

IMPORTANT NOTICE

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Confirmation of Your Representation: The attached offering circular is being sent to you at your request and by accepting the e-mail and accessing the attached offering circular, you shall be deemed to represent to us (1) that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) that you consent to delivery of the attached offering circular and any amendments or supplements thereto by electronic transmission. By accepting the email and accessing the attached offering circular, you (1) represent and warrant that you are either an institutional investor as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (2) agree to be bound by the limitations and restrictions described herein.

The materials relating to the offering of securities to which the attached offering circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

The attached offering circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Olam International Limited (the “Company”) and Olam Treasury Pte. Ltd. (“Olam Treasury”) (each an “Issuer” and together, the “Issuers”), DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank (Singapore) Limited (the “Arrangers”), Australia and New Zealand Banking Group Limited (together with the Arrangers, the “Dealers”), their affiliates, directors, officers, employees, representatives, agents and each person who controls them and their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. **A hard copy version will be provided to you upon request.**

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Olam International Limited, Olam Treasury Pte Ltd or the Arrangers or the Dealers to subscribe for or purchase any of the securities described in the attached offering circular, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arrangers, the Dealers or any affiliate of theirs is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by them or such affiliate on behalf of Olam International Limited or Olam Treasury Pte Ltd in such jurisdiction.

The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person offering, selling or recommending the Notes (a “distributor”) should take into consideration such target market; however, a distributor subject to Directive 2014/65/EU (as amended, “MiFID II”) is for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”) or in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”) or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) No 1286/2014 (the “Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

You are reminded that you have accessed the attached offering circular on the basis that you are a person into whose possession the attached offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached offering circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached offering circular.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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Offering Circular dated 5 May 2020



OLAM INTERNATIONAL LIMITED

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

OLAM TREASURY PTE LTD

(incorporated in the Republic of Singapore with limited liability)
(Company registration number: 201708046R)

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

Euro Medium Term Note Programme

On 6 July 2012, Olam International Limited established a Euro Medium Term Note Programme with an original programme limit of U.S.\$2,000,000,000 and prepared an offering circular dated 6 July 2012. This offering circular replaces the offering circulars dated 6 July 2012, 14 July 2014, 21 August 2015, 23 November 2016, 16 March 2018 and 15 March 2019 relating to the Euro Medium Term Note Programme of Olam International Limited.

Under the Euro Medium Term Note Programme described in this Offering Circular (the "Programme"), each of Olam International Limited (the "Company") and Olam Treasury Pte. Ltd. ("Olam Treasury"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue euro medium term notes (the "Notes"). Each Series (as defined in "Summary of the Program") of Notes shall be issued only by either (i) the Company (in its capacity as issuer, an "Issuer") (the "Direct Issuance Notes"); or (ii) Olam Treasury (in its capacity as issuer, an "Issuer", and together with the Company in its capacity as issuer, the "Issuers"). Notes issued by Olam Treasury shall be unconditionally and irrevocably guaranteed by the Company (in its capacity as guarantor, the "Guarantor") (the "Guaranteed Notes" and, together with the Direct Issuance Notes, the "Notes").

The Notes may rank as senior obligations of the Issuers or subordinated obligations of the Issuers. The aggregate principal amount of Notes outstanding will not at any time exceed U.S.\$5,000,000,000 (or the equivalent in other currencies), subject to increases as described herein.

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

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

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

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

Notification under Section 309B(1) of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Bonds, all Bonds issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

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

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

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

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

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

Arrangers

DBS BANK LTD.

HSBC

STANDARD CHARTERED BANK

Dealers

ANZ

DBS BANK LTD.

HSBC

STANDARD CHARTERED BANK

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

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

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

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

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

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

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Company, Olam Treasury, the Arrangers, the Dealers, the Trustee and the Agents do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Company, Olam Treasury, the Arrangers, the Dealers, the Trustee or the Agents which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published, in any

jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular comes are required by the Company, Olam Treasury, the Arrangers and the Dealers to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan and the PRC (see “*Subscription and Sale*”). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arrangers, the Dealers or any affiliate of theirs is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by them or such affiliate on behalf of the relevant Issuer in such jurisdiction.

The Notes have not been and will not be registered under the Securities Act and the Notes include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see “*Subscription and Sale*”. The Notes are being offered and sold outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular, see “*Subscription and Sale*”.

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

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes to be issued from time to time by the relevant Issuer pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

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

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

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

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the relevant Pricing Supplement are provided as general information only. Investors should consult their own financial, tax, accounting and legal advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

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

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

Stabilisation

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date of the relevant Tranche. However, there is no obligation on any Stabilising Manager to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

Rounding of Amounts

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

Forward-Looking Statements

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

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

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Company, Olam Treasury or persons acting on its behalf may issue. The Company and Olam Treasury do not undertake any obligation to review or confirm analysts’ expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

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

- conditions of and changes in the social, economic and political condition and regulatory environment in the countries/territories that the Group operates in and/or where the Group’s customers and suppliers are located;

- changes in the competitive conditions in the Group’s industry and the Group’s ability to compete under those conditions;
- changes in the future capital needs of the Group and the availability of financing and capital to fund those needs;
- changes in commodity prices;
- risk of not being able to implement the new strategies outlined by the Group;
- risk of being unable to realise the anticipated growth opportunities;
- changes in the availability and effectiveness of futures contracts or other derivative instruments and hedging instruments, and the risks associated with such instruments;
- changes in currency exchange rates;
- changes in short-term and long-term interest rates; and
- changes in customer preferences and needs.

