (Note 15)	192,612	–
Recognised in the profit and loss account on occurrence of hedged transactions	(51,290)	21,218
Foreign currency translation adjustments	92,850	(75,393)
Share of other comprehensive income of jointly controlled entities and associates	(12,839)	10,255
Other comprehensive income for the year, net of tax	32,284	(52,168)
Total comprehensive income for the year	128,755	589,104
Attributable to:		
Owners of the Company	126,076	553,501
Non-controlling interests	2,679	35,603
	128,755	589,104

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 31 December 2015

		Group		Company	
	Note	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Non-current assets					
Property, plant and equipment	10	3,366,434	3,143,886	19,172	1,788
Intangible assets	11	809,321	648,758	37,667	34,680
Biological assets	12	1,386,654	1,108,162	–	–
Subsidiary companies	13	–	–	4,906,023	2,555,084
Deferred tax assets	9	62,219	22,983	2,622	893
Investments in jointly controlled entities and associates	14	898,895	835,393	740,663	684,254
Long-term investments	15	269,207	407,685	257,146	393,976
Other non-current assets	21	557,005	23,148	–	–
		7,349,735	6,190,015	5,963,293	3,670,675
Current assets					
Amounts due from subsidiary companies	16	–	–	1,789,599	1,783,155
Trade receivables	17	1,495,246	1,613,223	447,430	650,185
Margin accounts with brokers	18	189,724	225,499	122,589	140,600
Inventories	19	6,691,668	4,685,698	827,397	805,045
Advance payments to suppliers	20	714,972	706,652	128,680	207,495
Advance payments to subsidiary companies	20	–	–	3,084,849	2,055,652
Cash and short-term deposits	33	2,143,172	1,590,075	1,418,255	1,183,019
Derivative financial instruments	35	783,864	554,617	442,400	290,986
Other current assets	21	1,423,973	740,814	173,144	129,546
		13,442,619	10,116,578	8,434,343	7,245,683
Current liabilities					
Trade payables and accruals	22	(1,753,711)	(1,587,626)	(505,829)	(665,288)
Borrowings	24	(5,512,179)	(4,503,756)	(4,212,428)	(2,976,945)
Derivative financial instruments	35	(540,094)	(382,163)	(368,303)	(193,811)
Provision for taxation	9	(82,030)	(80,213)	(17,289)	(31,104)
Other current liabilities	23	(444,705)	(428,322)	(107,873)	(99,702)
		(8,332,719)	(6,982,080)	(5,211,722)	(3,966,850)
Net current assets		5,109,900	3,134,498	3,222,621	3,278,833
Non-current liabilities					
Deferred tax liabilities	9	(318,816)	(266,035)	–	–
Borrowings	24	(6,781,736)	(4,836,150)	(4,818,091)	(3,692,824)
		(7,100,552)	(5,102,185)	(4,818,091)	(3,692,824)
Net assets		5,359,083	4,222,328	4,367,823	3,256,684
Equity attributable to owners of the Company					
Share capital	26	3,082,499	2,162,642	3,082,499	2,162,642
Treasury shares	26	(96,081)	(96,081)	(96,081)	(96,081)
Perpetual capital securities	26	237,525	237,379	237,525	237,379
Reserves		1,894,567	1,896,246	1,143,880	952,744
		5,118,510	4,200,186	4,367,823	3,256,684
Non-controlling interests		240,573	22,142	–	–
Total equity		5,359,083	4,222,328	4,367,823	3,256,684

Statements of Changes in Equity

For the financial year from 1 July 2014 to 31 December 2015

31 December 2015 Group	Attributable to owners of the Company Share capital (Note 26) $'000	Treasury shares (Note 26) $'000	Perpetual capital securities (Note 26) $'000	Capital reserves[1] $'000	Foreign currency translation reserves[2] $'000	Fair value adjustment reserves[3] $'000	Share-based compensation reserves[4] $'000	Revenue reserves $'000	Total reserves $'000	Total $'000	Total non-controlling interests $'000	Total equity $'000
At 1 July 2014	2,162,642	(96,081)	237,379	142,525	(450,137)	(60,204)	99,846	2,164,216	1,896,246	4,200,186	22,142	4,222,328
Profit for the financial year	–	–	–	–	–	–	–	98,723	98,723	98,723	(2,252)	96,471
Other comprehensive income												
Net loss on fair value changes during the financial year	–	–	–	–	–	(189,049)	–	–	(189,049)	(189,049)	–	(189,049)
Reclassification of fair value changes from equity to profit and loss account (Note 15)	–	–	–	–	–	192,612	–	–	192,612	192,612	–	192,612
Net gain on fair value changes during the financial year	–	–	–	–	–	3,563	–	–	3,563	3,563	–	3,563
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	–	–	(51,290)	–	–	(51,290)	(51,290)	–	(51,290)
Foreign currency translation adjustments	–	–	–	–	87,919	–	–	–	87,919	87,919	4,931	92,850
Share of other comprehensive income of jointly controlled entities and associates	–	–	–	–	(12,839)	–	–	–	(12,839)	(12,839)	–	(12,839)
Other comprehensive income for the financial year, net of tax	–	–	–	–	75,080	(47,727)	–	–	27,353	27,353	4,931	32,284
Total comprehensive income for the year	–	–	–	–	75,080	(47,727)	–	98,723	126,076	126,076	2,679	128,755
Contributions by and distributions to owners												
Issue of shares for cash (Note 26)	915,000	–	–	–	–	–	–	–	–	915,000	–	915,000
Issue of shares on exercise of share options (Note 26)	4,857	–	–	–	–	–	–	–	–	4,857	–	4,857
Share-based expense	–	–	–	–	–	–	6,392	–	6,392	6,392	–	6,392
Dividends on ordinary shares (Note 27)	–	–	–	–	–	–	–	(247,297)	(247,297)	(247,297)	–	(247,297)
Accrued capital securities distribution	–	–	24,972	–	–	–	–	(24,972)	(24,972)	–	–	–
Payment of capital securities distribution	–	–	(24,826)	–	–	–	–	–	–	(24,826)	–	(24,826)
Total contributions by and distributions to owners	919,857	–	146	–	–	–	6,392	(272,269)	(265,877)	654,126	–	654,126
Changes in ownership interests in subsidiaries												
Capital injection from non-controlling interest (Note 13)	–	–	–	31,913 [1]	–	–	–	–	31,913	31,913	102,904	134,817
Partial divestment of subsidiary (Note 13)	–	–	–	106,209 [2]	–	–	–	–	106,209	106,209	112,848	219,057
Total changes in ownership interests in subsidiaries	–	–	–	138,122	–	–	–	–	138,122	138,122	215,752	353,874
Total transactions with owners in their capacity as owners	919,857	–	146	138,122	–	–	6,392	(272,269)	(127,755)	792,248	215,752	1,008,000
At 31 December 2015	3,082,499	(96,081)	237,525	280,647	(375,057)	(107,931)	106,238	1,990,670	1,894,567	5,118,510	240,573	5,359,083

1. During the year, the completion of the dilution exercise of the Company's stake in both Olam Palm Gabon SA and Olam Rubber Gabon SA resulted in a gain of $31,913,000 that has been recorded to capital reserves in the statement of changes in equity (Note 13).
2. During the year, the completion of the sale of 25.0% stake in Olam's Packaged Foods business to Sanyo Foods Co. Ltd. resulted in a gain of $106,209,000 that has been recorded to capital reserves in the statement of changes in equity (Note 13).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

30 June 2014 Group	Share capital (Note 26) $'000	Treasury shares (Note 26) $'000	Perpetual capital securities (Note 26) $'000	Capital reserves [1] $'000	Foreign currency translation reserves [2] $'000	Fair value adjustment reserves [3] $'000	Share-based compensation reserves [4] $'000	Revenue reserves $'000	Total reserves $'000	Total $'000	Total non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company											
At 1 July 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
Profit for the financial year	–	–	–	–	–	–	–	608,488	608,488	608,488	32,784	641,272
Other comprehensive income												
Net loss on fair value changes during the financial year	–	–	–	–	–	(8,248)	–	–	(8,248)	(8,248)	–	(8,248)
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	–	–	21,218	–	–	21,218	21,218	–	21,218
Foreign currency translation adjustments	–	–	–	–	(78,212)	–	–	–	(78,212)	(78,212)	2,819	(75,393)
Share of other comprehensive income of jointly controlled entities and associates	–	–	–	3,648	6,607	–	–	–	10,255	10,255	–	10,255
Other comprehensive income for the financial year, net of tax	–	–	–	3,648	(71,605)	12,970	–	–	(54,987)	(54,987)	2,819	(52,168)
Total comprehensive income for the year	–	–	–	3,648	(71,605)	12,970	–	608,488	553,501	553,501	35,603	589,104
Contributions by and distributions to owners												
Buy-back of capital securities	–	–	(38,552)	2,341	–	–	–	–	2,341	(36,211)	–	(36,211)
Issue of shares on exercise of share options (Note 26)	85,604	–	–	–	–	–	–	–	–	85,604	–	85,604
Share-based expense	–	–	–	–	–	–	9,535	–	9,535	9,535	–	9,535
Dividends on ordinary shares (Note 27)	–	–	–	–	–	–	–	(99,302)	(99,302)	(99,302)	–	(99,302)
Accrued capital securities distribution	–	–	17,994	–	–	–	–	(17,994)	(17,994)	–	–	–
Payment of capital securities distribution	–	–	(19,002)	–	–	–	–	–	–	(19,002)	–	(19,002)
Total contributions by and distributions to owners	85,604	–	(39,560)	2,341	–	–	9,535	(117,296)	(105,420)	(59,376)	–	(59,376)
Changes in ownership interests in subsidiaries												
Sale of minority interest in subsidiary	–	–	–	14,201	–	–	–	–	14,201	14,201	10,879	25,080
Disposal of subsidiary company	–	–	–	–	–	–	–	–	–	–	(156,208)	(156,208)
Total changes in ownership interests in subsidiaries	–	–	–	14,201	–	–	–	–	14,201	14,201	(145,329)	(131,128)
Total transactions with owners in their capacity as owners	85,604	–	(39,560)	16,542	–	–	9,535	(117,296)	(91,219)	(45,175)	(145,329)	(190,504)
At 30 June 2014	2,162,642	(96,081)	237,379	142,525	(450,137)	(60,204)	99,846	2,164,216	1,896,246	4,200,186	22,142	4,222,328

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity continued

For the financial year from 1 July 2014 to 31 December 2015

31 December 2015 Company	Attributable to owners of the Company									
	Share capital (Note 26) $'000	Treasury shares (Note 26) $'000	Perpetual capital securities (Note 26) $'000	Capital reserves [1] $'000	Foreign currency translation reserves [2] $'000	Fair value adjustment reserves [3] $'000	Share-based compensation reserves [4] $'000	Revenue reserves $'000	Total reserves $'000	Total $'000
At 1 July 2014	2,162,642	(96,081)	237,379	140,486	(266,611)	(67,116)	99,846	1,046,139	952,744	3,256,684
Profit for the financial year	–	–	–	–	–	–	–	55,467	55,467	55,467
Other comprehensive income										
Net gain on fair value changes during the financial year	–	–	–	–	–	10,481	–	–	10,481	10,481
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	–	–	(51,290)	–	–	(51,290)	(51,290)
Foreign currency translation adjustments	–	–	–	–	442,355	–	–	–	442,355	442,355
Other comprehensive income for the financial year, net of tax	–	–	–	–	442,355	(40,809)	–	–	401,546	401,546
Total comprehensive income for the year	–	–	–	–	442,355	(40,809)	–	55,467	457,013	457,013
Contributions by and distributions to owners										
Issue of shares for cash (Note 26)	915,000	–	–	–	–	–	–	–	–	915,000
Issue of shares on exercise of share options (Note 26)	4,857	–	–	–	–	–	–	–	–	4,857
Share-based expense	–	–	–	–	–	–	6,392	–	6,392	6,392
Dividends on ordinary shares (Note 27)	–	–	–	–	–	–	–	(247,297)	(247,297)	(247,297)
Accrued capital securities distribution	–	–	24,972	–	–	–	–	(24,972)	(24,972)	–
Payment of capital securities distribution	–	–	(24,826)	–	–	–	–	–	–	(24,826)
Total contributions by and distributions to owners	919,857	–	146	–	–	–	6,392	(272,269)	(265,877)	654,126
Total transactions with owners in their capacity as owners	919,857	–	146	–	–	–	6,392	(272,269)	(265,877)	654,126
At 31 December 2015	3,082,499	(96,081)	237,525	140,486	175,744	(107,925)	106,238	829,337	1,143,880	4,367,823

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

30 June 2014 Company	Share capital (Note 26) $'000	Treasury shares (Note 26) $'000	Perpetual capital securities (Note 26) $'000	Capital reserves [1] $'000	Foreign currency translation reserves [2] $'000	Fair value adjustment reserves [3] $'000	Share-based compensation reserves [4] $'000	Revenue reserves $'000	Total reserves $'000	Total $'000
	Attributable to owners of the Company									
At 1 July 2013	2,077,038	(96,081)	276,939	138,145	(214,795)	(74,818)	90,311	652,100	590,943	2,848,839
Profit for the financial year	–	–	–	–	–	–	–	511,335	511,335	511,335
Other comprehensive income										
Net loss on fair value changes during the financial year	–	–	–	–	–	(13,061)	–	–	(13,061)	(13,061)
Recognised in the profit and loss account on occurrence of hedged transactions	–	–	–	–	–	20,763	–	–	20,763	20,763
Foreign currency translation adjustments	–	–	–	–	(51,816)	–	–	–	(51,816)	(51,816)
Other comprehensive income for the financial year, net of tax	–	–	–	–	(51,816)	7,702	–	–	(44,114)	(44,114)
Total comprehensive income for the year	–	–	–	–	(51,816)	7,702	–	511,335	467,221	467,221
Contributions by and distributions to owners										
Buy-back of capital securities	–	–	(38,552)	2,341	–	–	–	–	2,341	(36,211)
Issue of shares on exercise of share options (Note 26)	85,604	–	–	–	–	–	–	–	–	85,604
Share-based expense	–	–	–	–	–	–	9,535	–	9,535	9,535
Dividends on ordinary shares (Note 27)	–	–	–	–	–	–	–	(99,302)	(99,302)	(99,302)
Accrued capital securities distribution	–	–	17,994	–	–	–	–	(17,994)	(17,994)	–
Payment of capital securities distribution	–	–	(19,002)	–	–	–	–	–	–	(19,002)
Total contributions by and distributions to owners	85,604	–	(39,560)	2,341	–	–	9,535	(117,296)	(105,420)	(59,376)
Total transactions with owners in their capacity as owners	85,604	–	(39,560)	2,341	–	–	9,535	(117,296)	(105,420)	(59,376)
At 30 June 2014	2,162,642	(96,081)	237,379	140,486	(266,611)	(67,116)	99,846	1,046,139	952,744	3,256,684

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1 Capital reserves

Capital reserves represent the premium paid and discounts on acquisition of non-controlling interests, gain on partial disposal of subsidiary which did not result in loss of control, 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 26).

2 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.

3 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 as well as fair value changes of available-for-sale financial assets.

4 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.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

For the financial year from 1 July 2014 to 31 December 2015

	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000
Cash flows from operating activities		
Profit before taxation	238,048	747,781
Adjustments for:-		
Allowance for doubtful debts	47,991	16,749
Amortisation of intangible assets and depreciation of property, plant and equipment	341,977	215,577
Share-based expense	6,392	9,535
Accelerated amortisation of facility fees	–	21,103
Fair value of biological assets (Note 12)	86,762	(14,168)
Gain on disposal of subsidiaries, net	–	(18,785)
Loss on partial disposal of associate	–	595
Gain on disposal of property, plant and equipment, net	(25,359)	(105,632)
Biological assets written off (Note 12)	–	25,926
Impairment of property, plant and equipment/written off	4,115	355
Impairment of property, plant and equipment, goodwill and intangible assets	2,664	26,571
Interest income	(49,992)	(14,399)
Interest expense	835,733	519,240
Inventories written down, net	13,389	23,688
Net measurement of derivative instruments	(4,220)	(4,488)
Gain on remeasurement of investments to fair value upon ceasing equity accounting (Note 5)	–	(271,022)
Reclassification of fair value changes from equity to profit and loss account	192,612	–
Share of results from jointly controlled entities and associates	(2,285)	(2,187)
Loss/(gain) on bond buy-back	18,060	(957)
Operating cash flows before reinvestment in working capital	1,705,887	1,175,482
Increase in inventories	(1,019,243)	(152,951)
(Increase)/decrease in receivables and other current assets	(443,772)	346,131
Increase in advance payments to suppliers	(3,950)	(156,533)
Decrease/(increase) in margin account with brokers	53,473	(233,519)
Increase/(decrease) in payables and other current liabilities	21,011	(747,650)
Cash flows from operations	313,406	230,960
Interest income received	49,992	14,399
Interest expense paid	(715,286)	(490,314)
Tax paid	(166,861)	(53,724)
Net cash flows used in operating activities	(518,749)	(298,679)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	121,904	309,077
Purchase of property, plant and equipment (Note 10)	(565,944)	(567,546)
Purchase of intangibles (Note 11)	(11,739)	(13,217)
Acquisition of subsidiaries, net of cash acquired (Note 11)	(1,958,778)	–
Disposal of subsidiaries, net of cash disposed of	–	(3,162)
Net proceeds from associates and jointly controlled entities	38,368	43,812
Proceeds on disposal of intangible asset	11	–
Capital injection from non-controlling interests	23,681	25,080
Proceeds from sale of partial divestment in subsidiary	219,040	–
Net cash flows used in investing activities	(2,133,457)	(205,956)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement continued

For the financial year from 1 July 2014 to 31 December 2015

	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000
Cash flows from financing activities		
Dividends paid on ordinary shares by the Company	(247,297)	(99,302)
Proceeds from borrowings, net	4,008,021	570,269
Proceeds from issuance of shares on exercise of share options	4,857	85,604
Payment of capital securities distribution	(24,826)	(19,002)
Proceeds from issuance of shares for cash	915,000	–
Payment for bond buy-back, capital securities	(1,451,581)	(36,211)
Net cash flows from financing activities	3,204,174	501,358
Net effect of exchange rate changes on cash and cash equivalents	118,521	(33,983)
Net increase/(decrease) in cash and cash equivalents	670,489	(37,260)
Cash and cash equivalents at beginning of period	1,248,272	1,285,532
Cash and cash equivalents at end of period (Note 33)	1,918,761	1,248,272

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

These notes form an integral part of the financial statements.

The financial statements for the financial year from 1 July 2014 to 31 December 2015 were authorised for issue by the Board of Directors on 21 March 2016.

