

PROPOSED SALE OF SHARES IN OLAM AGRI HOLDINGS PTE. LTD.

1. INTRODUCTION

1.1 Background

Olam Group Limited (the "**Company**", and together with its subsidiaries, the "**OG Group**") was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 16 March 2022 following the implementation of the Scheme of Arrangement dated 27 January 2022 (the "**Scheme**") proposed by Olam International Limited ("**OIL**", and together with its subsidiaries, the "**OIL Group**") to its shareholders under Section 210 of the Companies Act 1967 (2020 Revised Edition) of Singapore. More information on the Scheme can be found in the circular to shareholders of OIL dated 27 January 2022 (the "**Scheme Circular**").

As stated in the Scheme Circular, OIL had undertaken an exercise to reorganise its diverse business portfolio to unlock long-term value (the "**Reorganisation Exercise**"). Three (3) coherent operating groups, being the Olam Food Ingredients business, the Olam Agri business (the "**Olam Agri Business**") and the OIL Group's remaining businesses (comprising the gestating businesses and the businesses carried out by Olam Ventures Pte. Ltd. and Olam Technology and Business Services Pte. Ltd.), have substantially been carved out and separated into three (3) corporate groups as part of the separation process of the Reorganisation Exercise.

The Scheme Circular also stated that the Reorganisation Exercise would result in a group structure that would allow the OIL Group to explore the sale, spin-off or initial public offering of, *inter alia*, the Olam Agri Business, and that one of the strategic options being evaluated in connection with the Olam Agri Business was the potential introduction of strategic minority partner(s) into the Olam Agri Business by way of sale of a significant minority stake in the Olam Agri Business. The Scheme Circular referred to a confidential limited bidding process being conducted by OIL. The Proposed Sale (as defined below) which is the subject of this Announcement and which relates to the Olam Agri Business, is the outcome of the said process.

Capitalised words and expressions used in this Announcement which are not otherwise defined shall bear the meanings set out in the Scheme Circular. These include "Combined Transactions", "Proposed Disposal", "Scheme Effective Date", "Proposed Dilution" and "Proposed Demerger".

References to paragraphs in this Announcement are to the paragraphs of this Announcement, unless otherwise stated.

1.2 The Proposed Sale and the Potential Additional Sale

Proposed Sale

The Company wishes to announce that its wholly-owned subsidiary, Olam Holdings Pte. Ltd. ("**OHPL**") has on 25 March 2022, entered into a conditional sale and purchase agreement (the "**SPA**") with SALIC International Investment Company (the "**Purchaser**"), a wholly-owned subsidiary of The Saudi Agricultural and Livestock Investment Company ("**SALIC**") incorporated in the Kingdom of Saudi Arabia, pursuant to which OHPL has agreed to sell, and the Purchaser has agreed to purchase, such number of ordinary shares in the capital of Olam Agri Holdings Pte. Ltd. ("**OAHPL**") calculated as set out in paragraph 3.2 below (the "**Sale Shares**") (such sale by OHPL to the Purchaser, the "**Proposed Sale**").

OAHPL is an indirect wholly-owned subsidiary of the Company as at the date of this Announcement.

Potential Additional Sale

The Company would also like to inform the shareholders of the Company ("**Shareholders**") that it is exploring further stake sale(s) in OAHPL to the Purchaser and/or other potential investor(s), being the sale(s) of ordinary shares in OAHPL representing up to approximately 10% of the allotted and issued capital of OAHPL (the "**Potential Additional Sale**"). Assuming that the Proposed Sale and the Potential Additional Sale are both completed, it is intended by the Company that the aggregate proceeds raised from both transactions could reach US\$1,590 million. It is intended that OHPL will continue to be the majority shareholder of OAHPL post-completion of the Proposed Sale and the Potential Additional Sale. Shareholders should note that there is no certainty or assurance that any Potential Additional Sale will eventually materialise or that any definitive agreements will be entered into in relation to the Potential Additional Sale. The Company will issue appropriate updates to Shareholders as and when there are any material developments in connection with the Potential Additional Sale.

