

Registered Office:

7 Straits View
Marina One East Tower #20-01
Singapore 018936

Directors:

Lim Ah Doo	(Chairman, Non-Executive, Independent Director)
Sunny George Verghese	(Executive Director, Group CEO, Co-founder)
Sanjiv Misra	(Non-Executive, Independent Director)
Nihal Vijaya Devadas Kaviratne CBE	(Non-Executive, Independent Director)
Yap Chee Keong	(Non-Executive, Independent Director)
Marie Elaine Teo	(Non-Executive, Independent Director)
Kazuo Ito	(Non-Executive Director)
Dr. Ajai Puri	(Non-Executive, Independent Director)
Dr. Joerg Wolle	(Non-Executive, Independent Director)
Nagi Adel Hamiyeh	(Non-Executive Director)
Hideyuki Hori	(Non-Executive Director)

5 June 2022

To: The Shareholders

Dear Sir/Madam

LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHARE BUYBACK MANDATE

All capitalised terms herein shall bear the meanings ascribed to them in the Schedule titled "Definitions" to this Letter.

1. INTRODUCTION

1.1 The Directors wish to refer Shareholders to:

- (a) the Notice of EGM convening the EGM; and
- (b) Ordinary Resolution 3 as set out in the Notice of EGM in relation to the Proposed Share Buyback Mandate.

1.2 The purpose of this Letter is to provide Shareholders with information relating to the Proposed Share Buyback Mandate at the EGM, and may not be relied upon by any persons (other than Shareholders) or for any other purpose. This Letter is referred to in the Circular and should be read in conjunction with the Circular.

If you are in any doubt as to the contents herein or as to the course of action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Shares, you should immediately inform the purchaser or the transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected that this Letter, together with the Circular containing the Notice of EGM and proxy form for the EGM, may be accessed on SGXNET and the Company's website.

- 1.3 The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Letter.
- 1.4 WongPartnership LLP is the Singapore legal adviser to the Company for this Letter.

2. **THE PROPOSED SHARE BUYBACK MANDATE**

2.1 The Proposed Share Buyback Mandate

It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders.

The Company was listed on the Mainboard of the SGX-ST on 16 March 2022 following the implementation of a scheme of arrangement dated 27 January 2022 (the "**Scheme**") proposed by OIL to its shareholders under Section 210 of the Companies Act, as described in OIL's circular to shareholders of OIL dated 27 January 2022. Upon the Scheme taking effect on 15 March 2022 (the "**Scheme Effective Date**"), the entire issued share capital of OIL was held indirectly by the Company, and OIL was delisted from the SGX-ST on 16 March 2022. Prior to its delisting, shareholders of OIL had, at the last annual general meeting of OIL held on 23 April 2021, approved the renewal of a mandate to allow OIL to purchase or otherwise acquire OIL Shares (the "**OIL Share Buyback Mandate**"). The Company is seeking Shareholders' approval at the EGM for the adoption of the Proposed Share Buyback Mandate on terms substantially the same as the terms of the OIL Share Buyback Mandate.

Ordinary Resolution 3 as set out in the Notice of EGM will be proposed, pursuant to which authority will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its Shares on the terms of the Proposed Share Buyback Mandate.

2.2 Rationale for the Proposed Share Buyback Mandate

The approval of the Proposed Share Buyback Mandate authorising the Company to purchase or acquire its Shares will give the Company the flexibility to undertake Share purchases or acquisitions up to the 5% limit described in paragraph 2.3(a) below at any time, during the period when the Proposed Share Buyback Mandate is in force.