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 Company's ultimate holding company is Temasek Holdings (Private) Limited, a company incorporated in Singapore.

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 and principal place of business of the Company is at 9 Temasek Boulevard, #11-02 Suntec Tower Two, Singapore 038989.

During the period, the Company changed its financial year end from 30 June to 31 December. Accordingly, these financial statements cover the financial year from 1 July 2014 to 31 December 2015. The comparatives cover the financial year from 1 July 2013 to 30 June 2014.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet 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 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	Effective for financial year beginning on
Improvements to FRSs (November 2014)	
– Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
– Amendments to FRS 107 Financial Instruments	1 January 2016
– Amendments to FRS 19 Employee Benefits	1 January 2016
FRS 114 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27 Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets	1 January 2016
Amendments to FRS 16 Property, Plant and Equipment and FRS 41 Agriculture	1 January 2016
Amendments to FRS 111 Accounting for Acquisition of Interests in Joint Operations	1 January 2016
Amendments to FRS 1: Disclosure Initiative	1 January 2016
Amendments to FRS 110 and FRS 28: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018

Except for Amendments to FRS 16 and FRS 41, FRS 115 and FRS 109, the directors expect that the adoption of the other 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 Amendments to FRS 16 and FRS 41, FRS 115 and FRS 109 are described below.

2. Summary of significant accounting policies continued

2.2 Standards issued but not yet effective continued

Amendments to FRS 16 and FRS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 41. Instead, FRS 16 will apply. After initial recognition, bearer plants will be measured under FRS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity) and subject to annual depreciation over the bearer plant's remaining economic useful lives. The amendments also require that produce that grows on bearer plants will remain in the scope of FRS 41measured at fair value less costs to sell. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

The Group's bearer plants include palm oil, rubber, coffee and almond trees. The Group plans to adopt the amendments on the required effective date. Upon adoption of the amendments, the Group expects to measure bearer plants at cost less accumulated depreciation and impairment instead of fair value less costs to sell, where costs is deemed to be based on the fair value at the beginning of the earliest period presented, which is 1 July 2014.

Based on the Group's estimate, the retroactive application of the amendments is not expected to result in any significant change to the Group's total assets and retained earnings at 1 July 2014 except for a reclassification of bearer plants from biological assets to property, plant and equipment. The Group is currently assessing the impact of the changes the adoption will have on the financial statements at 1 January 2016.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently evaluating the impact of the changes and assessing whether the adoption of FRS 115 will have an impact on the Group and plans to adopt the standard on the required effective date.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently evaluating the impact of the changes and assessing whether the adoption of FRS 109 will have an impact on the Group and plans to adopt the standard on the required effective date.

2.3 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 continued

2.3 Functional and foreign currency continued

(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 measured.

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 USD 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.

2.4 Subsidiary companies, basis of consolidation and business combinations

(a) Subsidiary companies

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less 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.

2. Summary of significant accounting policies continued

2.4 Subsidiary companies, basis of consolidation and business combinations continued

(b) Basis of consolidation continued

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:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises 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.

(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.

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 profit or loss.

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), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, 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. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

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 2.9(a).

2.5 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 do 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. Summary of significant accounting policies continued

2.6 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.

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.

2.7 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

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 continued

2.8 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 2.17. 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 (except for freehold land) 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	– 5 to 50 years
Plant and machinery	– 3 to 25 years; 30 years for ginning assets
Motor vehicles	– 3 to 5 years
Furniture and fittings	– 5 years
Office equipment	– 5 years
Computers	– 3 years

Other assets in Note 10 comprise motor vehicles, furniture and fittings, office equipment and computers.

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.

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.

2.9 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.

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 2.3.

2. Summary of significant accounting policies continued

2.9 Intangible assets continued

(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.

2.10 Biological assets

Biological assets mainly include plantations, annual crops and livestock.

(a) Plantations and annual crops

Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the development of immature plantations and an allocation of other indirect costs based on planted hectares. Mature plantations are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets.

The fair value of the mature plantations is estimated by reference to independent professional valuations using the present value of expected net cash flows of the underlying biological assets. The valuation is determined using the market price, discount rates used, annual rate of inflation and the estimated yield of the agricultural produce, net of maintenance and harvesting costs and any costs required to bring the plantations to maturity. The estimated yield of the various plantations is dependent on the age of the trees, the location of the plantations, soil type and infrastructure. The market price of the agricultural produce is largely 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.

(b) Livestock

Livestock are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the profit or loss. Point-of-sale costs include all costs that would be necessary to sell the assets. The fair value of livestock is determined based on valuations by an independent professional value using the market prices of livestock of similar age, breed and generic merit.

2.11 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.

2. Summary of significant accounting policies continued

2.11 Impairment of non-financial assets continued

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal 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. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. 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 have been previously revalued and 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.

2.12 Financial instruments

(a) 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:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. 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.

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 measured at fair value with changes in fair value recognised in 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.

(ii) 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.

2. Summary of significant accounting policies continued

2.12 Financial instruments continued

(a) Financial assets continued

Subsequent measurement continued

(iii) Available-for-sale financial assets

Available-for-sale financial assets relate to equity instruments. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

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.

(b) 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:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. 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.

(ii) 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. Summary of significant accounting policies continued

2.12 Financial instruments continued

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 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 also 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 2.12.

2.14 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 2.12.

An allowance is made for doubtful debts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.15 below.

2.15 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(a) 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.

When the asset becomes uncollectible, the carrying amount of impaired financial asset 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. Summary of significant accounting policies continued

2.15 Impairment of financial assets continued

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment is recognised directly in other comprehensive income.

2.16 Inventories

Inventories principally comprise commodities held for trading and inventories that form part of the Group's expected purchase, sale or usage requirements.

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.

Inventories that form part of the Group's expected purchase, sale or usage requirements are stated at the lower of cost and net realisable value and are valued on a first-in-first-out basis or weighted average cost method, depending on the underlying business activity. 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 initial 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.

2.17 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.

2.18 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due 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.

2.19 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. Summary of significant accounting policies continued

2.20 Employee benefits

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of countries in which it has operations. In particular, the Singapore companies in the Group make 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 options scheme/share grant plan

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 share-based payment 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 and is recognised in employee benefits expense.

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.

2.21 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.

(a) 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.

(b) 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 continued

2.22 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, 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:

(a) 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. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Sale of services

Revenue from services rendered is recognised upon services performed.

(c) Interest income

Interest income is recognised using the effective interest method.

2.23 Government grants, export incentives and subsidies

Government grants, export incentives and subsidies are recognised at their fair values when there is reasonable assurance that the grant will be received and all conditions attached 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 it 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.

2.24 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.

Deferred tax assets are recognised for all deductible temporary differences, carryforward 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 carryforward 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.

2. Summary of significant accounting policies continued

2.24 Taxes continued

(b) Deferred tax continued

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 be treated either as a reduction to goodwill (as long as it does not exceed goodwill) if 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
– where receivables and payables 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.

2.25 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 which 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 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Share capital and share issue expenses

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

2.27 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.

2.28 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. Summary of significant accounting policies continued

2.29 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.

2.30 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, foreign currency swap 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 remeasured 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 continued

2.31 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.

2.32 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) Available-for-sale financial assets

The Group determines that available-for-sale financial assets are impaired when there has been a significant or prolonged decline in the fair value below its costs. The determination of what is significant or prolonged decline requires judgement.

3. Significant accounting judgements and estimates continued

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 judgement 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 31 December 2015 is disclosed in Note 9 to the financial statements.

(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.

(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.

3. Significant accounting judgements and estimates continued

3.2 Key sources of estimation uncertainty continued

(f) Employee share options/share grant plan

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share options/shares at the date on which they are granted. Judgement is required in determining the most appropriate valuation model for the share options/shares 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/shares, volatility and dividend yield. The assumptions and model used are disclosed in Note 30.

(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 and they 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 37 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, volatility and counterparty risk 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 35.

4. Sale of goods and services

	Group	
	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000
Sale of goods	27,959,167	19,234,576
Sale of services	271,419	187,226
	28,230,586	19,421,802

Revenue from sale of goods is stated net of discounts and returns. It excludes interest income, realised gains or losses on derivatives and 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	
	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000
Gain on remeasurement of investment to fair value upon ceasing equity accounting	–	271,022
Gain on disposal of property, plant and equipment, net [1]	25,359	105,632
Commissions and claims, sale of packaging materials, sales of scrap and others	116,878	55,995
Net gain on disposal of subsidiaries	–	18,785
Gain on bond buy-back	–	957
	142,237	452,391

1. Net gain on disposal of property, plant and equipment in the current financial year includes the gain on sale and leaseback of the Awala palm plantations and Uruguay farmland. The lease is for a period of 21 years which is divided in two terms of 9 years and one year of 3 years and 12 years for Uruguay farmland. The annual rent for Awala is fixed during the first nine years and after that an increase of 2.5% of the rental every two years and for Uruguay it is fixed for first three years and thereafter linked to 10 year USD SWAP rate.

   Net gain on disposal of property, plant and equipment in the previous financial year includes the gain on sale and leaseback of the Australia almond orchard plantations. The lease is for a period of 18 years with a review of rent and replanting scheduled in 10 years. The annual rent is a combination of a fixed percentage basis of purchase price plus capital expenditure paid by the landlord, with an annual consumer price index adjustment to take into account of inflation.

6. Cost of goods sold

The significant portion of the cost of goods sold pertains to the purchase costs of inventories sold. There are other directly attributable costs associated with cost of goods sold and these include:-

	Group	
	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000
Shipping, logistics, commission and claims	(2,815,924)	(1,866,729)
Foreign exchange on cost of goods sold [1]	(231,281)	(127,758)
Gains/(losses) on derivatives net of fair value changes	610,344	(122,101)
Inventories (written down)/written back, net (Note 19)	(13,389)	(23,688)
Export incentives, subsidies and grant income received [2]	40,627	79,030
Net measurement of derivative instruments	(13,840)	4,488
Net measurement of derivative instruments is stated after crediting/(charging):		
– Convertible and other bonds	(18,591)	16,149
– Derivatives held for trading	4,751	(11,661)
	(13,840)	4,488

1. Foreign exchange 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.
2. Export incentives and subsidies relate to income from government agencies of various countries for the export of agricultural products.

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7. Other expenses

Other expenses are stated after (charging)/crediting:-

	Group	
	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000
Employee benefits expenses (Note 30)	(824,136)	(474,696)
Reclassification of fair value changes from equity to profit and loss account (Note 15)	(192,612)	–
(Loss)/gain on foreign exchange, net	(150,456)	45,588
Bank charges	(79,343)	(62,487)
Travelling expenses	(78,303)	(44,396)
Transaction costs incurred in business combinations	(35,125)	–
Allowance for doubtful debts:		
– Trade receivables (Note 17)	(42,020)	(10,189)
– Advance payments to suppliers (Note 20)	(5,971)	(6,560)
Bad debts written back:		
– Trade receivables	4,736	1,963
– Advance payments to suppliers	653	575
Impairment of property, plant and equipment/ written off (Note 10)	(4,115)	(25,669)
Impairment of intangible assets (Note 11)	(2,664)	(1,257)
Biological assets written off (Note 12)	–	(25,926)
Accelerated amortisation of facility fees	–	(21,103)
Fair value loss on investment held for trading	–	(2,187)
Loss on partial disposal of associate	–	(595)
Audit fees:		
– Auditor of the Company	(2,863)	(1,666)
– Other auditors	(12,691)	(6,276)
Non-audit fees:		
– Auditor of the Company	(1,892)	(65)
– Other auditors	(3,217)	(559)

8. Finance costs

Finance costs include the following:-

	Group	
	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000
Interest expense:		
– On bank overdrafts	71,864	21,057
– On bank loans	266,492	247,849
– On medium-term notes	221,711	103,991
– On bonds	292,740	158,131
– Others	49,537	22,640
	902,344	553,668
Less: interest expense capitalised in:		
– Property, plant and equipment and biological assets	(66,611)	(34,428)
	835,733	519,240

Interest was capitalised to capital work-in-progress, plant and machinery, buildings and biological assets by various subsidiaries of the Group at rates ranging from 5.50% to 7.50% (30 June 2014: 5.50% to 8.30%) per annum.

9. Income tax

(a) Major components of income tax expense

	Group	
	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000
Profit and loss account		
Current income tax:		
– Singapore	9,383	30,915
– Foreign	104,525	44,865
Under/(over) provision in respect of prior years	890	(1,394)
	114,798	74,386
Deferred income tax:		
– Singapore	709	1,953
– Foreign	26,070	30,170
Income tax expense	141,577	106,509

	Group	
	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000
Statement of comprehensive income:		
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	2,348	(426)
Deferred tax recorded in other comprehensive income	2,348	(426)
Statement of changes in equity:		
Deferred income tax related to items debited directly to changes in equity:		
Net change in capital reserves for convertible bond	–	5,412
Deferred tax recorded in changes in equity	–	5,412

9. Income tax continued

(b) Relationship between tax expense and accounting profit

A reconciliation of the statutory tax rate to the Group's effective tax rate is as follows:-

	Group	
	1 July 2014 to 31 December 2015 %	1 July 2013 to 30 June 2014 %
Statutory tax rate	17.0	17.0
Tax effect of non-deductible expenses	48.8	8.1
Higher statutory tax rates of other countries [1]	17.5	5.2
Tax effect on under/(over) provision in respect of prior years	1.5	(0.2)
Tax effect of income taxed at concessionary rate [2]	(31.9)	(5.9)
Tax effect on non-taxable/ exempt income [3]	(12.1)	(14.0)
Tax effect of jointly controlled entities/associates	(0.2)	(0.1)
Tax effect of deferred tax assets not recognised	15.9	3.0
Tax effect of others, net	3.0	1.1
	59.5	14.2

1. The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.
2. 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 2013 to 30 June 2018 on qualifying activities, products and income.
3. There are seven (30 June 2014: eight) 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 1.5 to 4 years, except one subsidiary which does not have an expiry date on preferential tax rate.

(c) Current tax

Current tax assets and current tax liabilities are offset if a legally enforceable right exists, when they relate to income taxes levied by the same taxation authority and the taxation authority permits the entity to make or receive a single net payment.

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Income tax payables	82,030	80,213	17,289	31,104

(d) Deferred income tax

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.

The amounts, after such offsets, are disclosed on the balance sheet as follows:-

	Group		Company	
	31 December 2015 $'000	31 December 2014 $'000	30 June 2015 $'000	30 June 2014 $'000
Deferred tax assets	62,219	22,983	2,622	893
Deferred tax liabilities	(318,816)	(266,035)	–	–
Net deferred tax (liabilities)/assets	(256,597)	(243,052)	2,622	893

9. Income tax continued

(d) Deferred income tax continued

Detail of deferred tax assets and liabilities before offsetting is as follows:-

	Group				Company	
	Consolidated balance sheet		Consolidated profit and loss account		Balance sheet	
	31 December 2015 $'000	30 June 2014 $'000	1 July 2014 to 31 December 2015 $'000	1 July 2013 to 30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Deferred tax liabilities:						
Differences in depreciation	170,372	206,605	(25,158)	14,328	990	240
Fair value adjustment on business combinations	88,828	93,613	(4,785)	(15,309)	–	–
Biological assets	81,674	43,742	41,268	3,963	–	–
Convertible bonds	475	416	(350)	–	475	416
Others	–	10,332	(11,158)	635	–	–
Gross deferred tax liabilities	341,349	354,708			1,465	656
Deferred tax assets:						
Allowance for doubtful debts	544	3,934	1,682	(1,435)	–	103
Inventories written down	92	–	(87)	–	92	–
Revaluation of financial instruments to fair value	3,995	1,446	2,623	–	3,995	1,446
Unabsorbed losses	51,492	106,276	58,934	29,941	–	–
Others	28,629	–	(36,190)	–	–	
Gross deferred tax assets	84,752	111,656			4,087	1,549
Net deferred tax (liabilities)/assets	(256,597)	(243,052)			2,622	893
Deferred income tax expense			26,779	32,123		

Unrecognised tax losses and capital allowances for which no deferred tax assets have been recognised

The Group has tax losses of $198,618,000 (30 June 2014: $152,475,000) and capital allowances of $126,689,000 (30 June 2014: $89,318,000) 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, except for amounts of $162,059,000 (30 June 2014: $106,516,000) which will expire over financial years 2016 to 2022.

Unrecognised temporary differences relating to investments in subsidiaries and jointly controlled entities

At the end of the financial years ended 31 December 2015 and 30 June 2014, 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 of the current and previous financial year (Note 27).