1.3 Rationale for and benefits of the Proposed Sale

It is expected that the Proposed Sale will:

- (a) illuminate and unlock value for our Shareholders, thereby completing one of the key milestones of the Reorganisation Exercise;
- (b) crystallise a benchmark valuation for the Olam Agri Business today, and create a strong shareholder base for a potential future listing and/or demerger of the Olam Agri Business;
- (c) raise significant net cash proceeds to repay debt at the OG Group level and right-size the capital structure of the Company, thereby strengthening its balance sheet, improving credit profile and enhancing financial flexibility to capture future growth opportunities; and

- (d) generate synergies and catalyse access for the Olam Agri Business to new markets through a long-term strategic supply and cooperation agreement with SALIC.

Accordingly, having regard to the terms of the Proposed Sale, the board of directors of the Company (the "**Board**") believes that the Proposed Sale is in the best interests of the Company.

1.4 Chapter 10 of the Listing Manual

This Announcement is made in compliance with Chapter 10 of the listing manual of the SGX-ST (the "**Listing Manual**"). For the avoidance of doubt, save for the information in the second sub-paragraph of paragraph 1.2 under the heading "*Potential Additional Sale*", this Announcement is provided in connection with the Proposed Sale and not the Potential Additional Sale, as no definitive agreements have to date been entered into by the Company in connection with the Potential Additional Sale.

2. **INFORMATION ON THE PURCHASER AND OAHPL**

2.1 Information on the Purchaser

The Purchaser is a wholly-owned subsidiary of SALIC. SALIC was established in 2009 as a Saudi joint-stock company wholly owned by the Public Investment Fund. SALIC aims to achieve food security for the Kingdom of Saudi Arabia through investments in both domestic and international opportunities. To ensure long-term food security, SALIC has identified key food commodities to be of strategic importance in addition to being the most important staple foods in the Kingdom of Saudi Arabia.

2.2 Information on OAHPL

OAHPL is a company that was incorporated in Singapore on 30 April 2021.

OAHPL is the holding company for the Olam Agri Business. The Olam Agri Business is a differentiated food, feed and fibre global agri-business focused on high-growth emerging markets, which is constituted by the OIL Group's Grains, Integrated Feed & Proteins, Edible Oils, Rice, Specialty Grains & Seeds, Cotton, Wood Products, Rubber and Commodity Financial Services divisions.

3. **THE PROPOSED SALE AND RELATED TRANSACTIONS**

3.1 The Proposed Sale and related transactions

As mentioned in paragraph 1 above, OAHPL has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares, subject to the terms and conditions of the SPA. It is intended that the Company will continue to hold a majority stake in OAHPL following completion of the Proposed Sale ("**Completion**").

Contemporaneous with the execution of the SPA, SALIC has executed an Equity Commitment Letter in favour of OHPL, under which it has agreed to, *inter alia*, procure the Purchaser to take any action required to enable the punctual performance of the Purchaser's obligations under the SPA, make or procure member(s) of the Investor Group (as defined in the SPA) to make such cash equity contributions to the Purchaser as necessary so that the Purchaser has all cash it requires to satisfy its payment obligations under the SPA, and procure, so far as lawfully possible, that the Purchaser will promptly pay over funds needed to satisfy such obligations to OHPL.

In connection with the Proposed Sale, it is intended that on Completion:

- (a) each of OHPL, the Purchaser and OAHPL will enter into a shareholders' agreement in relation to OAHPL (the "**SHA**") to regulate the relationship between OHPL and the Purchaser as shareholders of OAHPL; and
- (b) SALIC and OAHPL will enter into a strategic supply and cooperation agreement to cooperate commercially on, *inter alia*, the merchandising, storing and supply of agricultural and food commodities (the "**Strategic Supply & Cooperation Agreement**").