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

- (a) in managing the business of the OG Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the OG Group. A Share purchase is one of the ways in which the return on equity of the OG Group may be enhanced;

- (b) shares bought back under the Proposed Share Buyback Mandate can be held by the Company as treasury shares for the purpose of satisfying awards granted under its share incentive schemes (including the existing Share Grant Plan, which was adopted and implemented with effect from the Scheme Effective Date), thus giving the Company greater flexibility in this regard. The Company may also utilise the Shares held in treasury to remunerate Directors, subject to compliance with the applicable laws and regulations;
- (c) the Proposed Share Buyback Mandate is an expedient, effective and cost-efficient way for the Company to return to Shareholders surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and possible investment needs of the OG Group, if any. In addition, the Proposed Share Buyback Mandate will also allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy; and/or
- (d) share buyback mandates help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

While the Proposed Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 5% limit during the duration referred to in paragraph 2.3(b) below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Proposed Share Buyback Mandate may not be carried out to the full 5% limit as authorised, and the purchases or acquisitions of Shares pursuant to the Proposed Share Buyback Mandate will only be made as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial condition of the Company or the OG Group, or result in the Company being delisted from the SGX-ST.

2.3 Authority and Limits on the Proposed Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Proposed Share Buyback Mandate are summarised below:

(a) Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Proposed Share Buyback Mandate is limited to that number of Shares representing not more than 5% of the total number of issued Shares as at the date of the EGM (excluding treasury shares and subsidiary holdings) at which the adoption of the Proposed Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the Court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered by the special resolution of the Company or the order of the Court, as the case may be. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for the purposes of computing the 5% limit. As at the Latest Practicable Date, the Company has no treasury shares and no subsidiary holdings.

For illustrative purposes only, based on the general rule in the foregoing paragraph, on the basis of 3,842,625,185 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the date of the EGM, not more than 192,131,259 Shares (representing

approximately 5% of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Proposed Share Buyback Mandate during the Relevant Period.

(b) Duration of Authority

Purchases or acquisitions of Shares pursuant to the Proposed Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the EGM at which the adoption of the Proposed Share Buyback Mandate is approved, up to:

- (i) the date on which the next AGM is held or is required by law to be held;
- (ii) the date on which the authority conferred by the Proposed Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting; or
- (iii) the date on which the purchases or acquisitions of Shares pursuant to the Proposed Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest.

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

(c) Manner of Purchase or Acquisition

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

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

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

- (A) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (B) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

- (C) the terms of all the offers shall be the same, except that there shall be disregarded differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (1) the terms and conditions of the offer;
 - (2) the period and procedures for acceptances;
 - (3) the reasons for the proposed purchase or acquisition of Shares;
 - (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (5) whether the purchases or acquisitions of Shares, if made, could affect the listing of the Shares on the SGX-ST;
 - (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
 - (7) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.
- (d) Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses ("**related expenses**")) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed 105% of the Average Closing Price (the "**Maximum Price**").

For the above purposes:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days and the day on which the Market Purchase was made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase.

“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 each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

(e) Status of Purchased Shares

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

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

2.4 Treasury Shares

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

(a) Maximum Holdings

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

(b) Voting and Other Rights

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

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

(c) Disposal and Cancellation

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

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of, or pursuant to, any share scheme, whether for employees, Directors or other persons;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in, or assets of, another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

2.5 Reporting Requirements

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

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

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

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

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

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (A) date of the sale, transfer, cancellation and/or use;
- (B) purpose of such sale, transfer, cancellation and/or use;
- (C) number of treasury shares sold, transferred, cancelled and/or used;

- (D) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (E) percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (F) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

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

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

2.7 Financial Effects

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

The Company's total number of issued Shares and total issued share capital will be diminished by the total number of Shares purchased by the Company and which are not held as treasury shares. The NTA of the OG Group will be reduced by the aggregate purchase price (including any expenses such as brokerage and commission) paid by the Company for the Shares.