10. Property, plant and equipment

Group	Freehold land $'000	Leasehold land and buildings $'000	Plant and machinery $'000	Other assets $'000	Capital work-in-progress $'000	Total $'000
Cost						
As at 1 July 2013	429,463	919,776	1,443,714	214,381	925,491	3,932,825
Additions	4,987	61,037	114,351	30,078	357,093	567,546
Disposals	(33,294)	(44,809)	(158,773)	(14,600)	(13,873)	(265,349)
Disposal of ownership interest in subsidiaries resulting in loss of control	–	(561)	(7,449)	(9,150)	(343,644)	(360,804)
Reclassification	5,449	184,052	276,650	5,267	(471,418)	–
Foreign currency translation adjustments	(9,587)	(16,031)	(82,735)	(2,763)	17,606	(93,510)
As at 30 June 2014 and 1 July 2014	397,018	1,103,464	1,585,758	223,213	471,255	3,780,708
Additions	47,992	83,431	115,133	58,033	261,355	565,944
Acquired through business combination	50,748	33,421	267,550	1,147	11	352,877
Disposals	(51,842)	(59,409)	(49,622)	(14,070)	(12,457)	(187,400)
Reclassification	(1,645)	264,073	61,204	(2,185)	(321,447)	–
Impairment loss/ written off	–	(37)	(5,986)	(1)	–	(6,024)
Foreign currency translation adjustments	7,509	(102,812)	(51,936)	(8,079)	(74,107)	(229,425)
As at 31 December 2015	**449,780**	**1,322,131**	**1,922,101**	**258,058**	**324,610**	**4,276,680**
Accumulated depreciation and impairment loss:						
As at 1 July 2013	–	113,988	311,328	79,734	–	505,050
Charge for the year	–	46,021	120,758	27,989	–	194,768
Disposals	–	(11,088)	(39,679)	(11,137)	–	(61,904)
Disposal of ownership interest in subsidiaries resulting in loss of control	–	(3)	(1,469)	(3,868)	–	(5,340)
Reclassification	–	2,821	(3,062)	241	–	–
Impairment	7,246	7,054	11,369	–	–	25,669
Foreign currency translation adjustments	16	(4,607)	(14,521)	(2,309)	–	(21,421)
As at 30 June 2014 and 1 July 2014	7,262	154,186	384,724	90,650	–	636,822
Charge for the year	–	74,663	191,923	42,100	–	308,686
Disposals	–	(3,878)	(13,107)	(9,881)	–	(26,866)
Reclassification	(6,840)	8,527	(918)	(769)	–	–
Impairment loss/ written off	–	–	(1,909)	–	–	(1,909)
Foreign currency translation adjustments	(422)	(13,708)	4,943	2,700	–	(6,487)
As at 31 December 2015	**–**	**219,790**	**565,656**	**124,800**	**–**	**910,246**
Net carrying value						
As at 31 December 2015	**449,780**	**1,102,341**	**1,356,445**	**133,258**	**324,610**	**3,366,434**
As at 30 June 2014	389,756	949,278	1,201,034	132,563	471,255	3,143,886

10. Property, plant and equipment continued

Company	Buildings $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fittings $'000	Office equipment $'000	Computers $'000	Total $'000
Cost							
As at 1 July 2013	522	478	1,100	1,883	872	7,573	12,428
Additions	–	2	99	15	9	469	594
Disposal	–	–	–	(11)	(3)	(64)	(78)
Foreign currency translation adjustments	(8)	(8)	(19)	(30)	(14)	(125)	(204)
As at 30 June 2014 and 1 July 30 2014	514	472	1,180	1,857	864	7,853	12,740
Additions	–	365	537	34	164	18,363	19,463
Disposal	–	–	(350)	–	–	(2)	(352)
Foreign currency translation adjustments	71	85	173	259	128	2,073	2,789
As at 31 December 2015	585	922	1,540	2,150	1,156	28,287	34,640
Accumulated depreciation							
As at 1 July 2013	152	96	863	1,858	839	6,063	9,871
Charge for the year	45	27	119	9	13	1,046	1,259
Disposal	–	–	–	–	(1)	(5)	(6)
Foreign currency translation adjustments	(3)	(2)	(15)	(30)	(14)	(108)	(172)
As at 30 June 2014 and 1 July 2014	194	121	967	1,837	837	6,996	10,952
Charge for the period	72	144	215	22	97	2,648	3,198
Disposal	–	–	(334)	–	–	(2)	(336)
Foreign currency translation adjustments	30	25	127	244	120	1,108	1,654
As at 31 December 2015	296	290	975	2,103	1,054	10,750	15,468
Net carrying value							
As at 31 December 2015	289	632	565	47	102	17,537	19,172
As at 30 June 2014	320	351	213	20	27	857	1,788

The carrying amount of leasehold land and buildings of the Group held under financial lease at the end of the reporting period was $8,844,000 (30 June 2014: $22,415,000). The Group's land, buildings, plant and machinery with a carrying amount of $224,889,000 (30 June 2014: $278,069,000) have been pledged to secure the Group's borrowings as set out in Note 24 to the financial statements.

11. Intangible assets

Group	Goodwill $'000	Customer relationships $'000	Brands and trademarks [1] $'000	Software $'000	Water Rights [2] $'000	Concession Rights [3] $'000	Others [4] $'000	Total $'000
Cost								
As at 1 July 2013	196,918	49,924	114,944	50,234	206,148	107,816	37,589	763,573
Additions	–	–	–	8,241	–	–	4,976	13,217
Disposal	(1,890)	–	–	–	–	–	–	(1,890)
Disposal of ownership interest in subsidiaries resulting in loss of control	–	–	–	(1,968)	–	(29,698)	(8)	(31,674)
Foreign currency translation adjustments	(2,794)	(796)	(1,833)	(772)	3,136	(1,064)	78	(4,045)
As at 30 June 2014 and 1 July 2014	192,234	49,128	113,111	55,735	209,284	77,054	42,635	739,181
Acquired through business combinations	73,575	53,577	–	–	–	–	21,336	148,488
Additions	–	–	–	9,909	–	–	1,830	11,739
Disposal	–	–	–	(2,610)	–	(420)	(627)	(3,657)
Foreign currency translation adjustments	26,980	10,938	15,617	4,997	(25,143)	4,703	2,929	41,021
As at 31 December 2015	292,789	113,643	128,728	68,031	184,141	81,337	68,103	936,772
Accumulated amortisation and impairment								
As at 1 July 2013	5,387	14,243	–	17,265	–	29,483	10,679	77,057
Amortisation	–	4,446	–	5,876	–	5,410	5,077	20,809
Disposals	(1,890)	–	–	–	–	–	–	(1,890)
Disposal of ownership interest in subsidiaries resulting in loss of control	–	–	–	(768)	–	(5,238)	–	(6,006)
Impairment	–	–	–	–	–	1,084	173	1,257
Foreign currency translation adjustments	(247)	(274)	–	(98)	–	(190)	5	(804)
As at 30 June 2014 and 1 July 2014	3,250	18,415	–	22,275	–	30,549	15,934	90,423
Amortisation	–	12,031	–	7,785	–	6,275	7,200	33,291
Disposals	–	–	–	(725)	–	(420)	(622)	(1,767)
Impairment	2,611	–	–	–	–	–	53	2,664
Foreign currency translation adjustments	(1,349)	3,190	–	818	–	(505)	686	2,840
As at 31 December 2015	4,512	33,636	–	30,153	–	35,899	23,251	127,451
Net carrying value								
As at 31 December 2015	288,277	80,007	128,728	37,878	184,141	45,438	44,852	809,321
As at 30 June 2014	188,984	30,713	113,111	33,460	209,284	46,505	26,701	648,758
Average remaining amortisation period (years) – 31 December 2015	–	3–12	–	1–8	–	11–21	4–32	
Average remaining amortisation period (years) – 30 June 2014	–	4–13	–	1–9	–	12–22	5–33	

11. Intangible assets continued

Company	Goodwill $'000	Brands and trademark $'000	Software $'000	Others[4] $'000	Total $'000
Cost					
As at 1 July 2013	5,575	3,953	19,187	11,108	39,823
Additions	–	–	5,521	–	5,521
Foreign currency translation adjustments	(89)	(63)	(305)	(177)	(634)
As at 30 June 2014 and 1 July 2014	5,486	3,890	24,403	10,931	44,710
Additions	–	–	9,009	–	9,009
Disposal	–	(3,083)	(2,269)	(31)	(5,383)
Reclassification	–	(268)	120	148	–
Foreign currency translation adjustments	758	358	3,738	1,511	6,365
As at 31 December 2015	**6,244**	**897**	**35,001**	**12,559**	**54,701**
Accumulated amortisation					
As at 1 July 2013	–	–	2,708	3,722	6,430
Amortisation	–	–	2,692	1,049	3,741
Foreign currency translation adjustments	–	–	(71)	(70)	(141)
As at 30 June 2014 and 1 July 2014	–	–	5,329	4,701	10,030
Amortisation	–	–	4,094	1,683	5,777
Disposal	–	–	(443)	–	(443)
Foreign currency translation adjustments	–	–	931	739	1,670
As at 31 December 2015	**–**	**–**	**9,911**	**7,123**	**17,034**
Net carrying amount					
As at 31 December 2015	**6,244**	**897**	**25,090**	**5,436**	**37,667**
As at 30 June 2014	5,486	3,890	19,074	6,230	34,680
Average remaining amortisation period (years) – 31 December 2015	**–**	**–**	**1–8**	**4–12**	
Average remaining amortisation period (years) – 30 June 2014	–	–	1–9	5–13	

1. Brands and trademarks include 'OK Foods' and 'OK Sweets' brands. 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.
2. Water rights relate to perpetual access to share of water from a specified consumptive pool.
3. Concession rights consist of rights to harvest trees in designated areas. Amortisation is charged over the estimated useful life of the concession rights.
4. Others comprise land use rights, trade names, 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 continued

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'), for impairment testing:-

	Goodwill		Brands and trademark		Water rights	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Olam Orchards Australia Pty Ltd	–	–	–	–	184,141	209,284
McCleskey Mills Inc.	79,283	–	–	–	–	–
Packaged Foods brands	33,440	29,382	127,830	112,322	–	–
Kayass Enterprise S.A. (Ranona Limited)	45,687	40,146	–	–	–	–
Universal Blanchers	70,281	61,754	–	–	–	–
Progida Group	13,272	11,661	–	–	–	–
Olam Spices & Vegetables Ingredients	9,777	8,591	898	789	–	–
Olam Food Ingredients Holdings UK Limited	8,309	7,513	–	–	–	–
Olam Food Ingredients Spain, S.L. (formerly known as 'Olam Macao Spain, S.L.')	6,199	5,447	–	–	–	–
Olam International – Brazilian Cotton	6,243	5,485	–	–	–	–
Queensland Cotton Holdings:						
– Australian Cotton	4,976	6,033	–	–	–	–
– Australian Pulses	1,424	1,619	–	–	–	–
– USA Cotton	2,135	2,426	–	–	–	–
– Australian Wool [1]	–	2,233	–	–	–	–
Dehydro Foods S.A.E.	4,987	4,382	–	–	–	–
Hemarus Industries Limited	1,479	1,622	–	–	–	–
Usicam S.A.	785	690	–	–	–	–
	288,277	188,984	128,728	113,111	184,141	209,284

1. The Australian Wool business was disposed during the current financial year.

11. Intangible assets continued

Impairment testing of goodwill and other intangible assets

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 rates 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	
	31 December 2015 %	30 June 2014 %	31 December 2015 %	30 June 2014 %
Universal Blanchers	2.00	2.00	10.00	10.00
McCleskey Mills Inc.	1.50	–	14.00	–
Olam Food Ingredients Holdings UK Limited (formerly known as 'Britannia Food Ingredients Holdings Limited')	–	–	12.50	12.50
Queensland Cotton Holdings [1]	–	–	13.00	13.00
Olam International – Brazilian Cotton	2.00	2.00	13.00	13.00
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
Kayass Enterprise S.A. (Ranona Limited)	3.00	3.00	12.50	12.50
Olam Food Ingredients Spain, S.L. (formerly known as 'Olam Macao Spain, S.L.')	–	–	12.00	12.00
Progida Group	2.00	2.00	12.50	12.50
Hemarus Industries Limited	–	–	11.50	11.50
Dehydro Foods S.A.E.	2.00	2.00	12.90	12.90
Usicam S.A.	2.00	2.00	12.00	12.00

1. 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.

11. Intangible assets continued

Business combinations

During the current financial year, the Group entered into the following business combinations:-

	KG Ranch $'000	McCleskey Mills, Inc $'000	ADM Cocoa $'000	Others $'000	Total $'000
Fair value of assets and liabilities					
Property, plant and equipment (Note 10)	66,218	39,595	241,165	5,899	352,877
Intangible assets (Note 11)	–	69,900	–	5,013	74,913
Biological assets (Note 12)	31,374	–	–	–	31,374
Inventories	–	16,266	829,154	7,087	852,507
Trade and other receivables	–	23,375	48,041	7,666	79,082
Other current assets	–	30,110	88,634	1,598	120,342
Other non-current assets	–	1,649	–	–	1,649
Cash and bank balances	–	3,861	–	–	3,861
	97,592	184,756	1,206,994	27,263	1,516,605
Trade and other creditors	–	(3,602)	(31,027)	–	(34,629)
Accruals and provisions	(494)	(16,122)	(54,481)	(7,834)	(78,931)
	(494)	(19,724)	(85,508)	(7,834)	(113,560)
Total identifiable net assets at fair value	97,098	165,032	1,121,486	19,429	1,403,045
Net identifiable assets	97,098	165,032	1,121,486	19,429	1,403,045
Goodwill arising from acquisitions (Note 11)	–	73,575	499,190 [1]	–	572,765
	97,098	238,607	1,620,676	19,429	1,975,810
Consideration transferred for the acquisitions					
Cash paid	97,098	238,607	1,620,676	19,429	1,975,810
Total consideration	97,098	238,607	1,620,676	19,429	1,975,810
Less: Cash and cash equivalents acquired	–	(3,861)	–	–	(3,861)
Less: Non-cash items	–	–	–	(12,364)	(12,364)
Less: Deferred consideration	–	–	–	(807)	(807)
Net cash outflow on acquisition of subsidiaries	97,098	234,746	1,620,676	6,258	1,958,778

1. This relates to the provisional goodwill recorded for the acquisition of ADM Cocoa whose purchase price allocation exercise has yet to be completed as of year end and this has been accordingly classified as part of 'Non-current assets' as at year ended 31 December 2015 (Note 21).

11. Intangible assets continued

Business combinations continued

Acquisition of assets

(i) Almond, pistachio and walnut orchard assets ('KG Ranch')

On 15 September 2015, Olam Farming, Inc., an indirect wholly owned subsidiary of the Company entered into a contract to acquire 2,091 gross acres of almond orchards, pistachio orchards, walnut orchard, and open cropland located in Madera, Madera County, California from Tennicom LLC. The property consists of 1,032 net acres of almond orchards planted between 1997 and 2014, 200 net acres of pistachio orchards planted between 2003 and 2013, 300 net acres of walnut orchards planted between 1999 and 2010, and 511 acres of irrigated open cropland.

Acquisition of subsidiaries

(ii) McCleskey Mills, Inc. ('MMI')

On 21 January 2015, Olam Americas, Inc., an indirect wholly owned subsidiary of the Company acquired a 100% stake in McCleskey Mills, Inc. MMI is currently the third largest peanut sheller in the United States of America and owns processing facilities in Georgia and in addition, owns or manages 20 buying points and farmer stock storage assets at strategic locations with a strong franchise amongst growers.

Trade and other receivables acquired

Trade and other receivables acquired comprise gross trade and other receivables amounting to $23,375,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

(iii) Archer Daniel Midlands Cocoa business ('ADM Cocoa')

On 16 October 2015, the Company completed the acquisition of ADM Cocoa for $1,620,676,000. The acquisition will satisfy increasing customer demand for full integration within the cocoa supply chain by bringing together cocoa bean sourcing and cocoa processing, with people joining the Group in 11 producing countries, 12 processing facilities, six innovation centres, 20 marketing offices and more than 200 warehouses.

As at 31 December 2015, the purchase price allocation exercise of ADM Cocoa has been determined on a provisional basis as the ongoing negotiation process on net working capital adjustment between both parties and the final results of the independent valuations on assets and liabilities have not been performed/ received by the date of the financial statements was authorised for issue. Accordingly provisional goodwill of $499,190,000 has been recorded in non-current assets (Note 21) and this includes intangible assets and fair valuation of assets which are still under valuation and will be adjusted on a retrospective basis when the fair valuation and purchase price allocation exercise is finalised.

Trade and other receivables acquired

Trade and other receivables acquired comprise gross trade and other receivables amounting to $48,041,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

Other acquisitions

(iv) Timor

On 14 May 2015, Outspan Agro Timor Unipessoal, LDA, a wholly owned subsidiary of the Company acquired a fully integrated operating dry coffee mill in Timor Leste.

(v) Concorde

On 1 November 2015, Panasia International FZCO, a wholly owned subsidiary of the Company acquired 100% equity stake in Concorde Industries Ltd ('CIL'). CIL has a sawmill facility located near the port in Myanmar with an annual capacity of 10,000HT. This acquisition will cater to demand for sawn timber in the European and Indian markets.

11. Intangible assets continued

Business combinations continued

Transaction costs

Total transaction costs related to all acquisitions of $35,125,000 have been recognised in the 'Other operating expenses' line item in the Group's profit and loss account for the financial year from 1 July 2014 to 31 December 2015.

Goodwill arising from acquisitions

Goodwill of $572,765,000 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, which includes the provisional goodwill of $499,190,000 arising from the acquisition of ADM Cocoa (Note 21).

Impact of the acquisitions on profit and loss

From acquisition date, subsidiaries acquired (excluding ADM Cocoa acquisition) during the financial year have contributed more than 2% to the Group's sales of goods and services and increased the Group's profits by more than 7% 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%.

From acquisition date, ADM Cocoa has contributed more than 1% to the Group's sales of goods and services and increased the Group's profits by more than 8% for the financial year. As ADM Cocoa was previously an integrated division of the Archer Daniel Midlands Group and did not maintain separate accounting records, it is impracticable to determine the contribution ADM Cocoa would have made to the Group's profit and loss assuming that the acquisition had taken place since the start of the financial year.

12. Biological assets

Group	Plantations and annual crops $'000	Livestock $'000	Total $'000
As at 1 July 2013	608,936	172,806	781,742
Net additions [1]	263,202	8,875	272,077
Capitalisation of expenses	43,785	30,295	74,080
Written off during the year	(25,926)	–	(25,926)
Net change in fair value less estimated costs to sell	18,630	(4,462)	14,168
Foreign currency translation adjustments	(3,516)	(4,463)	(7,979)
As at 30 June 2014 and 1 July 2014	905,111	203,051	1,108,162
Net additions/ (reductions) [1]	106,798	(87,835)	18,963
Capitalisation of expenses	348,028	94,153	442,181
Net change in fair value less estimated costs to sell	(5,192)	(81,570)	(86,762)
Foreign currency translation adjustments	(76,647)	(19,243)	(95,890)
As at 31 December 2015	**1,278,098**	**108,556**	**1,386,654**

1. Net additions include purchases, growths and harvests in the various biological assets categories and includes plantations that were acquired as part of a business combination amounting to $31,374,000 (Note 11).

Plantations and annual crops

Plantations consist of almonds, coffee, cocoa, palm and rubber. The almond orchards and coffee plantations presently consist of trees aged between 1 and 26 years and 1 and 14 years respectively (30 June 2014: 1 and 25 years and 1 and 13 years respectively). The cocoa plantations presently consist of trees aged between 12 and 14 years (30 June 2014: 11 and 13 years).

Immature plantations consist of palm and rubber trees aged between 1 and 4 years amounting to $377,142,000.

During the financial year, the Group harvested approximately 45,989 metric tonnes (30 June 2014: 34,679 metric tonnes) of almonds, which had a fair value less estimated point-of-sale costs of approximately $518,460,000 (30 June 2014: $333,565,000). The fair value of almonds was determined with reference to the market prices at the date of harvest.

Annual crops consist of various commodities such as cotton, onions, tomatoes and other vegetables, rice and grains. For cotton, onions, tomatoes and other vegetables, the Group provides seeds to farmers to sow and grow while for rice and grains, the Group manages its own farms. For annual crops where seeds are provided, the farmers take all the harvest risks and bear all the farming costs. However, the Group has the first right to buy the produce from these farmers, when these annual crops are harvested.

At the end of the financial year, the Group's total planted area of plantations and annual crops is approximately 59,678 (30 June 2014: 37,324) hectares and 111,239 (30 June 2014: 35,577) hectares respectively, excluding hectares for those commodities whose plantations are not managed by the Group.

12. Biological assets continued

Plantations and annual crops continued

Fair value determination

The fair value of plantations is estimated with reference to an independent professional valuation using the present value of expected net cash flows from the biological assets.