3.2 Consideration and the Sale Shares

Under the terms of the SPA, the consideration for the Sale Shares is US\$1,240 million (the "**Consideration**"), subject to the Post-Closing Adjustment (as defined below). The Consideration shall be paid by the Purchaser in cash on Completion. The consideration for the Sale Shares was arrived at between OHPL and the Purchaser on a willing-buyer and willing-seller basis and computed on the basis of an agreed enterprise value of OAHPL and an assumed net financial debt, resulting in an equity valuation for 100% of OAHPL of US\$3,500 million (the "**Equity Valuation**"). In arriving at the enterprise and equity valuation, a variety of industry standard valuation methodologies including discounted cash flow analysis, returns analyses, comparable public company trading levels and comparable transaction multiples for similar precedent transactions had been considered.

The number of ordinary shares in the capital of OAHPL to be transferred to the Purchaser on Completion shall be calculated by dividing the Consideration by the Equity Valuation and multiplying the resultant figure by the Completion Issued Shares (as defined below), and such number of shares shall not exceed 39% of the Completion Issued Shares (the "**Transfer Limit**").

The Completion Issued Shares is the total number of issued shares of OAHPL as at the date of Completion (the "**Completion Date**").

At Completion, the Sale Shares will represent approximately 35.4% of the allotted and issued capital of OAHPL (subject to adjustments pursuant to the SPA).

A set of completion accounts prepared in accordance with the SPA will be provided to the Purchaser within the period specified in the SPA after the Completion Date. Based on the completion accounts finalised in accordance with the SPA, a post-closing adjustment (the "**Post-Closing Adjustment**") will be determined, which shall be equal to the sum of: (a) the net

asset value (as defined in the SPA) of the OAHPL group as at the Completion Date less the Target Net Asset Value (as defined in the SPA), and (b) the lower of: (i) the actual depreciation and amortisation of the assets of the OAHPL group between 1 January 2022 and the Completion Date, and (ii) the estimated depreciation and amortisation of the assets of the OAHPL group between 1 January 2022 and 31 December 2022 (as stated in the SPA) pro-rated for the period from 1 January 2022 to the Completion Date.

In the event the Post-Closing Adjustment is negative, OHPL shall transfer to the Purchaser additional shares of OAHPL calculated in accordance with an agreed formula set out in the SPA, provided that if the total number of shares transferred on Completion and such additional shares to be transferred exceeds the Transfer Limit, OHPL shall have the option of making a cash payment to the Purchaser instead.

In the event the Post-Closing Adjustment is positive: (i) the Purchaser and OHPL shall procure OAHPL to declare and make a cash dividend distribution equivalent to the Post-Closing Adjustment, and to the extent the Purchaser is entitled to participate in any such dividend, the Purchaser assigns absolutely to OHPL its right to do so, or (ii) in the event OAHPL does not have sufficient distributable profits to make such dividend distribution in full, OHPL and the Purchaser will procure OAHPL to declare and make a cash dividend distribution to the maximum amount it is able, and the Purchaser shall have the option (within the period specified in the SPA) to pay in full or in part the remaining amount of the Post-Closing Adjustment to OHPL in cash, and if the Purchaser fails to exercise such option or chooses to only partially pay such amount in cash, OHPL and the Purchaser will procure OAHPL to issue additional shares at no consideration to OHPL based on an agreed formula specified in the SPA.

3.3 Principal terms of the SPA

The principal terms of the SPA include, *inter alia*, the following:

- (a) the Sale Shares shall be transferred to the Purchaser on Completion, free from all encumbrances and together with all rights, dividends and advantages attaching thereto as at the Completion Date;
- (b) the Completion Date shall be the last business day in the calendar month in which the last in time of the conditions precedent is fulfilled or waived provided that if the day on which the last in time of the said conditions is fulfilled or waived is within 10 business days of month end, the Completion Date shall be the last business day in the following calendar month, or such other date as OHPL and the Purchaser may mutually agree in writing;
- (c) Completion is conditional on, *inter alia*, the following:
 - (i) approval of the Shareholders at an extraordinary general meeting ("**Sale EGM**") to be convened to approve the disposal of the Sale Shares by OHPL (if required); and
 - (ii) all necessary regulatory notifications and filings having been made, the expiry, lapsing or termination of all mandatory waiting and other necessary time

periods (including extensions thereof), and all necessary regulatory consents, approvals and clearances having been obtained, in accordance with the SPA; and

- (d) other negotiated customary terms such as representations and warranties, pre-Completion undertakings, Completion obligations, limitations of liability, indemnification, tax covenant, and terms relating to the termination of the SPA (including in the event of a Material Adverse Change (as defined in the SPA)).