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

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

For illustrative purposes only, the financial effects of the Proposed Share Buyback Mandate on the Company and the OG Group are shown based on the audited consolidated financial statements of OIL for the financial year ended 31 December 2021¹ ("**FY2021 Financial Statements**"), and prepared on the following assumptions and bases:

- (a) based on 3,842,625,185 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued, and no reduction of share capital of the Company takes place, on or prior to the date of the EGM, not more than 192,131,259 Shares (representing 5% of the total number of issued Shares as at the date of the EGM) may be purchased by the Company pursuant to the Proposed Share Buyback Mandate (if adopted); and
- (b) assuming that the Company purchases or acquires 192,131,259 Shares at the Maximum Price of S\$1.55 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 192,131,259 Shares (excluding related expenses) is approximately S\$297,803,451.45.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs 2.7(a) and 2.7(b) above and assuming that:

- (A) such purchase or acquisition of Shares is financed solely by internal sources of funds;
- (B) the OG Group has been in its current form since 1 January 2021, and the Proposed Share Buyback Mandate had been effective on 1 January 2021;
- (C) the Company had purchased or acquired 192,131,259 Shares; and
- (D) expenses (including brokerage or commission) incurred directly in the purchases or acquisitions by the Company of the Shares at the relevant time are not taken into account,

the financial effects of the purchase or acquisition of 192,131,259 Shares by the Company on the FY2021 Financial Statements pursuant to the Proposed Share Buyback Mandate:

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

¹ The FY2021 Financial Statements are used because the principal asset of the Company immediately after the completion of the Scheme was 100% of the shares of OIL, the holding company of the OIL Group. Please refer to the circular to shareholders of OIL dated 27 January 2022 for more information.

are summarised for ease of reference in the following table:

Scenario	Purchased out of	Held as treasury shares or cancelled	Maximum price per Share (S\$)
1	Profits	Held as treasury shares	1.55
2	Capital	Held as treasury shares	1.55
3	Profits	Cancelled	1.55
4	Capital	Cancelled	1.55

the details of which are set out below:

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

As at 31 December 2021	OG Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
Share Capital	4,339,545	4,339,545	4,339,545	4,339,545
Treasury shares	(114,446)	(114,446)	(114,446)	(114,446)
Capital Securities	906,789	906,789	906,789	906,789
Capital and other reserves	(1,350,510)	(1,350,510)	195,897	195,897
Retained earnings	2,989,851	2,692,048	1,754,543	1,456,740
	6,771,229	6,473,426	7,082,328	6,784,525
Treasury shares	–	297,803	–	297,803
Shareholders' funds	6,771,229	6,771,229	7,082,328	7,082,328
Net tangible assets	6,771,229	6,473,426	6,784,814	6,487,011
Minority interests	7,448	7,448	–	–
Current assets	21,447,573	21,149,770	8,155,055	7,857,252
Current liabilities	15,011,298	15,011,298	8,657,948	8,657,948
Working capital	6,436,275	6,138,472	(502,893)	(800,696)
Number of issued Shares	3,842,625,185	3,842,625,185	3,842,625,185	3,842,625,185
Weighted average number of Shares	3,437,919,001	3,437,919,001	3,437,919,001	3,437,919,001
Financial ratios:				
Net tangible assets/Share (cents)	176.21	168.46	176.57	168.82
Current ratio (times)	1.43	1.41	0.94	0.91
EPS (cents)	18.29	18.29	–	–

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

As at 31 December 2021	OG Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
Share Capital	4,339,545	4,041,742	4,339,545	4,041,742
Treasury shares	(114,446)	(114,446)	(114,446)	(114,446)
Capital Securities	906,789	906,789	906,789	906,789
Capital and other reserves	(1,350,510)	(1,350,510)	195,897	195,897
Retained earnings	2,989,851	2,989,851	1,754,543	1,754,543
	6,771,229	6,473,426	7,082,328	6,784,525
Treasury shares	–	297,803	–	297,803
Shareholders' funds	6,771,229	6,771,229	7,082,328	7,082,328
Net tangible assets	6,771,229	6,473,426	6,784,814	6,487,011
Minority interests	7,448	7,448	–	–
Current assets	21,447,573	21,149,770	8,155,055	7,857,252
Current liabilities	15,011,298	15,011,298	8,657,948	8,657,948
Working capital	6,436,275	6,138,472	(502,893)	(800,696)
Number of issued Shares	3,842,625,185	3,842,625,185	3,842,625,185	3,842,625,185
Weighted average number of Shares	3,437,919,001	3,437,919,001	3,437,919,001	3,437,919,001
Financial ratios:				
Net tangible assets/Share (cents)	176.21	168.46	176.57	168.82
Current ratio (times)	1.43	1.41	0.94	0.91
EPS (cents)	18.29	18.29	–	–