The following table shows the key inputs used:-

Key inputs	Inter-relationship between key inputs and fair value measurement
Plantations:	
Discount rates of 11% to 15% (30 June 2014: 11% to 13%) per annum	The estimated fair value increases as the estimated discount rate per annum decreases.
Market prices ranging from $6,000 to $12,000 (30 June 2014: $9,600 to $11,000) per metric tonne	The estimated fair value increases as the respective inputs increase.

The annual crops have been valued using adjusted cost, based on the estimate of the yield and cost of the crop at harvest discounted for the remaining time to harvest, which approximates fair value.

Livestock

Livestock relates mainly to dairy cattle in Uruguay and Russia. During the current financial year, the Group reduced its size of its milking herd in Uruguay. At the end of the financial year, the Group held 33,954 (30 June 2014: 55,512) cows, which are able to produce milk (mature assets) and 41,227 (30 June 2014: 37,103) heifers and calves, being raised to produce milk in the future (immature assets). The cows produced 336 million litres (30 June 2014: 229 million litres) of milk with a fair value less estimated point-of-sale costs of $176,757,000 (30 June 2014: $127,237,000) during the financial year.

Fair value determination

The fair value of livestock is determined based on valuations by an independent professional valuer using market prices ranging from $384 to $4,667 (30 June 2014: $90 to $4,820) 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	
	31 December 2015 $'000	30 June 2014 $'000
Unquoted equity shares at cost	3,646,631	1,588,848
Less: Impairment loss	(16,130)	(14,173)
Foreign currency translation adjustments	262,426	(50,993)
	3,892,927	1,523,682
Loans to subsidiary companies	1,013,096	1,031,402
	4,906,023	2,555,084

Loans to subsidiary companies denominated in currencies other than functional currency of the Company are as follows:-

	Company	
	31 December 2015 $'000	30 June 2014 $'000
Euro	397,419	314,772

The Company has recognised impairment loss during the financial year of $Nil (30 June 2014: $890,000) 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 $430,702,000 (30 June 2014: $543,202,000) which bear interest ranging from 1.5% to 7.5% (30 June 2014: 2.5% to 6.0%) per annum.

The Group did not have any material non-controlling interests as at the balance sheet dates.

Capital injection from non-controlling interest

During the year, there was additional investment made towards equity by the non-controlling interest party as the Republic of Gabon had increased its stakes in both subsidiaries Olam Palm Gabon SA and Olam Rubber Gabon SA in Gabon.

Both transactions have been completed at 31 December 2014 and the Company's stake in both Olam Palm Gabon SA and Olam Rubber Gabon SA has been diluted by 10.0% to 60.0% and 20.0% to 60.0% respectively. The resultant gain of $31,913,000 from the capital injection had been recorded in capital reserves in equity.

Partial divestment of subsidiary

During the year, the Company completed the sale of 25.0% stake in Olam's Packaged Foods business to Sanyo Foods Co. Ltd. The Company has received cash proceeds of $219,040,000 and has recorded the resultant gain of $106,209,000 to its capital reserves in equity. Following the completion of the sale, the Company owns 75.0% of Caraway Pte Ltd., the holding company for all of the Company's Packaged Foods businesses, with the balance of 25.0% owned by Sanyo Foods Co. Ltd..

13. Subsidiary companies continued

Composition of the Group

Details of significant subsidiary companies are as follows:-

Name of company	Country of incorporation	Principal activities	Effective percentage of equity held by the Group 31 December 2015 %	30 June 2014 %
Olam Ghana Limited [1]	Ghana	(a)	100	100
Olam Ivoire SA [1]	Côte d'Ivoire	(a)	100	100
Olam Nigeria Limited [1]	Nigeria	(a)	100	100
Outspan Ivoire SA [1]	Côte d'Ivoire	(a)	100	100
Olam Moçambique, Limitada [1]	Mozambique	(a)	100	100
Olam Vietnam Limited [1]	Vietnam	(a)	100	100
Olam South Africa (Proprietary) Limited [1]	South Africa	(a)	100	100
Olam Brasil Ltda [1]	Brazil	(a)	100	100
Olam Europe Limited [1]	United Kingdom	(a)	100	100
PT Olam Indonesia [1]	Indonesia	(a)	100	100
Outspan Brasil Importação e Exportação Ltda.[1]	Brazil	(a)	100	100
Olam Argentina S.A.[1]	Argentina	(a)	100	100
Café Outspan Vietnam Limited [1]	Vietnam	(a)	100	100
LLC Outspan International [1]	Russia	(a)	100	100
Olam Investments Australia Pty Ltd [1]	Australia	(b)	100	100
Olam Enterprises India Limited (formerly known as 'Olam Agro India Limited') [1]	India	(a)	100	100
Crown Flour Mills Limited [1]	Nigeria	(a)	100	100
Olam Orchards Australia Pty Ltd [1]	Australia	(a) & (c)	100	100
tt Timber International AG [2]	Switzerland	(a) & (b)	100	100
Congolaise Industrielle des Bois SA [1]	Republic of Congo	(a)	100	100
NZ Farming Systems Uruguay Limited [1]	New Zealand	(a), (b) & (c)	100	100
Olam Palm Gabon SA [1]	Gabon	(a) & (c)	60	70
OK Foods Limited [1]	Nigeria	(a) & (b)	75	100
Olam Cocoa Processing Côte d'Ivoire [1]	Côte d'Ivoire	(a)	100	100
Seda Outspan Iberia S.L.[1]	Spain	(a)	100	100
Ranona Limited [1]	Nigeria	(a)	75	100
Dehydro Foods S.A.E.[1]	Egypt	(a)	100	100
Queensland Cotton Holdings Pty Ltd [1]	Australia	(a) & (b)	100	100

13. Subsidiary companies continued

Name of company	Country of incorporation	Principal activities	Effective percentage of equity held by the Group 31 December 2015 %	30 June 2014 %
Olam Holdings Partnership [1]	The United States of America	(a), (b) & (c)	100	100
Progida Findik Sanayi ve Ticaret A.Ş. [1]	Turkey	(a)	100	100
Progida Pazarlama A.Ş. [1]	Turkey	(a)	100	100
Progida Tarim Űrűnleri Sanayi ve Ticaret A.Ş. [1]	Turkey	(a)	100	100
LLC Russian Dairy Company [1]	Russia	(c)	75	75
Gabon Fertilizer Company SA [1]	Gabon	(a)	80	80
Olam Rubber Gabon SA [1]	Gabon	(a)	60	80
Olam Cameroon SA [1]	Cameroon	(a)	100	100
Panasia International FZCO [2]	United Arab Emirates	(a)	100	100
Olam Sanyo Foods Limited [1]	Nigeria	(a)	75	74.5
Olam International UK Limited [2]	United Kingdom	(b)	100	–
Caraway Pte Ltd [1]	Singapore	(a)	75	100
Joanes Indusrial Ltda [2]	Brazil	(a)	100	–
Olam Cocoa Processing Ghana Limited [2]	Ghana	(a)	100	–
Olam Cocoa Ivoire SA [2]	Côte d'Ivoire	(a)	100	–
Olam Cocoa International BV [2]	Netherlands	(a)	100	–
Olam Cocoa Deutschland Gmbh [2]	Germany	(a)	100	–
Olam Suisse Sarl [1]	Switzerland	(a)	100	–
Olam Cocoa Pte Limited [2]	Singapore	(a)	100	–

(a) Sourcing, processing, packaging and merchandising of agricultural products and inputs.
(b) Investment holding.
(c) Agricultural operations.
1. Audited by associated firms of Ernst & Young Global Limited.
2. Audited by other Certified Public Accounting ('CPA') firms.

14. Investments in jointly controlled entities and associates

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Jointly controlled entities (Note 14(a))	290,334	306,748	172,375	173,014
Associates (Note 14(b))	608,561	528,645	568,288	511,240
	898,895	835,393	740,663	684,254

(a) Investments in jointly controlled entities

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Unquoted equity shares at cost	60,011	59,791	45,135	45,610
Share of post-acquisition reserves	91,072	119,992	–	–
Loans to jointly controlled entities [1]	121,826	128,764	121,826	128,130
Foreign currency translation adjustments	17,425	(1,799)	5,414	(726)
	290,334	306,748	172,375	173,014

1. Loans to jointly controlled entities include a loan to Nauvu Investments Pte Ltd amounting to $121,147,000 (30 June 2014: $128,130,000). The loans are unsecured, non-interest bearing and not expected to be repayable within the next 12 months.

As of 31 December 2015 and 30 June 2014, no jointly controlled entity was individually material to the Group. Details of significant jointly controlled entities at end of financial year are as follows:-

			Percentage of equity held	
Name of company	Country of incorporation	Principal activities	31 December 2015 %	30 June 2014 %
Held by the Company				
Nauvu Investments Pte Ltd [1]	Singapore	(a)/(b)	50	50
Acacia Investment Limited [2]	United Arab Emirates	(a)/(b)	50	50

(a) Sourcing, processing, packaging and merchandising of agricultural products.

(b) Technical services.

1. Audited by Ernst & Young LLP, Singapore.
2. Audited by other CPA firm. However, the principal operating subsidiary in Mozambique is audited by an associate firm of Ernst & Young Global Limited.

14. Investments in jointly controlled entities and associates continued

(a) Investments in jointly controlled entities continued

The summarised financial information in respect of the jointly controlled entities, based on its FRS financial statements and reconciliation with the carrying amount of the investments in the combined financial statements are as follows:-

	Group	
	31 December 2015 $'000	30 June 2014 $'000
Summarised balance sheet		
Non-current assets	646,516	579,852
Current assets	97,888	101,284
Total assets	744,404	681,136
Non-current liabilities	365,418	305,577
Current liabilities	59,642	37,286
Total liabilities	425,060	342,863
Net assets	319,344	338,273
Proportion of the Group's ownership:		
Group's share of net assets	158,578	169,259
Goodwill on acquisition	9,930	8,725
Loan to jointly-controlled entities	121,826	128,764
Carrying amount of the investments	290,334	306,748
Summarised statement of comprehensive income		
Revenue	64,058	44,822
Loss after tax	(31,384)	(11,525)
Other comprehensive income	(12,839)	6,607
Total comprehensive income	(44,223)	(4,918)

14. Investments in jointly controlled entities and associates continued

(b) Investments in associates

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Unquoted equity shares at cost	249,709	236,169	257,488	244,593
Share of post-acquisition reserves	44,379	25,676	–	–
Loan to associate [1]	334,658	317,854	334,658	317,854
Less: Impairment loss	(35,596)	(35,596)	(35,596)	(35,596)
Foreign currency translation adjustments	15,411	(15,458)	11,738	(15,611)
	608,561	528,645	568,288	511,240

1. Loan to associate is unsecured, bears interest at 5.5% per annum and not expected to be repayable within the next 12 months.

As of 31 December 2015 and 31 June 2014, no associate was individually material to the Group. Details of significant associates are as follows:-

			Percentage of equity held	
Name of company	Country of incorporation	Principal activities	31 December 2015 %	30 June 2014 %
Held by the Company				
Gabon Special Economic Zone SA [1]	Gabon	Infrastructure development	40.00	40.00
Open Country Dairy Limited [2]	New Zealand	Processing and trading of agricultural commodities	15.19	15.19

1. Audited by associated firms of Ernst & Young Global Limited.
2. Audited by other CPA firms.

Management has assessed and is satisfied that the Group retains significant influence over Open Country Dairy Limited as the Group continues to hold positions in the Board of Directors of the entity and actively participates in all board meetings.

14. Investments in jointly controlled entities and associates continued

(b) Investments in associates continued

The summarised financial information in respect of the material associates based on its FRS financial statements and reconciliation with the carrying amount of the investment in the combined financial statements are as follows:-

	Group	
	31 December 2015 $'000	30 June 2014 $'000
Summarised balance sheet		
Non-current assets	950,811	698,511
Current assets	740,106	579,290
Total assets	1,690,917	1,277,801
Non-current liabilities	466,539	439,386
Current liabilities	346,839	137,269
Total liabilities	813,378	576,655
Net assets	877,539	701,146
Proportion of the Group's ownership:		
Group's share of net assets	256,352	199,688
Goodwill on acquisition	17,551	11,103
Loan to associate	334,658	317,854
Carrying amount of the investments	608,561	528,645
Summarised statement of comprehensive income		
Revenue	1,071,388	1,016,529
Profit after tax	75,332	53,382
Other comprehensive income	–	3,648
Total comprehensive income	75,332	57,030

15. Long-term investments

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Quoted equity shares	257,146	393,976	257,146	393,976
Unquoted equity shares	12,061	13,709	–	–
	269,207	407,685	257,146	393,976

The Group's investment in quoted equity shares relates to a 18.56% investment in PureCircle Limited ('PureCircle'), while the investment in unquoted equity shares relates to a 20% investment in Olam Grains Australia Pty Ltd. Management has assessed and is of the view that the Group does not retain significant influence over PureCircle or Olam Grains Australia Pty Ltd and has accounted for these investments as 'available-for-sale' financial assets. At 31 December 2015, the Group determined that there was a prolonged decline in the share price of PureCircle Limited and accordingly reclassified the accumulative change in fair value amounting to $192,612,000 that was previously recognised in other comprehensive income to profit and loss account.

16. Amounts due from subsidiary companies

	Company 31 December 2015 $'000	30 June 2014 $'000
Trade receivables	811,788	728,136
Loans to subsidiaries	945,354	1,038,606
Non-trade receivables	32,457	16,413
	1,789,599	1,783,155

Loans to subsidiaries include amounts totalling $324,498,000 (30 June 2014: $483,865,000) which are unsecured and bear interest ranging from 2.58% to 7.50% (30 June 2014: 2.23% to 6.90%) 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.

The other amounts are non-interest bearing, unsecured, subject to trade terms or 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 are as follows:-

	Company 31 December 2015 $'000	30 June 2014 $'000
Euro	453,568	340,826
Great Britain Pounds	227,843	–
Amounts due from subsidiary companies are stated after deducting allowance for doubtful debts of		
– Trade	8,140	1,870
– Non-trade	24,027	3,126
	32,167	4,996

The movement of the allowance accounts is as follows:-

	Company 31 December 2015 $'000	30 June 2014 $'000
Movement in allowance accounts:-		
At 1 July	4,996	5,076
Charge for the year	25,130	–
Foreign currency translation adjustments	2,041	(80)
	32,167	4,996

17. Trade receivables

	Group 31 December 2015 $'000	Group 30 June 2014 $'000	Company 31 December 2015 $'000	Company 30 June 2014 $'000
Trade receivables	1,312,718	1,420,681	446,071	649,276
Indirect tax receivables	182,528	192,542	1,359	909
	1,495,246	1,613,223	447,430	650,185

Trade receivables are non-interest bearing and are subject to trade terms of 30 to 60 days' terms. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

17. Trade receivables continued

Trade receivables denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
United States Dollar	120,913	115,404	–	–
Great Britain Pounds	48,854	25,677	46,205	25,009
Euro	32,973	105,794	14,473	78,678

Trade receivables include amounts of $484,000 and $9,797,000 (30 June 2014: $9,403,000 and $68,000) due from an associate and a jointly controlled entity, respectively.

The Group's and the Company's trade receivables that are impaired at balance sheet date and the movement of the allowance accounts are as follows:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Trade receivables – nominal amounts	1,373,439	1,454,869	488,511	666,763
Less: Allowance for doubtful debts	(60,721)	(34,188)	(42,440)	(17,487)
	1,312,718	1,420,681	446,071	649,276
Movement in allowance accounts:-				
At 1 July	34,188	27,970	17,487	13,794
Charge for the year	42,020	10,189	32,025	4,651
Written off	(2,526)	(1,699)	–	–
Written back	(15,021)	(2,026)	(10,636)	(697)
Foreign currency translation adjustments	2,060	(246)	3,564	(261)
	60,721	34,188	42,440	17,487

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.

Receivables that are past due but not impaired

The Group and Company have trade receivables amounting to $527,708,000 (30 June 2014: $513,569,000) and $179,392,000 (30 June 2014: $126,494,000) that are past due at the end of the reporting period but not impaired respectively. The analysis of their ageing at the balance sheet date is as follows:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Trade receivables past due but not impaired:-				
Less than 30 days	323,765	263,095	101,303	46,305
30 to 60 days	49,382	123,001	5,275	35,418
61 to 90 days	70,039	45,811	51,175	4,792
91 to 120 days	11,278	18,310	4,787	7,556
121 to 180 days	18,848	26,372	7,099	14,910
More than 180 days	54,396	36,980	9,753	17,513
	527,708	513,569	179,392	126,494

Indirect tax receivables comprise goods and services, value-added taxes and other indirect forms of taxes.

18. 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	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Margin deposits with brokers	294,096	268,598	224,847	181,729
Amounts due to brokers	(104,372)	(43,099)	(102,258)	(41,129)
	189,724	225,499	122,589	140,600

19. Inventories

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Balance sheets:				
Commodity inventories at fair value	4,644,101	2,823,363	573,962	713,811
Commodity inventories at the lower of cost and net realisable value	2,047,567	1,862,335	253,435	91,234
	6,691,668	4,685,698	827,397	805,045
Profit and loss account:				
Inventories recognised as an expense in cost of goods sold inclusive of the following (charge)/credit	(22,241,472)	(15,393,547)	(18,962,725)	(11,852,404)
– Inventories written down/ off	(25,679)	(27,113)	(10,083)	(10,088)
– Reversal of write-down of inventories [1]	12,290	3,425	10,780	1,286

1. The reversal of write-down of inventories is made when the related inventories are sold above their carrying amounts.

20. Advance payments to suppliers/subsidiary companies

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Third parties	714,972	706,652	128,680	207,495
Subsidiary companies	–	–	3,084,849	2,055,652
	714,972	706,652	3,213,529	2,263,147

These represent advance payments to suppliers and subsidiary companies for procurement of physical commodities.

Advance payments to suppliers and subsidiary companies denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Euro	43,204	25,624	600,792	409,205
United States Dollar	15,048	14,700	–	–
Great Britain Pounds	2,289	72	37,106	29,161

Advance payments to subsidiary companies are stated after deducting allowance for doubtful debts of $42,785,000 (30 June 2014: $10,416,000).

20. Advance payments to suppliers/subsidiary companies continued

Advance payments to suppliers (third parties) for the Group and Company are stated after deducting allowance for doubtful debts of $17,337,000 and $6,561,000 (30 June 2014: $16,819,000 and $5,402,000) respectively.