3.4 Principal terms of the SHA

The principal terms of the SHA include, *inter alia*, the following:

- (a) OAHPL shall be a holding company whose subsidiaries are involved in the business of grains, integrated feed & proteins, edible oils, rice, specialty grains & seeds, cotton, wood products, rubber and commodity financial services;
- (b) the majority of the board of directors of OAHPL shall comprise directors appointed by OHPL for as long as OHPL's shareholding proportion (together with its permitted transferees) is above 50%;
- (c) the Purchaser may appoint and replace one (1) director to the board of directors of OAHPL for every incremental 10% shareholding proportion that it (together with its permitted transferees) holds in OAHPL, subject to a maximum of two (2) directors, provided that OHPL's shareholding proportion (together with its permitted transferees) is above 50%;
- (d) the chairman of the board of directors of OAHPL shall be appointed by the shareholder of OAHPL whose shareholding proportion (together with its permitted transferees) is greater than 50%;
- (e) the Purchaser and OHPL are each entitled to certain reserved matters as set out in the SHA for so long as the Purchaser and OHPL (in each case, together with their permitted transferees) respectively holds a shareholding proportion of at least that specified in the relevant clause of the SHA;
- (f) the shareholders of OAHPL shall work towards a listing of the shares of OAHPL or any other holding company of the OAHPL group ("**Listing**") in accordance with the terms specified in the SHA;
- (g) the SHA shall terminate in the event of *inter alia* the Listing; and
- (h) other negotiated customary terms such as provisions governing information rights, quorum, dividend policy, pre-emptive rights on the issue of new shares and transfers of shares, tag-along and drag-along rights, default, deadlock and non-competition obligations, and other matters.

The SHA also contains additional provisions to address the entry of additional investor(s) arising from the Potential Additional Sale.

3.5 Strategic Supply & Cooperation Agreement

The Strategic Supply & Cooperation Agreement is intended to help the Kingdom of Saudi Arabia to further progress its food security agenda, whilst enabling OAHPL to gain significant access to a large and high-growth Middle Eastern market. Its terms cover the areas of cooperation between SALIC and OAHPL, such as the sale, re-export and priority rights relating to certain agricultural and food commodities specified in the Strategic Supply & Cooperation Agreement, the provision of certain support and consulting services, and other negotiated terms.

3.6 Substantial Shareholders' Undertakings

Breedens Investments Pte. Ltd. is the holder and beneficial owner of 1,603,412,218 ordinary shares in the Company ("**Shares**"), representing approximately 41.73% of all the issued Shares, and Aranda Investments Pte. Ltd. is the holder and beneficial owner of 359,736,514 Shares, representing approximately 9.36% of all the issued Shares (together, the "**Substantial Shareholders**", and such Shares held by them collectively, the "**Relevant Shares**"). Each of the Substantial Shareholders has provided an irrevocable undertaking to the Company to, *inter alia*, vote its respective Relevant Shares to approve the resolutions relating to the Proposed Sale and the Potential Additional Sale to be tabled at the Sale EGM. The obligation of each of the Substantial Shareholders as set out in the said undertakings are subject to the satisfaction of the conditions set out in the relevant undertaking¹ and shall terminate, lapse or cease to have any effect at 5.00 p.m. (Singapore time) on 30 June 2022, or such later date that the Substantial Shareholder may notify in writing to the Company.