(3) Purchases made entirely out of profits and cancelled

As at 31 December 2021	OG Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
Share Capital	4,339,545	4,339,545	4,339,545	4,339,545
Treasury shares	(114,446)	(114,446)	(114,446)	(114,446)
Capital Securities	906,789	906,789	906,789	906,789
Capital and other reserves	(1,350,510)	(1,350,510)	195,897	195,897
Retained earnings	2,989,851	2,692,048	1,754,543	1,456,740
	6,771,229	6,473,426	7,082,328	6,784,525
Treasury shares	–	–	–	–
Shareholders' funds	6,771,229	6,473,426	7,082,328	6,784,525
Net tangible assets	6,771,229	6,473,426	6,784,814	6,487,011
Minority interests	7,448	7,448	–	–
Current assets	21,447,573	21,149,770	8,155,055	7,857,252
Current liabilities	15,011,298	15,011,298	8,657,948	8,657,948
Working capital	6,436,275	6,138,472	(502,893)	(800,696)
Number of issued Shares	3,842,625,185	3,650,493,926	3,842,625,185	3,650,493,926
Weighted average number of Shares	3,437,919,001	3,266,023,051	3,437,919,001	3,266,023,051
Financial ratios:				
Net tangible assets/Share (cents)	176.21	177.33	176.57	177.70
Current ratio (times)	1.43	1.41	0.94	0.91
EPS (cents)	18.29	19.25	–	–

(4) Purchases made entirely out of capital and cancelled

As at 31 December 2021	OG Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
Share Capital	4,339,545	4,041,742	4,339,545	4,041,742
Treasury shares	(114,446)	(114,446)	(114,446)	(114,446)
Capital Securities	906,789	906,789	906,789	906,789
Capital and other reserves	(1,350,510)	(1,350,510)	195,897	195,897
Retained earnings	2,989,851	2,989,851	1,754,543	1,754,543
	6,771,229	6,473,426	7,082,328	6,784,525
Treasury shares	–	–	–	–
Shareholders' funds	6,771,229	6,473,426	7,082,328	6,784,525
Net tangible assets	6,771,229	6,473,426	6,784,814	6,487,011
Minority interests	7,448	7,448	–	–
Current assets	21,447,573	21,149,770	8,155,055	7,857,252
Current liabilities	15,011,298	15,011,298	8,657,948	8,657,948
Working capital	6,436,275	6,138,472	(502,893)	(800,696)
Number of issued Shares	3,842,625,185	3,650,493,926	3,842,625,185	3,650,493,926
Weighted average number of Shares	3,437,919,001	3,266,023,051	3,437,919,001	3,266,023,051
Financial ratios:				
Net tangible assets/ Share (cents)	176.21	177.33	176.57	177.70
Current ratio (times)	1.43	1.41	0.94	0.91
EPS (cents)	18.29	19.25	–	–

Shareholders should note that the financial effects set out above are purely for illustrative purposes and based on the abovementioned assumptions. Although the Proposed Share Buyback Mandate, if adopted, would authorise the Company to purchase or acquire up to 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 5% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings). The Company may, subject to the requirements of the Companies Act, cancel all or part of the Shares repurchased and/or hold all or part of the Shares repurchased in treasury, at its discretion.

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

2.8 Take-over Implications

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

(a) Obligation to Make a Take-over Offer

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

(b) Persons Acting in Concert

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

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

- (i) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (vii) partners; and

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

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

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

(c) Effect of Rule 14 and Appendix 2 to the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 to the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Proposed Share Buyback Mandate.