The movement in the allowance accounts for advance payment to suppliers is as follows:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Movement in allowance accounts:-				
As at 1 July	16,819	12,149	5,402	5,082
Charge for the year	5,971	6,560	926	497
Written off	(2,600)	(1,385)	–	–
Written back	(653)	(575)	(534)	(92)
Foreign currency translation adjustments	(2,200)	70	767	(85)
	17,337	16,819	6,561	5,402

21. Other current / non-current assets

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Current:				
Sundry receivables [1]	604,866	180,253	1,386	2,410
Export incentives and subsidies receivable [2]	145,786	143,787	–	–
Amounts due from jointly-controlled entity and associates	70,290	–	68,831	–
Deposits	42,541	26,142	1,602	1,967
Option premium receivable	15,343	17,919	15,343	14,514
Staff advances [3]	10,177	8,504	309	729
Insurance receivables [4]	5,838	7,953	1,977	5,066
Short-term investment [5]	791	10,687	–	10,687
	895,632	395,245	89,448	35,373
Prepayments [6]	431,819	345,569	83,696	94,173
Advance corporate tax paid	60,628	–	–	–
Taxes recoverable	35,894	–	–	–
	1,423,973	740,814	173,144	129,546
Non-current:				
Other non-current assets [7]	557,005	23,148	–	–

1. Sundry receivables include receivables amounting to $184,461,000 (30 June 2014: $Nil) which relate to the sale-and-leaseback of the Awala palm plantations.
2. These relate to incentives and subsidies receivable from the Government agencies of various countries for export of agricultural products. There are no unfulfilled conditions or contingencies attached to these incentives and subsidies.
3. Staff advances are interest-free, unsecured, repayable within the next 12 months and are to be settled in cash.
4. Insurance receivables pertain to pending marine and inventories insurance claims. The outstanding claims are currently being processed by the insurance companies for final settlement.
5. In the previous financial year, 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, of which the investment wound down and all funds have been returned in the current financial year.
6. Prepayments mainly pertain to prepaid expenses incurred for sourcing, processing, packaging and merchandising of agricultural products and inputs.
7. Other non-current assets include an investment in a dairy co-operative in Uruguay, which is accounted at cost amounting to $10,596,000 (30 June 2014: $8,653,000) and the provisional goodwill arising from the acquisition of ADM Cocoa of $499,190,000 (30 June 2014: $Nil) (Note 11).

22. Trade payables and accruals

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Trade payables	1,208,275	1,066,914	364,132	530,300
Accruals	492,588	419,668	135,424	121,514
Advances received from customers	37,708	67,243	6,273	13,474
Amounts due to an associate	–	2,987	–	–
GST payable and equivalent	15,140	30,814	–	–
	1,753,711	1,587,626	505,829	665,288

Trade payables are non-interest bearing. Trade payables are subject to trade terms of 30 to 60 days' terms while other payables have an average term of two months.

Trade payables and accruals denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Great Britain Pounds	224,046	7,753	223,998	6,522
Euro	46,195	104,869	44,726	84,344
New Zealand Dollar	36,526	47,973	36,526	47,973
United States Dollar	10,585	41,817	–	–

Trade payables include amounts of $29,125,800 (30 June 2014: $47,974,200) and $Nil (30 June 2014: $4,273,522) 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.

23. Other current liabilities

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Interest payable on bank loans	80,157	87,476	70,079	79,107
Sundry payables	320,209	315,367	–	–
Option premium payable	37,794	20,720	37,794	20,595
	438,160	423,563	107,873	99,702
Withholding tax payable	6,545	4,759	–	–
	444,705	428,322	107,873	99,702

24. Borrowings

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Current:				
Bank overdrafts (Note 33)	196,044	298,179	–	–
Bank loans	3,661,987	4,082,463	2,603,010	2,867,998
Term loans from banks	1,319,412	108,947	1,288,252	108,947
Obligation under finance leases (Note 28(c))	5,936	5,722	–	–
Convertible bonds, unsecured	321,166	–	321,166	–
Other bonds	7,634	8,445	–	–
	5,512,179	4,503,756	4,212,428	2,976,945
Non-current:				
Term loans from banks	3,380,997	1,309,524	1,519,483	227,147
Medium-term notes	2,946,507	1,699,547	2,946,507	1,699,547
Obligation under finance leases (Note 28(c))	102,131	52,489	–	–
Convertible bonds, unsecured	–	575,528	–	575,528
Other bonds	352,101	1,199,062	352,101	1,190,602
	6,781,736	4,836,150	4,818,091	3,692,824
	12,293,915	9,339,906	9,030,519	6,669,769

Borrowings denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	31 December 2015 $'000
Singapore Dollar	1,478,663	1,109,270	1,478,663	1,109,270
United States Dollar	382,295	447,969	–	–
Australian Dollar	196,168	–	196,168	–
Japanese Yen	72,343	–	72,343	–
Euro	62,255	16,763	–	–

Bank overdrafts and bank loans

The bank loans to the Company are repayable within 12 months and bear interest in a range from 0.89% to 1.52% (30 June 2014: 0.55% to 1.13%) per annum.

The bank loans and bank overdrafts to the subsidiary companies are repayable within 12 months and bear interest in a range from 0.50% to 36.00% (30 June 2014: 1.05% to 34.00%) per annum.

Bank loans include an amount of $20,107,000 (30 June 2014: $23,564,000) secured by the assets of subsidiaries. The remaining amounts of bank loans are unsecured.

Term loans from banks

Term loans from banks to the Company bear interest at floating interest rates ranging from 1.34% to 2.05% (30 June 2014: 2.28% to 4.98%) per annum. Term loans to the Company are unsecured and are repayable within six years.

Term loans from banks to the subsidiary companies bear interest at floating interest rates ranging from 1.00% to 13.00% (30 June 2014: 1.27% to 12.50%) per annum. Term loans to the subsidiary companies are unsecured and are repayable between two and ten years.

Term loans from banks include an amount of $75,402,000 (30 June 2014: $145,431,000) secured by the assets of subsidiaries. The remaining amounts of term loans from banks are unsecured.

24. Borrowings continued

Medium-term notes

The Company has a $800,000,000 multicurrency medium-term notes ('MTN') programme and a US$5,000,000,000 Euro medium-term notes ('EMTN') programme. The draw downs from the MTN and EMTN are unsecured.

The MTN and EMTN are as follows:-

	Maturity	Group and Company 31 December 2015 $'000	 30 June 2014 $'000
Non-current:			
Multicurrency medium term note programme:			
-6.00% fixed rate notes	2018	249,413	249,075
Euro medium term note programme:			
– 5.75% fixed rate notes	2017	707,418	620,185
– 4.25% fixed rate notes	2019	397,889	–
– 5.80% fixed rate notes	2019	348,671	348,107
– 4.50% fixed rate notes	2020	421,278	–
– 4.875% fixed rate notes	2020	196,168	–
– 1.375% fixed rate notes	2020	72,343	–
– 4.00% fixed rate notes	2020	70,637	–
– 6.00% fixed rate notes [1]	2022	482,690	482,180
		2,946,507	1,699,547

1. On 22 January 2014, the Company repurchased S$15,000,000 of the S$500,000,000 6.00% fixed rate notes due 2022, issued on 25 October 2012. The repurchase was made by way of on-market purchases. Upon settlement, the repurchased portion was cancelled and the aggregate outstanding principal amount following such cancellation is S$485,000,000.

Obligations under finance leases

Obligations under finance leases amounting to $19,219,000 (30 June 2014: $16,887,000) are guaranteed by a subsidiary company.

Obligations under finance leases bear interest ranging from 0.96% to 9.22% (30 June 2014: 1.56% to 9.22%) per annum and are repayable between 1 and 21 years.

Convertible bonds, unsecured

The liability portion of the convertible bonds is as follows:-

	Group and Company 31 December 2015 $'000	 30 June 2014 $'000
Current:		
– 6.0% convertible bonds [1]	321,166	–
Non-current:		
– 6.0% convertible bonds [1]	–	575,528
	321,166	575,528

1. 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.
On 23 December 2015, the Company redeemed the convertible bonds up to US$269,500,000 (approximate $382,286,000) at a premium of 102.5% and the loss on redemption amounting to $21,797,000 has been recorded in the profit and loss account. As at 31 December 2015, the remaining balance of the bonds has been classified as current as the bonds will mature in September 2016. The same bonds were subsequently fully redeemed on 22 February 2016 (Note 39).

24. Borrowings continued

Convertible bonds, unsecured continued

The carrying amount of the liability component of the above convertible bonds at the balance sheet date is derived as follows:-

	Group and Company	
	31 December 2015 $'000	30 June 2014 $'000
Balance at the beginning of the period	575,528	592,156
Less: Redemption of convertible bonds	(355,971)	(27,402)
Less: Foreign currency translation adjustments	60,323	(9,158)
Add: Accretion of interest	41,286	19,932
	321,166	575,528

Other bonds

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Current:				
Outspan Ivoire SA bonds [1]	7,634	8,445	–	–
Non-current:				
7.5% unsecured senior bonds [2]	352,101	310,170	352,101	310,170
Outspan Ivoire SA bonds [1]	–	8,460	–	–
6.75% bonds [3]	–	880,432	–	880,432
	352,101	1,199,062	352,101	1,190,602
	359,735	1,207,507	352,101	1,190,602

1. Outspan Ivoire SA issued unsecured bonds of XOF 13.0 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 instalments of XOF 3.25 billion starting from 1 July 2013 annually. The final instalment is expected to be paid by 1 July 2016 and the balance has been classified as current as at 31 December 2015.
2. 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.
3. 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. In the previous financial year, as a result of the payment of the first and final dividend on 14 November 2013, adjustments were made to the exercise price from US$1.291 to US$1.250 and the number of the Warrants from 387,365,079 to 397,826,160 Warrants.
   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 Bond and the embedded derivatives component from the net proceeds of the Rights Issue 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 Warrant expires, its carrying amount will be transferred to retained earnings (Note 26(d)).
   The 6.75% bonds were fully redeemed during the current financial year.

25. 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 31 December and 30 June:-

	Group	
	31 December 2015 $'000	30 June 2014 $'000
Net profit attributable to owners of the Company	98,723	608,488
Less: Accrued capital securities distribution	(24,972)	(17,994)
Net profit attributable to owners of the Company for basic and dilutive earnings per share	73,751	590,494

	No. of shares	No. of shares
Weighted average number of ordinary shares on issue applicable to basic earnings per share	2,504,813,055	2,395,390,505
Dilutive effect of share options	2,493,763	379,225
Dilutive effect of performance share plan	5,790,360	–
Dilutive effect of warrants	91,697,250	43,351,520
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	2,604,794,428	2,439,121,250

The incremental shares relating to the outstanding convertible bonds have not been included in the calculation of diluted earnings per share as they are anti-dilutive.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and the date of these financial statements.

26. Share capital, treasury shares, perpetual capital securities and warrants

(a) Share capital

	Group and Company			
	31 December 2015		30 June 2014	
	No. of shares	$'000	No. of shares	$'000
Ordinary shares issued and fully paid [1]				
Balance at 1 July	2,490,857,869	2,162,642	2,442,409,869	2,077,038
Issue of shares for cash	332,727,273	915,000	–	–
Issue of shares on exercise of share options	2,060,000	4,857	48,448,000	85,604
Balance at	2,825,645,142	3,082,499	2,490,857,869	2,162,642

1. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

On 15 September 2015, the board approved the issue of 332,727,273 shares for cash consideration of $915,000,000.

26. Share capital, treasury shares, perpetual capital securities and warrants continued

(b) Treasury shares

	Group and Company			
	31 December 2015		30 June 2014	
	No. of shares	$'000	No. of shares	$'000
Balance at 1 July 2014 and at	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 were 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.

On 22 January 2014, the Company repurchased S$39,200,000 of the S$275,000,000 7% Perpetual Capital Securities issued on 1 March 2012 (the 'Perpetual Bonds'). The repurchase was made by way of on-market purchases. Upon settlement, the repurchased portion was cancelled and the aggregate outstanding principal amount following such cancellation is S$235,800,000.

(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 2016 to 28 January 2018. The Warrants have been presented as capital reserves under equity.

During the current financial year, as a result of the payment of the first and final dividend and a special silver jubilee dividend in respect of the financial year ended 30 June 2014, the Company announced the issuance of 12,333,258 additional warrants and the exercise price was adjusted to US$1.21. Furthermore, as a result of the payment of interim dividend in respect of the financial year ended 31 December 2015, the exercise price was reduced to US$1.19 and an additional 5,789,345 warrants were listed resulting in a total of 415,948,763 warrants outstanding as at 31 December 2015.

27. Dividends

	Group and Company	
	31 December 2015 $'000	30 June 2014 $'000
Declared and paid during the financial year ended:-		
Dividends on ordinary shares:		
– One tier tax exempted interim dividend for financial year ended 31 December 2015: $0.025 (30 June 2014: $Nil) per share	61,018	–
– One tier tax exempted special silver jubilee dividend for financial year ended 30 June 2014: $0.025 (30 June 2013: $Nil) per share	62,093	–
– One tier tax exempted first and final dividend for financial year ended 30 June 2014: $0.05 (30 June 2013: $0.04) per share	124,186	99,302
	247,297	99,302
Proposed but not recognised as a liability as at:-		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
– One tier tax exempted second and final dividend for financial year ended 31 December 2015: $0.035 per share	97,071	–
For comparison, the following dividends were proposed for financial year ended 30 June 2014 but not recognised as liability as at 30 June 2014:		
– One tier tax exempted first and final dividend for financial year ended 30 June 2014: $0.05 per share	–	121,933
– One tier tax exempted special silver jubilee dividend for financial year ended 30 June 2014: $0.025 per share	–	60,967
	97,071	182,900

28. Commitments

(a) Operating lease commitments

Operating lease expenses of the Group and Company (principally for land, offices, warehouses, employees' residences and vessels) were $173,063,000 (30 June 2014: $96,755,000) and $44,732,000 (30 June 2014: $16,982,000), respectively. These leases have an average tenure of between 1.0 and 21.0 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	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Within one year	87,998	67,310	21,835	18,798
After one year but not more than five years	202,469	143,152	18,635	8,177
More than five years	536,642	270,738	–	–
	827,109	481,200	40,470	26,975

(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	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Capital commitments in respect of property, plant and equipment	18,592	67,976	–	–

(c) Finance lease commitments

The Group has finance leases for palm and almond plantations, 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			
	31 December 2015 $'000	31 December 2015 $'000	30 June 2014 $'000	30 June 2014 $'000
	Minimum lease payments	Present value of payments (Note 24)	Minimum lease payments	Present value of payments (Note 24)
Not later than one year	15,632	5,936	9,023	5,722
Later than one year but not later than five years	61,425	38,444	43,472	27,688
Later than five years	115,549	63,687	37,265	24,801
Total minimum lease payments	192,606	108,067	89,760	58,211
Less: Amounts representing finance charges	(84,539)	–	(31,549)	–
Present value of minimum lease payments	108,067	108,067	58,211	58,211

29. Contingent liabilities

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Contingent liabilities not provided for in the accounts:				
Financial guarantee contracts given on behalf of subsidiary companies [1]	–	–	5,669,519	4,438,330

1. Amounts utilised by subsidiary companies on the bank facilities secured by corporate guarantees amounted to $1,150,568,538 (30 June 2014: $1,236,448,691).

The Company has agreed to provide continuing financial support to certain subsidiary companies.

30. Employee benefits expenses

Employee benefits expenses (including Executive Directors):

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Salaries and employee benefits	774,145	439,804	249,666	122,756
Central Provident Fund contributions and equivalents	41,835	23,790	4,239	2,375
Retrenchment benefits	1,764	1,567	–	–
Share-based expense	6,392	9,535	2,582	4,256
	824,136	474,696	256,487	129,387

(a) 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 5 years. For Options granted to the Company's Non-Executive Directors and Independent Directors, the Option Period shall be no longer than 5 years.

The shares issued upon the options being exercised carry full dividend and voting rights.

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.

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.

Pursuant to the voluntary conditional cash offer by Breedens International Pte Ltd approval was sought and granted on 8 April 2014 such that all outstanding options which have not been exercised at the expiry of the accelerated exercise period shall not automatically lapse and become null and void but will expire in accordance with their original terms.

The incremental fair value of outstanding share options as at the date of modification, is estimated by the Company using the Black Scholes Model, taking into account the fair value of the outstanding share options immediately before and after the modification. The range of inputs to the models used to fair value the outstanding share options immediately before and after the modification are shown below:-

Inputs	Before modification	After modification
Dividend yield (%)	–	2.02
Expected volatility (%)	28.00	28.00
Risk-free interest rate (%)	0.16	0.49 – 1.50
Expected life of the option (years)	0.50	1.78 – 5.00
Share price of underlying equity ($)	2.22	2.22

30. Employee benefits expenses continued

(a) Employee share option scheme continued

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 31 December 2015 are as follows:-

Date of issue	No. of share options issued	Vesting period	In annual tranches of
21 July 2009	34,105,000	4 years	0, 0, 25, 75
17 February 2010	15,000,000	3 years	33, 33, 34
23 July 2010	3,425,000	4 years	0, 0, 25, 75
17 December 2010	780,000	4 years	0, 0, 25, 75
14 March 2011	1,355,000	4 years	0, 0, 25, 75
30 December 2011	2,910,000	4 years	0, 0, 25, 75
15 June 2012	16,842,000	4 years	0, 0, 25, 75
	74,417,000		

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:-

	31 December 2015		30 June 2014	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at the beginning of the year	79,252,000	2.22	134,040,000	2.06
Granted during the year [1]	–	–	750,000	1.70
Forfeited during the year	(2,775,000)	2.66	(7,090,000)	2.20
Exercised during the year [2]	(2,060,000)	2.28	(48,448,000)	1.77
Outstanding at the end of the year [3]	74,417,000	2.20	79,252,000	2.22
Exercisable at end of year	61,785,500	2.29	31,063,000	2.27

1. There were no new options granted during the year. The weighted average fair value of options granted during the previous financial year ended 30 June 2014 was $0.29.
2. The weighted average share price when the options were exercised in the current financial year was $2.51 (30 June 2014: $2.29).
3. The range of exercise prices for options outstanding at the end of the financial year was $1.76 to $3.10 (30 June 2014: $1.67 to $2.28). The weighted average remaining contractual life for these options is 4.51 years (30 June 2014: 5.99 years).

30. Employee benefits expenses continued

(b) Olam Share Grant Plan

On 30 October 2014, the Company had adopted the new Share Grant Plan ('OSGP'). The OSGP is a share-based incentive plan which involves the award of fully-paid shares, when and after pre-determined performance or service conditions are accomplished. Any performance targets set under the OSGP are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The actual number of shares to be delivered pursuant to the award granted will range from 0% to 192.5% of the base award and is contingent on the achievement of pre-determined targets set out in the three year performance period and other terms and conditions being met.