4. VALUE OF SALE SHARES AND USE OF PROCEEDS FROM THE PROPOSED SALE

Based on the audited consolidated financial statements of OIL² for the financial year ended 31 December 2021 (the "**FY2021 Financial Statements**" and "**FY2021**" respectively), the book value of the Sale Shares³ as at 31 December 2021 amounted to approximately S\$484,479,608 in aggregate and the net tangible asset ("**NTA**") value of the Sale Shares as at 31 December 2021 amounted to approximately S\$345,560,044 in aggregate. Based on the forgoing, the

¹ The conditions set out in the irrevocable undertakings are that (a) such undertakings are not prohibited under applicable laws and regulations (including the applicable regulations under the Listing Manual and (b) that the EGM Resolutions (as defined in the irrevocable undertakings) to be passed at the Sale EGM are substantially in the form set out in the irrevocable undertakings and the terms of the Proposed Sale and Potential Additional Sale are substantially on the terms set out in this Announcement.

² The financial statements of OIL instead of the Company is used because the Company only became the holding company of the OIL Group pursuant to the Scheme on the Scheme Effective Date of 15 March 2022. The FY2021 Financial Statements take into account the unaudited consolidated financial statements of OAHPL for FY2021.

³On the basis that the Sale Shares represent approximately 35.4% of the allotted and issued capital of OAHPL. This is the same assumption used in paragraphs 5, 6 and 7 of this Announcement.

excess of the proceeds over the book value is approximately S\$1,188,280,392, and the gain on the Proposed Sale is approximately S\$1,188,280,392⁴.

The Company intends to use the proceeds received from the Proposed Sale towards payment or satisfaction of the debts or liabilities of the Group in connection with the Reorganisation Exercise.

5. **CHAPTER 10 OF THE LISTING MANUAL**

5.1 Chapter 10 of the Listing Manual sets out the rules for significant transactions by issuers, including realisations. The relative figures for the Proposed Sale using the relevant bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value (" NAV ") of the Sale Shares, compared with the OIL Group's NAV	7.15% ⁽²⁾
(b)	Net profits attributable to the Sale Shares, compared with the OIL Group's consolidated net profits	29.68% ⁽³⁾
(c)	Aggregate value of the consideration to be received, compared with the Company's market capitalisation	25.05% ⁽⁴⁾
(d)	Number of equity securities issued by the Company as consideration, compared with the number of equity securities previously in issue.	N.A. ⁽¹⁾
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the OIL Group's proved and probable reserves.	N.A. ⁽¹⁾

Notes:

- (1) Rules 1006(d) and 1006(e) of the Listing Manual are not relevant to the Proposed Sale.
- (2) Based on the FY2021 Financial Statements, the NAV of the Sale Shares of approximately S\$484,479,608 divided by the OIL Group's NAV as at 31 December 2021 of S\$6,771,229,667.
- (3) Based on the FY2021 Financial Statements, the net profits attributable to the Sale Shares of approximately S\$203,716,692 divided by the OIL Group's consolidated net profits for FY2021 of approximately S\$686,430,840.

⁴On the basis that the Consideration is approximately S\$1,673 million based on the indicative US\$-to-S\$ exchange rate of US\$1: S\$1.349 as at 31 December 2021. This is the same assumption used in paragraphs 6 and 7 of this Announcement.

- (4) Based on an assumed consideration of US\$1,240 million⁵ (i.e. without taking into account the adjustments set out in the SPA) divided by the market capitalisation of the Company as at 24 March 2022, being the last market day on which the Shares were traded preceding the signing of the SPA, which was approximately S\$6,722 million, computed based on the total of 3,842,625,185 issued Shares multiplied by the volume weighted average price of each Share on the SGX-ST of approximately S\$1.7494 per Share.

Accordingly, based on the relative figures as computed above, the Proposed Sale is classified as a "major transaction" for the purposes of Chapter 10 of the Listing Manual, and approval of the Shareholders in general meeting is required for the Proposed Sale, pursuant to Rule 1014(2) of the Listing Manual.