Based on substantial shareholding notifications received by the Company under Part 7 of the SFA as at the Latest Practicable Date, as set out in paragraph 10 of the Circular, none of the substantial Shareholders of the Company would become obliged to make a mandatory offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 5% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

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

2.9 Listing Manual

While the Listing Manual does not expressly prohibit purchases or acquisitions of shares by a listed company during any particular time or times, because a listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase or acquire any Shares pursuant to the Proposed Share Buyback Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of consideration and/or a decision of the Board until such time as such information has been publicly announced, where such purchase or acquisition will be in contravention of the insider trading laws and regulations contained in the SFA and its subsidiary legislation, as amended or modified from time to time. In particular, in line with Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period one (1) month before the announcement of the Company’s half year and full year financial statements.

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares (excluding treasury shares) are at all times held by the public (“**public float**”).

Based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, the public float was approximately 23.39%.

Notwithstanding the current level of the public float, the Company believes that having the flexibility to conduct buybacks under appropriate circumstances will be beneficial to the Company. The Company will continue to closely monitor the public float prior to undertaking any purchases or acquisitions of Shares through Market Purchases pursuant to the Proposed Share Buyback Mandate. The Company will consider investor interests when maintaining a liquid market in its securities, and will ensure that there is sufficient public float so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares. **In particular, the Company will not undertake any purchase or acquisition of Shares under the Proposed Share Buyback Mandate (if adopted) if the public float is below 10%, or if any such purchase or acquisition of Shares will result in the public float falling below 10%.**

2.10 Previous Share Buybacks

The Company had not purchased or acquired any Shares by way of Market Purchases and/or Off-Market Purchases in the last 12 months immediately preceding the Latest Practicable Date. For completeness, OIL had also not purchased or acquired any Shares by way of Market Purchases and/or Off-Market Purchases in the last 12 months immediately preceding the Latest Practicable Date.

3. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

The interests of the Directors and the substantial shareholders of the Company in the Shares as at the Latest Practicable Date are set out in paragraph 10 of the Circular.

4. **DIRECTORS' RECOMMENDATIONS AND ABSTENTIONS FROM VOTING**

The Directors are of the view that the proposed adoption of the Proposed Share Buyback Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders **VOTE IN FAVOUR** of Ordinary Resolution 3 as set out in the Notice of EGM relating to the adoption of the Proposed Share Buyback Mandate.

5. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposed Share Buyback Mandate and the OG Group, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully

For and on behalf of the Board of Directors of
Olam Group Limited

Sunny George Verghese
Executive Director, Group CEO and Co-founder

SCHEDULE

DEFINITIONS

In this Letter, the following definitions apply throughout unless otherwise stated:

<u>“AGM”</u>	:	Annual general meeting of the Company
<u>“Average Closing Price”</u>	:	Has the meaning ascribed to it in paragraph 2.3(d) of this Letter
<u>“Board”</u>	:	The board of Directors of the Company
<u>“Circular”</u>	:	The Company’s circular to Shareholders dated the date of this Letter (which contains the Notice of EGM and proxy form for the EGM)
<u>“Companies Act”</u>	:	The Companies Act 1967 of Singapore
<u>“Company”</u>	:	Olam Group Limited
<u>“concert parties”</u>	:	Has the meaning ascribed to it in paragraph 2.8(b) of this Letter
<u>“Constitution”</u>	:	The constitution of the Company for the time being in force, as amended or modified from time to time
<u>“Court”</u>	:	The General Division of the High Court of the Republic of Singapore
<u>“day of the making of the offer”</u>	:	Has the meaning ascribed to it in paragraph 2.3(d) of this Letter
<u>“Directors”</u>	:	The directors of the Company for the time being
<u>“EGM”</u>	:	The extraordinary general meeting of the Company to be held on 20 June 2022
<u>“EPS”</u>	:	Earnings per Share
<u>“FY”</u>	:	Financial year comprising the period from 1 January to 31 December
<u>“FY2021 Financial Statements”</u>	:	Has the meaning ascribed to it in paragraph 2.7 of this Letter
<u>“Latest Practicable Date”</u>	:	31 May 2022, being the latest practicable date prior to the finalisation of this Letter
<u>“Letter”</u>	:	This letter to Shareholders
<u>“Listing Manual”</u>	:	The Mainboard Rules of the SGX-ST