The details of OSGP are described below:-

Olam Share Grant Plan ('OSGP')

Plan Description	Award of fully-paid ordinary shares of the Company, conditional on performance targets set at the start of a three-year performance period based on stretched long-term corporate objectives
Performance Conditions	– Absolute Total Shareholder Return ('TSR') – Relative Total Shareholder Return – Return on Equity ('ROE')
Vesting Condition	Vesting based on meeting stated performance conditions over a three-year performance period
Payout	0% – 192.5% depending on the achievement of pre-set performance targets over the performance period.

Fair value of OSGP

The fair value of services received in return for shares awarded is measured by reference to the fair value of shares granted under the OSGP. The estimate of the fair value of the services received is measured based on a Monte Carlo simulation model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns. The inputs to the model used for the shares granted during financial year ended 31 December 2015 are shown below:-

Grant date:	7 April 2015
Dividend yield (%)	2.87
Expected volatility (%)	7.82
Risk-free interest rate (%)	1.33
Expected term (years)	2.74
Index (for Relative TSR)	FTSE Straits Times Index
Index volatility (%)	7.82
Correlation with Index (%)	38.8
Share price at date of grant ($)	1.985
Fair value at date of grant ($)	1.848

The number of contingent shares granted but not released as at 31 December 2015 was 11,817,500 (30 June 2014: Nil). Based on the achievement factor, the actual release of the awards could range from zero to maximum of 22,748,688 (30 June 2014: Nil) fully-paid ordinary shares of the Company.

The total amount recognised in profit or loss for share-based transactions with employees can be summarised as follows:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Employee share option scheme	586	9,535	207	4,246
Olam share grant plan	5,806	–	2,375	–
	6,392	9,535	2,582	4,246

31. Related party disclosures

An entity or individual is considered a related party of the Group for the purposes of the financial statements if: i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; ii) it is subject to common control or common significant influence.

The following are the significant related party transactions entered into by the Company and Group in the ordinary course of business on terms agreed between the parties:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Subsidiary companies:				
– Sales of goods	–	–	3,450,381	2,371,754
– Sales of services, net	–	–	–	1,397
– Purchases	–	–	10,086,559	6,108,436
– Insurance premiums paid	–	–	16,868	6,779
– Commissions paid	–	–	56,290	39,704
– Interest received on loan	–	–	67,559	54,930
– Consultancy fee paid	–	–	31,554	14,186
– Management fee received	–	–	53,823	30,634
Jointly controlled entity:				
– Sales of goods	24,702	29,902	24,702	29,902
– Purchases	–	25,891	–	–
Associate:				
– Finance income	26,863	–	26,863	–
– Sales of goods	26,525	11,115	26,525	11,115
– Purchases	218,543	164,367	218,543	164,367
Shareholder related companies:				
– Purchase of motor vehicles and other assets	991	1,248	–	–

32. Compensation of directors and key management personnel

The remuneration of directors and key management personnel during the years is as follows:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Directors' fees	2,501	1,490	2,501	1,400
Salaries and employee benefits	39,561	13,996	34,064	12,513
Central Provident Fund contributions and equivalents	900	512	178	93
Share-based expense	1,100	3,926	884	3,636
	44,062	19,924	37,627	17,642
Comprising amounts paid to:-				
Directors of the Company	23,105	10,571	23,105	10,481
Key management personnel	20,957	9,353	14,522	7,161
	44,062	19,924	37,627	17,642

32. Compensation of directors and key management personnel continued

Directors' interests in employee share benefit plans

At the end of the reporting date, the total number of outstanding options/shares that were issued/allocated to the directors and key management personnel under existing employee benefit schemes is given below:-

	31 December 2015 Options/shares	30 June 2014 Options
Employee Share Option Scheme:		
Directors	20,000,000	20,000,000
Key management personnel	19,900,000	17,400,000
Olam Share Grant Plan:		
Directors	650,000	–
Key management personnel	1,575,000	–

33. Cash and short-term deposits

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Cash and bank balances	1,921,773	1,529,147	1,361,516	1,133,437
Deposits	221,399	60,928	56,740	49,582
	2,143,172	1,590,075	1,418,256	1,183,019

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.00% to 15.00% (30 June 2014: 0.02% to 11.50%) per annum.

Deposits include short-term and capital guaranteed deposits. Short-term deposits are made for varying periods between 1 and 365 days (30 June 2014: 1 and 365 days) depending on the immediate cash requirements of the Group, and interest earned at floating rates ranging from 0.10% to 11.00% (30 June 2014: 0.52% to 23.00%) per annum.

Deposits include capital guaranteed, non-interest bearing, index-linked structured deposits of $28,367,000 (30 June 2014: $43,624,000) with remaining maturity period ranging from one to two years and may be withdrawn on demand.

Cash at banks and deposits denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
United States Dollar	73,658	29,893	–	–
Great Britain Pounds	374,445	88,753	373,914	88,716
Euro	99,800	205,482	85,003	200,598
Australian Dollar	18,109	–	18,107	–
Singapore Dollar	9,696	4,827	9,447	4,714
New Zealand Dollar	1,335	43,903	1,335	43,903

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:-

	Group	
	31 December 2015 $'000	30 June 2014 $'000
Cash and bank balances	1,921,773	1,529,147
Deposits	221,399	60,928
Structured deposits	(28,367)	(43,624)
Bank overdrafts (Note 24)	(196,044)	(298,179)
	1,918,761	1,248,272

Bank overdrafts are included in the determination of cash and cash equivalents because they form an integral part of the Group's cash management.

34. Financial risk management policies and objectives

The Group's principal financial instruments, other than derivative financial instruments and investment in security, comprise bank loans, medium-term notes, term loans from banks, 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.

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 $13,947,000 (30 June 2014: $8,145,000) 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	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
By operating segments:				
Edible nuts, spices and vegetable ingredients	448,650	470,284	367,928	226,241
Confectionery and beverage ingredients	519,179	383,829	28,805	216,745
Industrial raw materials	129,214	351,062	33,889	194,240
Food staples and packaged food business	205,730	215,161	7,928	12,050
Commodity financial services	9,945	345	7,521	–
	1,312,718	1,420,681	446,071	649,276

34. Financial risk management policies and objectives continued

(b) Credit risk continued

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 17 (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 Pounds (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			
	31 December 2015		30 June 2014	
	Profit net of tax $'000	Equity $'000	Profit net of tax $'000	Equity $'000
	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)
USD – strengthened 0.5%	(351)	–	(1,014)	–
GBP – strengthened 0.5%	(4,121)	(12,488)	(1,412)	(5,445)
EUR – strengthened 0.5%	(9,026)	(1,939)	(7,475)	(5,928)
AUD – strengthened 0.5%	172	984	10	(135)
SGD – strengthened 0.5%	(375)	8,113	(230)	6,135

34. Financial risk management policies and objectives continued

(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.

	31 December 2015 $'000				30 June 2014 $'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
Group								
Financial liabilities:								
Trade payables and accruals (Note 22)	1,753,711	–	–	1,753,711	1,587,626	–	–	1,587,626
Other current liabilities (Note 23)	358,003	–	–	358,003	336,087	–	–	336,087
Borrowings	5,402,848	6,794,318	661,753	12,858,919	4,924,050	3,798,013	1,418,574	10,140,637
Derivative financial instruments (Note 35)	540,094	–	–	540,094	382,163	–	–	382,163
Total undiscounted financial liabilities	8,054,656	6,794,318	661,753	15,570,727	7,229,926	3,798,013	1,418,574	12,446,513
Company								
Financial liabilities:								
Trade payables and accruals (Note 22)	505,829	–	–	505,829	665,288	–	–	665,288
Other current liabilities (Note 23)	37,794	–	–	37,794	20,595	–	–	20,595
Borrowings	4,030,044	4,850,012	537,858	9,417,914	3,255,127	2,609,588	1,308,910	7,173,625
Derivative financial instruments (Note 35)	368,303	–	–	368,303	193,811	–	–	193,811
Total undiscounted financial liabilities	4,941,970	4,850,012	537,858	10,329,840	4,134,821	2,609,588	1,308,910	8,053,319

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.

	31 December 2015 $'000				30 June 2014 $'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
Group								
Financial guarantees	–	–	–	–	–	–	–	–
Company								
Financial guarantees	1,150,569	–	–	1,150,569	1,236,449	–	–	1,236,449

(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 to 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 $10,959,000 (30 June 2014: $19,932,000).

35. Fair values of assets and liabilities

(a) Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

(b) Fair value of assets and liabilities that are carried at fair value

The following table shows an analysis of assets and liabilities carried at fair value by level of fair value hierarchy:-

	Group 31 December 2015			
	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
Recurring fair value measurements				
Financial assets:				
Long-term investment (Note 15)	257,146	–	12,061	269,207
Derivatives financial instruments				
– Foreign exchange contracts	–	187,517	–	187,517
– Commodity contracts	122,272	421,666	52,409	596,347
	379,418	609,183	64,470	1,053,071
Financial liabilities:				
Derivatives financial instruments				
– Foreign exchange contracts	–	(169,491)	–	(169,491)
– Commodity contracts	(197,563)	(171,987)	(1,053)	(370,603)
	(197,563)	(341,478)	(1,053)	(540,094)
Non-financial assets:				
Biological assets (Note 12)	–	–	1,009,513	1,009,513
Inventories (Note 19)	–	4,307,608	336,493	4,644,101
	–	4,307,608	1,346,006	5,653,614

35. Fair values of assets and liabilities continued

(b) Fair value of assets and liabilities that are carried fair value continued

	Group 30 June 2014			
	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
Recurring fair value measurements				
Financial assets:				
Long-term investment (Note 15)	393,976	–	13,709	407,685
Short-term investment (Note 15)	–	10,687	–	10,687
Derivatives financial instruments				
– Foreign exchange contracts	–	58,678	–	58,678
– Commodity contracts	61,002	391,507	26,216	478,725
– Convertible and other bonds	–	17,214	–	17,214
	454,978	478,086	39,925	972,989
Financial liabilities:				
Derivatives financial instruments				
– Foreign exchange contracts	–	(38,265)	–	(38,265)
– Commodity contracts	(155,294)	(185,129)	(3,475)	(343,898)
	(155,294)	(223,754)	(3,475)	(382,163)
Non-financial assets:				
Biological assets (Note 12)	–	–	914,766	914,766
Inventories (Note 19)	–	2,808,576	14,787	2,823,363
		2,808,576	929,553	3,738,129

Determination of fair value

Long-term investments relate to two investments, of which one is based on quoted closing prices at the balance sheet date; and the other being unquoted, is determined based on valuations using discounted cash flows of the underlying asset.

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. The investment fund was wound down during the current financial year.

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 and inventories 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 counter-parties, 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 historical transacted prices and estimates.

The fair value of biological assets (plantations, annual crops and livestock) has been determined through various methods and assumptions. Please refer to Note 12 for more details.

35. Fair values of assets and liabilities continued

(c) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The significant unobservable inputs used in the valuation of biological assets are disclosed in Note 12.

The following table shows the information about fair value measurements of other assets and liabilities using significant unobservable inputs (Level 3):

Recurring fair value measurements	Valuation techniques	Unobservable inputs	Percentage
Financial assets/ liabilities:			
Long-term investment – unquoted	Discounted cash flow	Discount rate	14.6% (30 June 2014: 14.6%)
Commodity contracts	Comparable market approach	Premium on quality per metric tonne	0% to 28% (30 June 2014: 0% to 67%)
Commodity contracts	Comparable market approach	Discount on quality per metric tonne	0% to 25% (30 June 2014: 0% to 27%)
Non-financial assets:			
Inventories	Comparable market approach	Premium on quality per metric tonne	0% to 29% (30 June 2014: 0% to 44%)
Inventories	Comparable market approach	Discount on quality per metric tonne	0% to 35% (30 June 2014: 0% to 75%)

Impact of changes to key assumptions on fair value of Level 3 financial instruments

The following table shows the impact on the Level 3 fair value measurement of assets and liabilities that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	31 December 2015		
		Effect of reasonably possible alternative assumptions	
	Carrying amount $'000	Profit/ (loss) $'000	Other comprehensive income $'000
Recurring fair value measurements			
Financial assets:			
Long-term investment – unquoted	12,061	–	60
Commodity contracts	52,409	(1,823)	–
Financial liabilities:			
Commodity contracts	(1,053)	(184)	–
Non-financial assets:			
Biological assets – increased by 0.5%	1,009,513	(22,162)	–
Biological assets – decreased by 0.5%	1,009,513	23,027	–
Inventories	336,493	3,193	–

35. Fair values of assets and liabilities continued

(c) Level 3 fair value measurements continued

(i) Information about significant unobservable inputs used in Level 3 fair value measurements continued

Impact of changes to key assumptions on fair value of Level 3 financial instruments continued

	30 June 2014		
		Effect of reasonably possible alternative assumptions	
	Carrying amount $'000	Profit/ (loss) $'000	Other comprehensive income $'000
Recurring fair value measurements			
Financial assets:			
Long-term investment – unquoted	13,709	–	69
Commodity contracts	26,216	(505)	–
Financial liabilities:			
Commodity contracts	(3,475)	(343)	–
Non-financial assets:			
Biological assets – increased by 0.5%	914,766	(22,516)	–
Biological assets – decreased by 0.5%	914,766	23,476	–
Inventories	14,787	3,725	–

In order to determine the effect of the above reasonably possible alternative assumptions, the Group adjusted the following key unobservable inputs used in the fair value measurement:

- For certain commodity contracts and inventories, the Group adjusted the market prices of the valuation model by 1%.
- For long-term investment (unquoted), the Group adjusted the assumptions to the model inputs of the valuation model by 0.5%.
- For biological assets, the Group adjusted the estimated discount rate applied to discounted cash flow model by 0.5%.

(ii) Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value, except for biological assets (Note 12), based on significant unobservable inputs (Level 3):-

	Commodity contracts – assets $'000	Commodity contracts – liabilities $'000	Long-term investment – unquoted (Note 15) $'000	Inventories $'000
At 1 July 2013	15,840	(3,087)	–	16,994
Total gain /(loss) recognised in the profit and loss account				
– Net gain/(loss) on fair value changes, sales, purchases and settlements	10,376	(388)	–	(2,207)
– Net gain from remeasurement of retained interest in former subsidiary	–	–	13,709	–
At 30 June 2014 and 1 July 2014	26,216	(3,475)	13,709	14,787
Total gain recognised in the profit and loss account				
– Net gain on fair value changes	26,193	2,422	–	51,314
– Purchases and sales, net	–	–	–	270,392
– Foreign currency translation adjustments	–	–	(1,648)	–
At 31 December 2015	52,409	(1,053)	12,061	336,493

35. Fair values of assets and liabilities continued

(d) Derivative financial instruments

The Group and Company have master netting arrangements with certain dealers and brokers to settle the net amount due to or from each other. The Group's and Company's derivative financial instruments that are offset are as follows:-

	Group Fair value		Company Fair value	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
31 December 2015				
Derivatives held for hedging: [1]				
Foreign exchange contracts	184,736	(167,600)	160,595	(135,093)
Commodity contracts	1,954,385	(1,774,822)	1,637,062	(1,635,538)
Total derivatives held for hedging	2,139,121	(1,942,422)	1,797,657	(1,770,631)
Derivatives held for trading:				
Foreign exchange contracts	2,781	(1,892)	2,781	(1,892)
Commodity contracts	215,039	(168,857)	215,039	(168,857)
Total derivatives held for trading	217,820	(170,749)	217,820	(170,749)
Total derivatives, gross	2,356,941	(2,113,171)	2,015,477	(1,941,380)
Gross amounts offset in the balance sheet	(1,573,077)	1,573,077	(1,573,077)	1,573,077
Net amounts in the balance sheet	783,864	(540,094)	442,400	(368,303)

1. 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 account.

	Group Fair value		Company Fair value	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
30 June 2014				
Derivatives held for hedging [1]				
Foreign exchange contracts	58,678	(38,265)	11,906	(23,608)
Commodity contracts	1,512,402	(1,340,444)	1,299,377	(1,207,714)
Total derivatives held for hedging	1,571,080	(1,378,709)	1,311,283	(1,231,322)
Derivatives held for trading				
Commodity contracts	3,834	(40,965)	–	–
Convertible and other bonds	17,214	–	17,214	–
Total derivatives held for trading	21,048	(40,965)	17,214	–
Total derivatives, gross	1,592,128	(1,419,674)	1,328,497	(1,231,322)
Gross amounts offset in the balance sheet	(1,037,511)	1,037,511	(1,037,511)	1,037,511
Net amounts in the balance sheet	554,617	(382,163)	290,986	(193,811)

1. 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 account.

As at 31 December 2015, the settlement dates on open foreign exchange derivatives and commodity derivatives ranged between 1 and 24 months (30 June 2014: 1 and 23 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.

35. Fair values of assets and liabilities continued

(d) Derivative financial instruments continued

For all the foreign exchange and commodity derivatives used for hedging purposes, the forecasted transactions are expected to occur within 24 months (30 June 2014: 23 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 account 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 $107,931,000 for both the Group and Company as at 31 December 2015 (30 June 2014: loss of $49,778,000 and $56,690,000 respectively).

(e) 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) Bank loans, term loans from banks and other bonds (current)

The carrying amount of the bank loans, term loans from banks and other bonds (current) are an approximation of fair values as they are subjected to frequent repricing (floating rates) and/ or because of their short-term maturity.

(f) 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

(i) Loans to subsidiary companies, loans to jointly controlled entities and loan to associate

Loans to subsidiary companies, loans to jointly controlled entities and loan to associate 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.

(ii) Other non-current assets – investment in dairy co-operative

The Group's investment in a dairy co-operative has been carried at cost because fair value cannot be measured reliably as the dairy co-operative is not listed and does not have any comparable industry peer that is listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant. The Group does not intend to dispose of this investment in the foreseeable future.

(iii) Convertible bonds, medium-term notes and other bonds

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
31 December 2015				
Financial liabilities:				
Convertible bonds	321,166	334,321	321,166	334,321
Medium-term notes	2,946,507	2,986,593	2,946,507	2,986,593
Other bonds	352,101	390,741	352,101	390,741
30 June 2014				
Financial liabilities:				
Convertible bonds	575,528	689,415	575,528	689,415
Medium-term notes	1,699,547	1,787,487	1,699,547	1,787,487
Other bonds	1,199,062	1,337,865	1,190,602	1,329,404

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 (Level 1).

36. 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 vis-a-vis 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 31 December 2015 and 30 June 2014.

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	
	31 December 2015	30 June 2014
Gross debt to equity:		
– Before fair value adjustment reserve	2.35 times	2.19 times
Net debt to equity:		
– Before fair value adjustment reserve	1.94 times	1.82 times

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.