6. **PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED SALE**

6.1 The pro forma financial effects of the Proposed Sale set out in this paragraph 6 are purely for illustrative purposes only and do not reflect the actual financial position of the OG Group after the completion of the Proposed Sale. The pro forma financial effects in this paragraph 6 have been prepared based on the FY2021 Financial Statements⁶ and on the following bases and assumptions:

- (a) the Proposed Sale was completed on 31 December 2021, for the purposes of computing the effect on the NTA per Share;
- (b) the Proposed Sale was completed on 1 January 2021, for the purposes of computing the effect on the earnings per Share ("**EPS**"); and
- (c) the pro forma financial effects of the Proposed Sale as set out in this paragraph 6 do not factor in the Combined Transactions, as described in the Scheme Circular. The cumulative pro form financial effects of the Proposed Sale and the Combined Transactions are set out in paragraph 7 below.

6.2 **NTA**

The effect of the Proposed Sale on the NTA of the OG Group is as follows:

	Before the Proposed Sale	Upon completion of the Proposed Sale
NTA as at 31 December 2021 (S\$)	4,192,942,167	5,381,222,559
NTA per Share (Singapore cents)	111.74	143.41

⁵ On the basis that the Consideration is approximately S\$1,684 million based on the indicative US\$-to-S\$ exchange rate of US\$1: S\$1.3582 as at 24 March 2022.

⁶ 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 Scheme Circular for more information.

6.3 EPS

The effect of the Proposed Sale on the EPS of the OG Group is as follows:

	Before the Proposed Sale	Upon completion of the Proposed Sale
Adjusted net profit ⁽¹⁾ attributable to Shareholders for FY2021 (S\$)	628,839,683	425,122,991
Weighted average number of Shares	3,437,919,001	3,437,919,001
EPS (Singapore cents) ⁽²⁾	18.29	12.37

Notes:

- (1) Adjusted net profit refers to profit after tax, non-controlling interests and accrued capital securities distribution.
- (2) EPS (Singapore cents) refers to adjusted net profit attributable to Shareholders for FY2021 (S\$) divided by the weighted average number of Shares.

The effect of the Proposed Sale on the Operational EPS of the OG Group is as follows:

	Before the Proposed Sale	Upon completion of the Proposed Sale
Adjusted operational net profit ⁽³⁾ attributable to Shareholders for FY2021 (S\$)	903,507,151	699,790,459
Weighted average number of Shares	3,437,919,001	3,437,919,001
Operational EPS (Singapore cents) ⁽⁴⁾	26.28	20.36

Notes:

- (3) Adjusted operational net profit refers to operational profit (i.e. excluding exceptional items) after tax, non-controlling interests and accrued capital securities distribution.
- (4) Operational EPS (Singapore cents) refers to adjusted operational net profit attributable to Shareholders for FY2021 (S\$) divided by the weighted average number of Shares.

6.4 Net gearing

The effect of the Proposed Sale on the net gearing of the OG Group is as follows:

	Before the Proposed Sale	Upon completion of the Proposed Sale
Net borrowings (S\$) ⁽¹⁾	12,392,670,845	10,719,910,845
Total equity (S\$) ⁽²⁾	7,210,484,599	8,398,756,060
Net gearing (times)	1.72	1.28

Notes:

- (1) Net borrowings refer to the total borrowings less cash.
- (2) Total equity is adjusted for fair value adjustment reserves for computation of net gearing.

7. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED SALE (TAKING INTO ACCOUNT THE COMBINED TRANSACTIONS)

7.1 For Shareholders' information, the Company has also set out in this paragraph 7 the cumulative pro forma financial effects of the Proposed Sale and the Combined Transactions. The cumulative pro forma financial effects of the Proposed Sale and the Combined Transactions set out in this paragraph 7 are purely for illustrative purposes only and do not reflect the actual financial position of the OG Group after the completion of the Proposed Sale and the Combined Transactions. The cumulative pro forma financial effects in this paragraph 7 have been prepared based on the FY2021 Financial Statements⁷ and on the following bases and assumptions:

- (a) please refer to paragraph 15 of the Scheme Circular for the bases and assumptions on which the pro forma financial effects of the Combined Transactions were prepared (in particular, paragraph 15.1, and the Notes below the corresponding tables in paragraphs 15.4 to 15.6 below); these remain applicable (even though the pro forma financial effects in this paragraph 7 are based on the FY2021 Financial Statements rather than the audited consolidated financial statements of the OIL Group for FY2020), and are not repeated in this paragraph 7 or in the Notes below the tables in paragraphs 7.2 to 7.4 below. In particular, without limitation, the pro forma financial effects on the OG Group after completion of the Combined Transactions assume that the Scheme and the Proposed Dividend in Specie had been completed prior to the Combined Transactions and that the financial statements of the OG Group upon the completion of the Scheme will be identical to the financial statements of the OIL Group immediately before the Scheme becomes effective (see paragraph 15.1(a) of the Scheme Circular for more information);
- (b) the pro forma financial effects set out in the rightmost columns in the tables in paragraphs 7.2 to 7.4 below show the cumulative pro forma financial effects of the

⁷ See footnote 2 above

Proposed Sale and the Scheme, the Proposed Dividend in Specie and the Combined Transactions;

- (c) the Proposed Sale was completed on 31 December 2021, for the purposes of computing the effect on the NTA per Share; and
- (d) the Proposed Sale was completed on 1 January 2021, for the purposes of computing the effect on the EPS.

Important Notes:

As stated in the Scheme Circular, the offer structure of the OFI IPO has not been finalised and will only be determined in due course, and the Board may, notwithstanding that all shareholders' approvals and regulatory approvals may have been or will be obtained in due course, decide not to proceed with the OFI IPO if the Board deems it not in the interests of the Company to proceed with the same, having regard to Shareholders' and investors' interests and responses at any material time and taking into consideration prevailing economic and/or market conditions and/or any other relevant factors, conditions and circumstances. Shareholders should note that there is no certainty or assurance that the OFI IPO will materialise in due course or in any form as described in the Scheme Circular.

As the offer structure of the OFI IPO (if any) has not been finalised, the pro forma financial effects of the Combined Transactions set out in this paragraph 7 have been prepared on the assumptions, *inter alia*, that: (a) the Proposed Disposal will involve the Company selling 25% of the issued share capital of OFIGL that it holds in the OFI IPO; (b) the Proposed Dilution will involve OFIGL undertaking the New Issue which on its own will result in an aggregate dilution of the Company's interest in OFIGL by 20% (i.e. the Company's interest in OFIGL will drop from 75% to 60%); and (c) all of the remaining OFIGL Shares held by the Company will be distributed to Shareholders via the Proposed Demerger. For the avoidance of doubt, Shareholders should note that the Proposed Disposal, Proposed Dilution and Proposed Demerger, if and when implemented, may or may not be consistent with such assumptions. For more information, please refer to the Scheme Circular, and in particular without limitation, paragraphs 13 and 15 thereof.

7.2 NTA

The cumulative effect of the Proposed Sale and the Combined Transactions on the NTA of the OG Group is as follows:

	Upon the completion of the Proposed Sale	Upon the completion of the Proposed Sale and the Combined Transactions
NTA as at 31 December 2021 (S\$)	5,381,222,559	2,858,047,563
NTA per Share (Singapore cents)	143.41	76.17

7.3 EPS

The cumulative effect of the Proposed Sale and the Combined Transactions on the EPS of the OG Group is as follows:

	Upon the completion of the Proposed Sale	Upon the completion of the Proposed Sale and the Combined Transactions
Adjusted net profit ⁽¹⁾ attributable to Shareholders for FY2021 (S\$)	425,122,991	(117,071,225)
Weighted average number of Shares	3,437,919,001	3,437,919,001
EPS (Singapore cents) ⁽²⁾	12.37	(3.41)

Notes:

- (1) Adjusted net profit refers to profit after tax, non-controlling interests and accrued capital securities distribution.
- (2) EPS (Singapore cents) refers to adjusted net profit attributable to Shareholders for FY2021 (S\$) divided by the weighted average number of Shares.