<u>“Market Day”</u>	:	A day on which the SGX-ST is open for trading in securities
<u>“Market Purchases”</u>	:	Has the meaning ascribed to it in paragraph 2.3(c)(i) of this Letter
<u>“Maximum Price”</u>	:	Has the meaning ascribed to it in paragraph 2.3(d) of this Letter
<u>“Notice of EGM”</u>	:	The notice of EGM dated 5 June 2022
<u>“NTA”</u>	:	Net tangible assets
<u>“Off-Market Purchases”</u>	:	Has the meaning ascribed to it in paragraph 2.3(c)(ii) of this Letter
<u>“OG Group”</u>	:	The Company and its subsidiaries
<u>“OIL”</u>	:	Olam International Limited
<u>“OIL Group”</u>	:	OIL and its subsidiaries
<u>“OIL Share Buyback Mandate”</u>	:	Has the meaning ascribed to it in paragraph 2.1 of this Letter
<u>“OIL Shares”</u>	:	Ordinary shares in the capital of OIL
<u>“Proposed Share Buyback Mandate”</u>	:	General and unconditional mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire Shares in accordance with the terms set out in Ordinary Resolution 3 as set out in the Notice of EGM, as more particularly described in this Letter, and in accordance with the rules and regulations set forth in the Companies Act and the Listing Manual
<u>“public”</u>	:	Has the meaning ascribed to it in the Listing Manual
<u>“public float”</u>	:	Has the meaning ascribed to it in paragraph 2.9 of this Letter
<u>“Registrar”</u>	:	The Registrar of Companies
<u>“related expenses”</u>	:	Has the meaning ascribed to it in paragraph 2.3(d) of this Letter
<u>“Relevant Period”</u>	:	The period commencing from the date of the EGM, being the date on which the adoption of the Proposed Share Buyback Mandate is approved by the Shareholders, and expiring on the date the next AGM is held or is required by law to be held, whichever is earlier
<u>“Scheme”</u>	:	Has the meaning ascribed to it in paragraph 2.1 of this Letter

<u>“Scheme Effective Date”</u>	:	Has the meaning ascribed to it in paragraph 2.1 of this Letter
<u>“SFA”</u>	:	The Securities and Futures Act 2001 of Singapore
<u>“SGX-ST”</u>	:	Singapore Exchange Securities Trading Limited
<u>“SGXNET”</u>	:	A system network used by listed companies to send information and announcements to the SGX-ST, or any other system network prescribed by the SGX-ST
<u>“Share”</u>	:	An ordinary share in the capital of the Company
<u>“Share Grant Plan”</u>	:	The Share Grant Plan adopted and implemented by the Company with effect from the Scheme Effective Date, as modified or altered from time to time
<u>“Shareholders”</u>	:	The shareholders of the Company
<u>“Take-over Code”</u>	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<u>“S\$”</u> and <u>“cents”</u>	:	Singapore dollars and cents respectively, being the lawful currency of the Republic of Singapore
<u>“%”</u>	:	Percentage or per centum

A reference to **“paragraph”** is a reference to a paragraph of this Letter unless otherwise specified or the context otherwise requires.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

The terms **“depositor”**, **“depository agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms **“substantial shareholder”** and **“substantial shareholding”** shall have the meanings ascribed to them respectively in Section 2 of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing any one gender shall, where applicable, include the other genders where applicable. References to **“persons”** shall, where applicable, include firms and corporations.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Listing Manual and used in this Letter shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA or the Listing Manual, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Companies Act, the SFA and the Listing Manual) contained in this Letter are of such laws and regulations (including the Companies Act, the SFA and the Listing Manual) as at the Latest Practicable Date.

Any reference to a time of day or date in this Letter shall be a reference to Singapore time or date, as the case may be, unless otherwise stated.

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

The headings in this Letter are for ease of reference only and are not to be taken into account in the interpretation or construction of this Letter or any of its contents.

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