37. Classification of financial assets and liabilities

Group	Loans and receivables $'000	Carried at amortised cost $'000	Held for hedging $'000	Available-for-sale $'000	Fair value through profit or loss/held for trading $'000
31 December 2015					
Financial assets:					
Loans to jointly controlled entities (Note 14(a))	121,757	–	–	–	–
Loan to associate (Note 14(b))	334,658	–	–	–	–
Long-term investments (Note 15)	–	–	–	269,207	–
Trade receivables (Note 17)	1,495,246	–	–	–	–
Margin accounts with brokers (Note 18)	189,724	–	–	–	–
Advance payments to suppliers (Note 20)	714,972	–	–	–	–
Other current assets (Note 21)	894,841	–	–	–	791
Cash and short-term deposits (Note 33)	2,114,805	–	–	–	28,367
Derivative financial instruments (Note 35)	–	–	733,767	–	50,097
Other non-current assets (Note 21)	47,219	–	–	–	10,596
	5,913,222	–	733,767	269,207	89,851
Financial liabilities:					
Trade payables and accruals (Note 22)	–	1,753,711	–	–	–
Other current liabilities (Note 23)	–	438,160	–	–	–
Borrowings (Note 24)	–	12,293,915	–	–	–
Derivative financial instruments (Note 35)	–	–	537,069	–	3,025
	–	14,485,786	537,069	–	3,025

37. Classification of financial assets and liabilities continued

Group	Loans and receivables $'000	Carried at amortised cost $'000	Held for hedging $'000	Available-for-sale $'000	Fair value through profit or loss/held for trading $'000
30 June 2014					
Financial assets:					
Loans to jointly controlled entities (Note 14(a))	128,764	–	–	–	–
Loan to associate (Note 14(b))	317,854	–	–	–	–
Long-term investments (Note 15)	–	–	–	407,685	–
Trade receivables (Note 17)	1,613,223	–	–	–	–
Margin accounts with brokers (Note 18)	225,499	–	–	–	–
Advance payments to suppliers (Note 20)	706,652	–	–	–	–
Other current assets (Note 21)	384,558	–	–	–	10,687
Cash and short-term deposits (Note 33)	1,546,451	–	–	–	43,624
Derivative financial instruments (Note 35)	–	–	533,569	–	21,048
Other non-current assets (Note 21)	14,495	–	–	8,653	–
	4,937,496	–	533,569	416,338	75,359
Financial liabilities:					
Trade payables and accruals (Note 22)	–	1,587,626	–	–	–
Other current liabilities (Note 23)	–	423,563	–	–	–
Borrowings (Note 24)	–	9,339,906	–	–	–
Derivative financial instruments (Note 35)	–	–	341,198	–	40,965
	–	11,351,095	341,198	–	40,965

37. Classification of financial assets and liabilities continued

Company	Loans and receivables $'000	Carried at amortised cost $'000	Held for hedging $'000	Available-for-sale $'000	Fair value through profit or loss/held for trading $'000
31 December 2015					
Financial assets:					
Loans to subsidiary companies (Note 13)	1,013,096	–	–	–	–
Loans to jointly controlled entities (Note 14(a))	121,826	–	–	–	–
Loan to associate (Note 14(b))	334,658	–	–	–	–
Long-term investments (Note 15)	–	–	–	257,146	–
Amounts due from subsidiary companies (Note 16)	1,789,599	–	–	–	–
Trade receivables (Note 17)	447,430	–	–	–	–
Margin accounts with brokers (Note 18)	122,589	–	–	–	–
Advance payments to suppliers (Note 20)	3,213,529	–	–	–	–
Other current assets (Note 21)	89,448	–	–	–	–
Cash and short-term deposits (Note 33)	1,389,889	–	–	–	28,367
Derivative financial instruments (Note 35)	–	–	392,303	–	50,097
	8,522,064	–	392,303	257,146	78,464
Financial liabilities:					
Trade payables and accruals (Note 22)	–	505,829	–	–	–
Other current liabilities (Note 23)	–	107,873	–	–	–
Borrowings (Note 24)	–	9,030,519	–	–	–
Derivative financial instruments (Note 35)	–	–	365,278	–	3,025
	–	9,644,221	365,278	–	3,025
30 June 2014					
Financial assets:					
Loans to subsidiary companies (Note 13)	1,031,402				
Loans to jointly controlled entities (Note 14(a))	128,130	–	–	–	–
Loan to associate (Note 14(b))	317,854	–	–	–	–
Long-term investments (Note 15)	–	–	–	393,976	–
Amounts due from subsidiary companies (Note 16)	1,783,155	–	–	–	–
Trade receivables (Note 17)	650,185	–	–	–	–
Margin accounts with brokers (Note 18)	140,600	–	–	–	–
Advance payments to suppliers (Note 20)	2,263,147	–	–	–	–
Other current assets (Note 21)	24,686	–	–	–	10,687
Cash and short-term deposits (Note 33)	1,139,395	–	–	–	43,624
Derivative financial instruments (Note 35)	–	–	273,772	–	17,214
	7,478,554	–	273,772	393,976	71,525
Financial liabilities:					
Trade payables and accruals (Note 22)	–	665,288	–	–	–
Other current liabilities (Note 23)	–	99,702	–	–	–
Borrowings (Note 24)	–	6,669,769	–	–	–
Derivative financial instruments (Note 35)	–	–	193,811	–	–
	–	7,434,759	193,811	–	–

38. 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 Vegetable Ingredients – cashews, peanuts, almonds, hazelnuts, spices and vegetable ingredients, sesame and beans (including pulses, lentils and peas).
- Confectionery and Beverage Ingredients – cocoa and coffee.
- 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. The measure used by management to evaluate segment performance is different from the operating profit or loss in the consolidated financial statements, as explained in the table below.

In the prior year, management assessed the performance of the operating segments based on a measure of Earnings Before Interest and Tax ('EBIT'). In the current year, following a strategy review, management has changed this measure to Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA'). Management also excludes certain items of income and expenses such as gain or loss on disposal of property, plant and equipment and gain or loss on disposal/ partial disposal of investments as these are not expected to recur every year and are analysed separately. Comparatives for this note have accordingly been restated to conform with this new measure.

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.

38. Segmental information continued

(a) Business segments

	Edible nuts, spices and vegetable ingredients		Confectionery and beverage ingredients		Industrial raw Materials		Food staples and packaged foods		Commodity financial services		Consolidated	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Segment revenue :												
Sales to external customers	6,073,053	3,452,046	9,569,240	5,048,759	3,902,286	3,654,831	8,686,007	7,265,443	–	723	28,230,586	19,421,802
Segment result (EBITDA)	538,531	362,650	471,876	275,359	255,382	215,476	351,228	339,928	8,430	(24,623)	1,625,447	1,168,790
Depreciation and amortisation	(115,094)	(68,604)	(65,608)	(31,315)	(34,362)	(36,066)	(126,461)	(79,341)	(452)	(251)	(341,977)	(215,577)
Finance costs	–	–	–	–	–	–	–	–	–	–	(835,733)	(519,240)
Finance income	–	–	–	–	–	–	–	–	–	–	49,992	14,399
Exceptional items [1]	(4,855)	34,062	(34,122)	(27,391)	(4,409)	(37,749)	(216,295)	329,532	–	955	(259,681)	299,409
Profit before taxation											238,048	747,781
Taxation expense											(141,577)	(106,509)
Profit for the financial year											96,471	641,272
Segment assets	4,076,152	3,480,240	6,851,488	3,849,224	2,350,998	2,385,498	3,604,910	3,766,729	88,156	40,902	16,971,704	13,522,593
Unallocated assets [2]											3,820,650	2,784,000
											20,792,354	16,306,593
Segment liabilities	595,293	313,225	1,133,569	719,286	223,629	264,877	373,503	655,630	5,605	37,491	2,331,599	1,990,509
Unallocated liabilities [3]											13,101,672	10,093,756
											15,433,271	12,084,265
Other segmental information:												
Share of results from jointly-controlled entities and associates	–	–	95	28	5,430	(8,846)	(3,240)	11,005	–	–	2,285	2,187
Investments in jointly-controlled entities and associates	–	650	1,275	1,082	587,369	539,085	310,251	294,576	–	–	898,895	835,393
Capital expenditure	136,080	68,046	105,309	67,969	84,971	232,506	238,899	198,966	685	59	565,944	567,546

(b) Geographical segments

	Asia, Middle East and Australia		Africa		Europe		Americas		Eliminations		Consolidated	
	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000	31 December 2015 $'000	30 June 2014 $'000
Segment revenue:												
Sales to external customers	10,682,446	8,035,828	4,088,419	4,127,563	7,616,115	3,972,257	5,843,606	3,286,154	–	–	28,230,586	19,421,802
Intersegment sales	6,076,699	3,213,746	3,197,365	2,515,608	1,791,671	985,545	3,744,856	2,132,729	(14,810,591)	(8,847,628)	–	–
	16,759,145	11,249,574	7,285,784	6,643,171	9,407,786	4,957,802	9,588,462	5,418,883	(14,810,591)	(8,847,628)	28,230,586	19,421,802
Non-current assets [4]	3,750,153	2,701,834	1,782,543	1,778,493	418,074	526,313	1,398,965	1,183,375	–	–	7,349,735	6,190,015

(c) Information on major customers

The Group has no single customer accounting for more than 10% of the turnover.

38. Segmental information continued

1 Exceptional items included the following items of income/ (expenses):-

	Group 31 December 2015 $'000	30 June 2014 $'000
Sale-and-leaseback of palm plantations assets, Gabon	33,634	–
Sale-and-leaseback of dairy farm land, Uruguay	23,429	–
Sale of dairy processing plant, Côte d'Ivoire	14,792	–
Fair valuation of investment in PureCircle Limited	(192,612)	270,315
Loss on bond buy-back – fair value component	(18,591)	–
Dairy restructuring costs, Uruguay	(76,946)	–
ADM Cocoa acquisition expenses	(34,123)	–
Sale of wool business, Australia	(2,739)	–
Closure of spices, vegetables ingredients dehydrates facility, USA	(4,855)	–
Impairment of cotton gins, USA	(1,670)	–
Sale and leaseback of almond plantation assets	–	65,362
Sale of stake in grain business, Australia	–	46,421
Non-operational gain on biological assets	–	17,826
Sale of cotton gins, Australia	–	12,161
Gain on bond buy-back	–	957
Impairment of mechanical cashew facility, Nigeria	–	(25,314)
Laos coffee impairment	–	(24,403)
Sale of timber subsidiary (CFA), Gabon	–	(22,594)
Accelerated amortisation of facility fees	–	(21,103)
Sale of timber assets, Gabon	–	(14,583)
Sale of additional stake in GSEZ, Gabon	–	(5,041)
Sale of stake in Open Country Dairy Limited, New Zealand	–	(595)
	(259,681)	299,409

The finance costs and tax expense related to the above items amounted to $107,957,000 (30 June 2014: $Nil) and $3,682,000 (30 June 2014: $16,308,000) respectively.

2 The following unallocated assets items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:-

	Group 31 December 2015 $'000	30 June 2014 $'000
Cash and bank balances	1,921,773	1,529,147
Other current/non-current assets	1,346,052	746,043
Long-term investments	269,207	407,685
Fixed deposits	221,399	60,928
Deferred tax assets	62,219	22,983
Fair value of derivative assets	–	17,214
	3,820,650	2,784,000

38. Segmental information continued

3 The following unallocated liabilities items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:-

	Group	
	31 December 2015 $'000	30 June 2014 $'000
Borrowings	12,293,915	9,339,906
Deferred tax liabilities	318,816	266,035
Other liabilities	406,911	407,602
Provision for taxation	82,030	80,213
	13,101,672	10,093,756

4 Non-current assets mainly relate to property, plant and equipment, intangible assets, biological assets, investments in jointly controlled entities and associates and long-term investments.

39. Events occurring after the reporting period

(a) On 11 January 2016, the Company announced that it has acquired Amber Foods Limited, which through its 100% owned subsidiary Quintessential Foods Nigeria Limited owns the wheat milling and pasta manufacturing assets of the BUA Group in Nigeria, for a total enterprise value of US$275.0 million.

The BUA Group, a diversified foods and infrastructure business group in Nigeria, is among the top five wheat millers in the country with wheat milling and pasta manufacturing capacities of 3,760 and 700 metric tonnes per day respectively. The assets to be acquired include two wheat mills and a pasta manufacturing facility in Lagos, a non-operating mill in Kano in the north of Nigeria, and a wheat mill and a pasta manufacturing plant under construction in Port Harcourt in the south-east of Nigeria.

(b) On 15 January 2016, the Company announced that the settlement for the repurchase of a principal amount of US$175.9 million of the US$500,000,000 6 per cent. Convertible Bonds due 2016 ('Bonds'), at a price of 102.5% of their principal amount, had been effected. On 22 January 2016, the Company announced the repurchase of a principal amount of US$10.3 million of Bonds.

On 23 February 2016, the Company announced that the outstanding US$44.3 million of Bonds have also been redeemed at 100% of their principal amount and following such redemption, all of the outstanding Bonds have been cancelled.

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Substantial shareholders

As recorded in the Register of Substantial Shareholders as at 17 March 2016

Name of shareholder	Direct	Deemed
1. Breedens Investments Pte. Ltd. ('**Breedens**')	1,196,809,904	
2. Aranda Investments Pte. Ltd. ('**Aranda**')	228,331,313	
3. Seletar Investments Pte Ltd ('**Seletar**') [1]		1,425,141,217
4. Temasek Capital (Private) Limited ('**Temasek Capital**') [1]		1,425,141,217
5. Temasek Holdings (Private) Limited ('**Temasek**') [1]		1,425,141,217
6. Mitsubishi Corporation [2]	554,689,829	–
7. Orbis Group [3]	–	212,311,496

Percentages of shareholdings are calculated based on the total number of issued ordinary shares (excluding treasury shares) being 2,825,645,142 as at 31 December 2015.

Notes:

1. Temasek's interest arises from the direct interest held by Breedens Investments Pte. Ltd. ('Breedens') and Aranda Investments Pte. Ltd. ('Aranda').

   (A) Temasek's interest through Breedens 43.15%

   (i) Breedens has a direct interest in 43.15% of voting shares of the Company.

   (ii) Breedens is a wholly owned subsidiary of Seletar Investments Pte Ltd ('Seletar').

   (iii) Seletar is a wholly owned subsidiary of Temasek Capital (Private) Limited ('Temasek Capital').

   (iv) Temasek Capital is a wholly owned subsidiary of Temasek.

   (B) Temasek's deemed interest through Aranda 8.23%

   (i) Aranda has a direct interest in 8.23% of voting shares of the Company.

   (ii) Aranda is a wholly owned subsidiary of Seletar.

   (iii) Seletar is a wholly owned subsidiary of Temasek Capital.

   (iv) Temasek Capital is a wholly owned subsidiary of Temasek.

   Total interest of Temasek 51.39%

2. Total interest of Mitsubishi Corporation 20%

3 Orbis Group of Companies comprised of the following corporations and shares were held through nominees:

   (a) Orbis Holdings Limited ('OHL')

   (b) Orbis World Limited ('OWL')

   (c) Orbis Trust ('OT')

   (d) Orbis Holding Trust ('OHT')

   (e) Orbis Asset Management Limited ('OAML')

   (f) Rhone Trustees (Switzerland) SA ('RTS')

   (g) Rhone Trustees (Bahamas) Ltd ('RTB')

Each of OHL, OWL and RTS and RTB as co-trustee of the OHT is a substantial shareholder of the Company by virtue of its deemed interest in the shares managed by its subsidiaries, Orbis Investment Management Limited ('OIML') 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, RTS 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, OAML as fund manager for another Orbis fund holds a deemed interest of less than 0.001% in the Company's shares by having the ability to vote and acquire/dispose of the Company's shares for and on behalf of this Orbis fund.

OIML is part of the Orbis Group of Companies. OIML is a substantial shareholder of the Company as it has deemed interests in the shares of the Company as fund manager of the following Orbis funds:

– Orbis Global Equity Fund Limited

– Orbis Global Equity Fund (Australia Registered)

– Orbis Optimal SA Limited

– Orbis SICAV Global Equity Fund

Total interest of Orbis Group of Companies 7.65%

Each of the above Orbis funds does not individually hold 5% or more of the Company's shares.

The parent entities of OIML (being OHL, OWL, RTS and RTB as co-trustee of Orbis Trust and OHT) and an entity affiliated with OIML, (being OAML) has deemed interest in the Company. Therefore, the deemed interests of OIML had been taken into account in the aggregation of interests of the foregoing entities.