The cumulative effect of the Proposed Sale and the Combined Transactions on the Operational EPS of the OG Group is as follows:

	Upon the completion of the Proposed Sale	Upon the completion of the Proposed Sale and the Combined Transactions
Adjusted operational net profit ⁽³⁾ attributable to Shareholders for FY2021 (S\$)	699,790,459	164,952,370 ⁽⁴⁾
Weighted average number of Shares	3,437,919,001	3,437,919,001
Operational EPS (Singapore cents) ⁽⁵⁾	20.36	4.80

Notes:

- (3) Adjusted operational net profit refers to operational profit (i.e. excluding exceptional items) after tax, non-controlling interests and accrued capital securities distribution.
- (4) Adjusted net profit⁽¹⁾ (reflected in preceding table) is lower than adjusted operational net profit⁽³⁾ (reflected in this table) because the former includes exceptional items, which mainly comprise the impairment of property, plant and equipment and intangible assets, closure and restructuring costs, acquisition related costs, group re-organisation costs, and gains on disposal of joint venture and subsidiaries.

- (5) Operational EPS (Singapore cents) refers to adjusted operational net profit attributable to Shareholders for FY2021 (S\$) divided by the weighted average number of Shares.

7.4 Net gearing

The cumulative effect of the Proposed Sale and the Combined Transactions on the net gearing of the OG Group is as follows:

	Upon the completion of the Proposed Sale	Upon the completion of the Proposed Sale and the Combined Transactions
Net borrowings (S\$) ⁽¹⁾	10,719,910,845	4,425,859,961
Total equity (S\$) ⁽²⁾	8,398,765,060	3,915,630,610
Net gearing (times)	1.28	1.13

Notes:

- (1) Net borrowings refer to the total borrowings less cash.
- (2) Total equity is adjusted for fair value adjustment reserves for computation of net gearing.

8. **SERVICE CONTRACTS**

No person is proposed to be appointed to the Board as part of the Proposed Sale, and no director's service contract is proposed to be entered into by the Company with any person in connection with the Proposed Sale.

9. **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS**

As at the date of this Announcement, none of the directors of the Company has any interest, direct or indirect, in the Proposed Sale, other than through their respective shareholdings in the Company. Sunny George Verghese, Executive Director, Group CEO and Co-founder of the Company, is also a director of OHPL and OAHPL.

As at the date of this Announcement, based on publicly available information, the controlling shareholders of the Company, being Temasek Holdings (Private) Limited and Breedens Investments Pte. Ltd., do not have any interest, direct or indirect, in the Proposed Sale, other than through their respective shareholdings in the Company.

10. **PROFESSIONAL ADVISERS**

Rothschild & Co Singapore Limited and Credit Suisse (Singapore) Limited are the financial advisers to the Company in respect of the Proposed Sale.

11. DOCUMENT FOR INSPECTION

A copy of the SPA will be available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this Announcement.

12. CIRCULAR

- 12.1 The Sale EGM will be convened to seek approval of the Shareholders for the Proposed Sale. In addition, approval will be sought from Shareholders at the Sale EGM for the Potential Additional Sale in accordance with the terms to be set out in the circular to be despatched to Shareholders in due course (the "**Circular**").
- 12.2 Details of the Proposed Sale and Potential Additional Sale will be contained in the Circular. In the meantime, Shareholders are advised to exercise caution when trading their Shares, pending receipt of the Circular.
- 12.3 Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

13. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Proposed Sale, the Potential Additional Sale and/or other matters contemplated by this Announcement.

14. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in trading their Shares as there is no certainty or assurance as at the date of this Announcement that the Proposed Sale will proceed to completion, as the completion is subject to, *inter alia*, fulfilment of all the conditions precedent in the SPA. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD

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

25 March 2022

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of the Company should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.