Statistics of shareholdings
as at 17 March 2016

Issued and fully Paid-up Capital	S$3,154,150,251.82
Number of Ordinary Shares in Issue (excluding treasury shares)	2,825,645,142
Number of Treasury Shares held	52,196,000
Class of Shares	Ordinary
Voting Rights	One vote per share

Distribution of shareholdings

Size of shareholdings	No. of Shareholders	%	No. of shares	%
1 – 99	95	1.56	2,551	0.00
100 – 1,000	716	11.75	632,373	0.02
1,001 – 10,000	4,148	68.06	19,946,420	0.72
10,001 – 1,000,000	1,118	18.34	43,647,498	1.57
1,000,001 and above	18	0.29	2,709,220,300	97.69
Total	**6,095**	**100.00**	**2,773,449,142**	**100.00**

Twenty largest shareholders

	Name	No. of shares	%
1	Breedens Investments Pte Ltd	1,196,809,904	43.15
2	HSBC (Singapore) Nominees Pte Ltd	604,758,116	21.81
3	Citibank Nominees Singapore Pte Ltd	359,208,962	12.95
4	Aranda Investments Pte Ltd	228,331,313	8.23
5	Kewalram Singapore Limited	133,498,532	4.81
6	DBS Nominees (Private) Limited	64,705,157	2.33
7	Daiwa Capital Markets Singapore Limited	50,000,000	1.80
8	DBSN Services Pte. Ltd.	25,502,111	0.92
9	Raffles Nominees (Pte) Limited	21,306,849	0.77
10	UOB Kay Hian Private Limited	8,285,882	0.30
11	OCBC Securities Private Limited	3,351,692	0.12
12	United Overseas Bank Nominees (Private) Limited	3,298,864	0.12
13	Bank Of Singapore Nominees Pte. Ltd.	2,296,862	0.08
14	Citibank Consumer Nominees Pte Ltd	2,220,182	0.08
15	Merrill Lynch (Spore) Pte Ltd	1,995,479	0.07
16	OCBC Nominees Singapore Private Limited	1,439,627	0.05
17	DB Nominees (Singapore) Pte Ltd	1,210,372	0.04
18	Thomas Gregersen	1,000,396	0.04
19	Maybank Kim Eng Securities Pte. Ltd.	803,361	0.03
20	DBS Vickers Securities (Singapore) Pte Ltd	759,045	0.03
	Total	**2,710,782,706**	**97.73**

Public float

Approximately 16.5% of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Statistics of warrantholdings

as at 17 March 2016

Distribution of warrantholdings

Size of warrantholdings	No. of warrantholders	%	No. of warrants	%
1 – 99	76	5.54	3,144	0.00
100 – 1,000	294	21.45	163,418	0.04
1,001 – 10,000	811	59.15	2,347,757	0.56
10,001 – 1,000,000	177	12.91	11,379,412	2.74
1,000,001 and above	13	0.95	402,055,032	96.66
Total	**1,371**	**100.00**	**415,948,763**	**100.00**

Twenty largest warrantholders

	Name	No. of warrants	%
1	Breedens Investments Pte Ltd	183,972,911	44.23
2	Kewalram Singapore Limited	84,104,914	20.22
3	Aranda Investments Pte Ltd	78,711,976	18.92
4	Citibank Nominees Singapore Pte Ltd	18,273,391	4.39
5	HSBC (Singapore) Nominees Pte Ltd	11,863,664	2.85
6	DBS Nominees (Private) Limited	4,595,115	1.10
7	DBSN Services Pte. Ltd.	3,994,955	0.96
8	Raffles Nominees (Pte) Limited	3,920,899	0.94
9	Mak Seng Fook	3,736,815	0.90
10	DB Nominees (Singapore) Pte Ltd	3,047,521	0.73
11	Bank of Singapore Nominees Pte. Ltd.	2,822,283	0.68
12	CIMB Securities (Singapore) Pte. Ltd.	1,936,807	0.47
13	Pe Kim Beng @ Pek Kim Bing	1,073,781	0.26
14	DBS Vickers Securities (Singapore) Pte Ltd	816,351	0.20
15	Fong Soon Yong	794,600	0.19
16	Rajeev Pandurang Kadam	433,286	0.10
17	Anupam Jindel	426,315	0.10
18	June Song Pte Ltd	423,151	0.10
19	UOB Kay Hian Private Limited	404,510	0.10
20	BNP Paribas Securities Services Singapore Branch	320,708	0.08
	Total	**405,673,953**	**97.52**

Exercise Price	US$1.291 for each New Share on the exercise of a Warrant
Exercise Period	Commencing on and including the date falling 36 months after 29 January 2013 and expiring at 5.00 p.m. on a date falling 60 months after 29 January 2013, excluding such period(s) during which the register of Warrantholders may be closed pursuant to the Deed Poll.
Warrant Agent	Boardroom Corporate and Advisory Services Pte. Ltd. 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623

Notice of Annual General Meeting

Olam International Limited

(Company Registration No. 199504676H)
(Incorporated in Singapore with limited liability)

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of Olam International Limited (the 'Company') will be held at Room 324-326 Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Monday, 25 April 2016 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS	Ordinary resolutions
To receive and adopt the Directors' Statement and the Audited Consolidated Financial Statements of the Company and its subsidiary companies for the Financial Year ended 31 December 2015 ('**FY15**') together with the Auditors' Report thereon.	**Resolution 1**
To declare a second and final dividend of 3.5 cents per share tax exempt (one-tier), for FY15.	**Resolution 2**
To re-elect the following Directors retiring pursuant to Article 103 of the Constitution of the Company ('**Constitution**'), and who, being eligible, offer themselves for re-election:	
(a) Mr. Sunny George Verghese	**Resolution 3**
(b) Mr. Nihal Vijaya Devadas Kaviratne, CBE	**Resolution 4**
Please refer to following explanatory notes.	
To re-elect the following Directors who will cease to hold office in accordance with Article 109 of the Company's Constitution, and who, being eligible, offer themselves for re-election:	
(a) Mr. Yap Chee Keong	**Resolution 5**
(b) Ms. Marie Elaine Teo	**Resolution 6**
(c) Mr. Katsuhiro Ito	**Resolution 7**
(d) Mr. Yutaka Kyoya	**Resolution 8**
Please refer to following explanatory notes.	
To approve the payment of Directors' fees of S$834,633 in arrears for FY15 (paid to date for FY15: S$1,666,217, approved at the last annual general meeting held on 30 October 2014 (the '**2014 AGM**'): S$1,889,433).	**Resolution 9**
Please refer to following explanatory notes.	
To approve the payment of Directors' fees of S$2,090,000 for the financial year ending 31 December 2016 ('**FY16**') (approved at the 2014 AGM: S$1,889,433 (exclusive of additional amount proposed in Resolution 9)).	**Resolution 10**
Please refer to following explanatory notes.	
To re-appoint Messrs Ernst & Young LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.	**Resolution 11**

SPECIAL BUSINESS

Ordinary Resolutions

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

To elect Ms. Rachel Eng as a director of the Company ('**Director**'). **Resolution 12**

Please refer to following explanatory notes.

General Authority to Issue Shares

Resolution 13

That pursuant to Section 161 of the Companies Act, Cap. 50 (the '**Companies Act**') and Rule 806 of the Listing Manual ('**Listing Manual**') of the Singapore Exchange Securities Trading Limited ('**SGX-ST**'), the Directors be authorised and empowered to:

(a) (i) issue ordinary shares in the capital of the Company ('**Shares**') whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, '**Instruments**') that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting ('**AGM**') of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

Please refer to following explanatory notes.

SPECIAL BUSINESS

Renewal of the Share Buyback Mandate

Resolution 14

That:

(a) for the purposes of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(i) market purchase(s) (each a '**Market Purchase**') on SGX-ST; and/or

(ii) off-market purchase(s) (each an '**Off-Market Purchase**') in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the '**Share Buyback Mandate**');

(b) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to this Resolution may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM is held or required by law to be held; or

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

whichever is the earlier; and

(c) in this Resolution:

'**Maximum Limit**' means that number of issued Shares representing not more than five percent (5%) of the total number of issued Shares (excluding treasury shares) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined below), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares that may be held by the Company from time to time).

'**Relevant Period**' means the period commencing from the date of passing of this Resolution and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier; and

'**Maximum Price**' in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

'**Average Closing Price**' means the average of the closing market prices of the Shares over the last five Market Days (a '**Market Day**' being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days; and

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

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

Please refer to following explanatory notes.

SPECIAL BUSINESS

Ordinary Resolutions

Authority to issue Shares under the Olam Scrip Dividend Scheme **Resolution 15**

That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised to allot and issue such number of Shares as may be required to be allotted and issued from time to time pursuant to the Olam Scrip Dividend Scheme.

Please refer to following explanatory notes.

Authority to issue Shares under the Olam Share Grant Plan **Resolution 16**

That the Directors be and are hereby authorised to:

(a) grant awards in accordance with the provisions of the Olam Share Grant Plan; and

(b) allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of awards under the Olam Share Grant Plan,

provided that the total number of Shares which may be allotted and issued and/or Shares which may be delivered pursuant to the Olam Share Grant Plan on any date, when added to:

(i) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares delivered and/or to be delivered in respect of all awards granted under the Olam Share Grant Plan; and

(ii) all Shares, options or awards granted under any other share schemes of the Company which are in force,

shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares) from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

Please refer to following explanatory notes.

By Order of the Board

Tan Tiang Soon Colin
Company Secretary
Singapore

Date: 8 April 2016

Notes Concerning Appointment of Proxy:

a. A member entitled to attend and vote at the AGM, and who is not a Relevant Intermediary (as hereinafter defined) is entitled to appoint one or two proxies to attend and vote in his/her stead. A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote in his place, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. A proxy need not be a Member of the Company.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

b. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 9 Temasek Boulevard, #11-02, Suntec Tower Two, Singapore 038989 or at the Office of Share Registrar of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the AGM. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

c. **Personal data privacy:**

   By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the '**Purposes**'), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Explanatory Notes:

Ordinary Resolutions 3 and 4

Mr. Sunny George Verghese will, upon re-election as a Director, continue in office as Managing Director and as an Executive Director, and will remain as a member of the Board Risk Committee ('**BRC**'), and the Capital and Investment Committee ('**CIC**').

Mr. Nihal Vijaya Devadas Kaviratne, CBE will, upon re-election as a Director, continue in office as a Non-Executive and Independent Director, and will remain as a member of the Audit and Compliance Committee ('**ACC**') and the Corporate Responsibility and Sustainability Committee ('**CRSC**'). He will be considered independent.

Please refer to 'Key Information Regarding Directors' in the Corporate Governance section of the Annual Report for information on Mr. Sunny George Verghese, and Mr. Nihal Vijaya Devadas Kaviratne, CBE.

Ordinary Resolutions 5 and 6

Mr. Yap Chee Keong will, upon re-election as a Director, continue in office as a Non-Executive and Independent Director. He will remain as a member of the ACC and BRC, and will become a member of the CRSC. He will be considered independent.

Ms. Marie Elaine Teo will, upon re-election as a Director, continue in office as a Non-Executive and Independent Director and will remain as a member of the BRC, CIC, and GNC. She will be considered independent.

Please refer to 'Key Information Regarding Directors' in the Corporate Governance section of the Annual Report for information on Mr. Yap Chee Keong, and Ms. Marie Elaine Teo.

Ordinary Resolutions 7 and 8

Mr. Katsuhiro Ito will, upon re-election as a Director, continue in office as a Non-Executive Director. He will remain as a member of the ACC, CRSC and GNC.

Mr. Yutaka Kyoya will, upon re-election as a Director, continue in office as a Non-Executive and Independent Director. He will remain as a member of the CIC, BRC and HRCC.

Please refer to 'Key Information Regarding Directors' in the Corporate Governance section of the Annual Report for information on Mr. Katsuhiro Ito and Mr. Yutaka Kyoya.

Ordinary Resolution 9

Ordinary Resolution 9 seeks to approve an additional amount in Directors' fees payable in arrears for Non-Executive Directors for FY15. As a result of the change of financial year end from 30 June 2015 to 31 December 2015, the Directors' fees of $1,889,433 (the "**Approved Fees**") approved at the 2014 AGM would have had to be spent over a longer time frame than was originally envisaged (over six quarters instead of four quarters). In addition, the appointment of four new Non-Executive Directors was not envisaged at the time the Approved Fees were tabled for shareholders' approval.

The Company therefore seeks Shareholders' approval for an additional amount of S$834,633 being the additional accrued Directors' fees for the period between 1 July 2015 to 31 December 2015.

Ordinary Resolution 10

Ordinary Resolution 10 , if passed, will facilitate the payment of Directors' fees during FY16 in which the fees are incurred. The amount of Directors' fees is computed based on the revised fees structure as reported in the Corporate Governance section on page 66 of the Annual Report. The said proposed amount is 10 percent (10%) higher than the previous approved fees (2014: S$1,889,433) to provide for unforeseen circumstances (such as additional meetings of the Board and Board Committees, the appointment of additional Directors and/or the formation of additional Board Committees during FY16).

Ordinary Resolution 12

Ms. Rachel Eng will, upon election to the Board as a Director, also be nominated as a member of the Audit and Compliance Committee ('**ACC**'), Governance and Nomination Committee ('**GNC**') and Human Resource and Compensation Committee ('**HRCC**'). She will be considered independent.

Rachel Eng is the Deputy Chairman of WongPartnership effective 1 March 2016. She is involved in initial public offerings by companies and REITs on the Singapore Exchange Securities Trading Limited. She also handles corporate advisory and corporate governance work.

Rachel graduated from the National University of Singapore in 1991 with Bachelor of Laws (LLB) (Hons) degree. She was called to the Singapore Bar in 1992 and to the Roll of Solicitors of England & Wales in 2001. Rachel also holds a Certified Diploma in Accounting and Finance from the Chartered Association of Certified Accountants (UK).

Rachel is an independent non-executive director of StarHub Ltd. and SPH REIT Management Pte. Ltd., manager of SPH REIT. She is also a board member of Certis CISCO Security Pte. Ltd., the Public Utilities Board and the Singapore Accountancy Commission. In addition, she sits on the Board of Trustees of Singapore Institute of Technology and the Council of the Singapore Business Federation. Rachel is a member of the Committee on the Future Economy, which is formed by the Singapore government in January 2016 to develop economic strategies to position Singapore well for the future. She is also a Supervisory Committee member of ABF Singapore Bond Index Fund established by the Monetary Authority of Singapore. Rachel sits on the board of the Singapore chapter of the Asia Pacific Real Estate Association (APREA) and the Capital Markets and Financial Advisory Services (CMFAS) Exams Board of the Institute of Banking & Finance.

Ordinary Resolution 13

Resolution 13, if passed, will empower the Directors, effective until the earlier of (1) conclusion of the next AGM of the Company, or (2) the date by which the next AGM of the Company is required by law to be held (unless such authority is varied or revoked by the Company in a general meeting), to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares, of which up to ten percent (10%) may be issued other than on a pro-rata basis to shareholders. The sub-limit of ten percent (10%) for non pro-rata issues is lower than the twenty percent (20%) sub-limit allowed under the Listing Manual.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares) at the time this Ordinary Resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

Ordinary Resolution 14

Ordinary Resolution 14, if passed, will empower the Directors from the date of the passing of this Ordinary Resolution until the earlier of the date of the next AGM, or the date by which the next AGM is required by law to be held, to purchase or otherwise acquire, by way of Market Purchases or Off-Market Purchases, up to five percent (5%) of the total number of issued Shares (excluding treasury shares) as at the date of the passing of this Ordinary Resolution 14 on the terms of the Share Buyback Mandate as set out in the Letter to Shareholders dated 8 April 2016 accompanying this Notice of AGM (the "**Letter**"), unless such authority is earlier revoked or varied by the shareholders of the Company in a general meeting. The maximum number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate approved at the 2014 AGM was ten percent (10%) of the total number of issued Shares (excluding treasury shares), in line with the limit prescribed in Rule 882 of the Listing Manual. The Company has decided to voluntarily reduce this limit to 5% of the total number of issued Shares (excluding treasury shares).

The Company may use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of AGM as these will depend on, inter alia, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares. For illustrative purposes only, the financial effects of an assumed purchase or acquisition of the maximum number of Shares, at a purchase price equivalent to the Maximum Price per Share, in the case of a Market Purchase and an Off-Market Purchase respectively, based on the audited financial statements of the Company and its subsidiaries for the financial period ended 31 December 2015 and certain assumptions, are set out in paragraph 2.4.6 of the Letter.

Ordinary Resolution 15

Ordinary Resolution 15, if passed, will empower the Directors to issue Shares from time to time pursuant to the Olam Scrip Dividend Scheme to shareholders who, in respect of a qualifying dividend, have elected to receive shares in lieu of the cash amount of that qualifying dividend. Unless varied or revoked by the Company in a general meeting, such authority shall remain effective until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier. Please refer to the circular to shareholders of the Company dated 7 October 2009 for the terms and conditions of the Olam Scrip Dividend Scheme.

Ordinary Resolution 16

The Olam Share Grant Plan was adopted at the 2014 AGM. Other than the Olam Share Grant Plan, the Company does not have any other share scheme which is currently in force. Ordinary Resolution 16, if passed, will empower the Directors to grant awards under the Olam Share Grant Plan and to issue new Shares in respect of such awards, subject to the limitations described in the said resolution. Unless such authority has been varied or revoked by the Company in a general meeting, such authority shall expire at the conclusion of the next AGM, or the date by which the next AGM is required by law to be held, whichever is the earlier.

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Proxy Form

Olam International Limited

(Company Registration No. 199504676H)
(Incorporated in The Republic of Singapore with limited liability)

IMPORTANT:

1. An investor who hold shares under the Central Provident Fund Investment Scheme ('CPF Investor') and/or the Supplementary Retirement Scheme ('SRS Investors') (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy., in which case, the CPF and SRS Investors shall be precluded from attending the meeting,
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Annual General Meeting Proxy Form

(Please see notes overleaf before completing this Form)

*I/We, ____________________

of ____________________

being a *member/members of Olam International Limited (the 'Company'), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

And/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Twenty-First Annual General Meeting (the 'Meeting') of the Company to be held on Monday, 25 April 2016 at 10.00 a.m. at Room 324-326, Level 3, Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

(Please indicate your vote 'For' or 'Against' with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1.	Directors' Report and the Audited Accounts of the Company for the year ended 31 December 2015		
2.	Payment of second & final dividend of 3.5 cents per share for the year ended 31 December 2015		
3.	Re-election of Mr. Sunny George Verghese as a Director retiring under Article 103		
4.	Re-election of Mr. Nihal Vijaya Devadas Kaviratne, CBE as a Director retiring under Article 103		
5.	Re-election of Mr. Yap Chee Keong as a Director retiring under Article109		
6.	Re-election of Ms. Marie Elaine Teo as a Director retiring under Article109		
7.	Re-election of Mr. Katsuhiro Ito as a Director retiring under Article109		
8.	Re-election of Mr. Yutaka Kyoya as a Director retiring under Article109		
9.	Approval of payment of Directors' fees amounting to S$834,633 in arrears for the year ending 31 December 2015. (paid to date for FY15: S$1,666,217, 2014 approved: S$1,889,433).		
10.	Approval of Directors fees amounting to S$$2,090,000 for the year ending 31 December 2016. (2014 paid: S$1,889,433)		
11.	To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company		
	Special Business		
12.	Election of Ms. Rachel Eng as a Director of the Company		
13.	General Authority to Issue Shares - under section 161 of the Companies Act		
14.	Renewal of the Share Buyback Mandate		
15.	Authority to issue shares under the Olam Scrip Dividend Scheme		
16.	Authority to issue shares under the Olam Share Grant Plan		

* Delete where inapplicable

Ordinary Business

Dated this ____________________ day of ____________________ 2016

____
Signature of Shareholder(s) or Common
Seal of Corporate Shareholder
* Delete where inapplicable

Total number of Shares Held:	

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2016.

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SFof the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him/her. A proxy need not be a member of the Company. Any appointment of a proxy by an individual member attending in person shall be null and void and such proxy shall not be entitled to vote at the meeting.
3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
4. The instrument appointing a proxy or proxies must be deposited at the Registered Office or at the Office of the Share Registrar of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the Annual General Meeting.
5. (i) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing.
   (ii) Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
   (iii) Where the instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified true copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Registered Office or at the Office of the Share Registrar, not less than **forty-eight hours** before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. Subject to note 8, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
8. An investor who holds shares under the Central Provident Fund Investment Scheme ('CPF Investor') and/or the Supplementary Retirement Scheme ('SRS Investors') (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:
The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. The Company shall not be responsible to confirm nor shall be liable for the rejection of any incomplete or invalid proxy instrument. In addition, in the case of Shares entered in the Depository Register, the Company shall reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Stay up to date

olamgroup.com

@olam

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