Investors should read the factors described in the “*Risk Factors*” section of this Offering Circular to better understand the risks and uncertainties inherent in the Company’s and Olam Treasury’s business and underlying any forward-looking statements.

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

Documents Incorporated by Reference

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

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DEFINITIONS

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

“A\$”	The lawful currency of Australia
“€C”, “Euro” or “euro”	The lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time
“£” or “Sterling”	The lawful currency of the United Kingdom
“Agency Agreement”	The amended and restated agency agreement dated 16 March 2018 between the Issuers, The Bank of New York Mellon, London Branch, as trustee, The Bank of New York Mellon, London Branch as issuing and paying agent, paying agent and transfer agent in respect of Registered Notes other than CMU Notes and CDP Notes, The Bank of New York Mellon, Hong Kong Branch as the CMU lodging and paying agent and, in respect of CMU Notes that are Registered Notes, the registrar and transfer agent, The Bank of New York Mellon, Singapore Branch as the CDP paying agent and, in respect of CDP Notes that are Registered Notes, the registrar and transfer agent, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar in respect of Registered Notes other than CMU Notes and CDP Notes and the other agents named in it relating to the Programme
“Agents”	The issuing and paying agent, the paying agents, the CMU lodging and paying agent, the CDP paying agent, the calculation agent (where appointed pursuant to the Agency Agreement or otherwise), the registrars and the transfer agents or any of them and such other agents as may be appointed from time to time under the Agency Agreement
“Board”	Board of directors of the Company
“CDP”	The Central Depository (Pte) Limited
“CMU”	Central Moneymarkets Unit Service, operated by the HKMA
“CNY” or “RMB” or “Renminbi”	The lawful currency of the PRC
“Dealer Agreement”	The amended and restated dealer agreement relating to the Programme dated 5 May 2020 between the Issuers, Australia and New Zealand Banking Group Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, and Standard Chartered Bank (Singapore) Limited and any other dealers named therein
“Destination Markets”	Markets and countries in which the Group sells its food ingredients and/or agricultural products
“Directors”	Directors of the Company

“EBITDA”	Earnings before interest, tax, depreciation, and amortisation
“Fair Trade Practice”	The principles and guidelines prescribed by fair trade organisations to promote equitable trading relationships between consumers and economically disadvantaged producers
“FY”	Financial year ended or ending 31 December
“Government”	The Government of the Republic of Singapore
“HK\$” or “Hong Kong Dollars”	The lawful currency of Hong Kong
“HKMA”	Hong Kong Monetary Authority
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“INR”	The lawful currency of India
“Issuing and Paying Agent”	The issuing and paying agent, save that references to the Issuing and Paying Agent, with respect to (i) CMU Notes, shall be deemed to be the references to the CMU Lodging and Paying Agent and (ii) CDP Notes, shall be deemed to be references to the CDP Paying Agent, and (unless the context requires otherwise) all such references shall be construed accordingly
“ITA”	Income Tax Act, Chapter 134 of Singapore
“KC Group”	Kewalram Chanrai Group
“Latest Practicable Date”	15 April 2020
“MAS”	The Monetary Authority of Singapore
“N.Z.\$”	The lawful currency of New Zealand
“Paying Agents”	The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent and such other paying agents as may be appointed from time to time under the Agency Agreement
“PRC”	The People’s Republic of China, excluding the Hong Kong Special Administrative Region and the Macau Special Administrative Region
“S\$” or “Singapore Dollars”	The lawful currency of Singapore
“Securities and Futures Ordinance”	The Securities and Futures Ordinance (Cap. 571) of Hong Kong
“SFA”	The Securities and Futures Act, Chapter 289 of Singapore
“SFRS(I)”	Singapore Financial Reporting Standards (International)
“Singapore”	The Republic of Singapore
“Shares”	Fully-paid ordinary shares of the Company

“ Subsidiary ”	Has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore
“ Temasek Holdings ”	Temasek Holdings (Private) Limited
“ Trust Deed ”	The amended and restated trust deed dated 16 March 2018 between the Issuers and The Bank of New York Mellon, London Branch as trustee relating to the Programme
“ Turkish Lira ”	The lawful currency of Turkey
“ UK ”	United Kingdom
“ United States ” or “ U.S. ”	United States of America
“ U.S.\$ ” or “ U.S. Dollars ”	The lawful currency of the United States of America

SUMMARY OF THE GROUP

Overview

The Group is a leading food and agri-business supplying food, ingredients, feed and fibre to over 25,200 customers worldwide. Its value chain spans over 60 countries and includes farming, direct and indirect sourcing network of an estimated five million farmers, processing, distribution and trading operations.

The Company was established in 1989 as a division of the KC Group to operate its agri-business and was duly incorporated under the laws of Singapore in July 1995. Since the establishment of the business, the Company has evolved from a single-country, single-product trader to a multi-country, multi-product integrated global agri-business. The expansion of the Group has been possible as a result of pursuing growth strategies by exploiting adjacent opportunities, which it defines as developing opportunities in agricultural products and food ingredients that share customers, costs, capabilities and distribution channels with its existing operations, through organic and inorganic growth strategies.

The Group's portfolio comprises Cocoa, Coffee, Dairy, Edible Nuts, Spices, Grains and Animal Feed & Protein, Edible Oils, Rice, Cotton, Commodity Financial Services, Packaged Foods, Palm plantations (Olam Palm Gabon), Infrastructure and Logistics, and four de-prioritised businesses identified in the 2019-2024 Strategic Plan — Sugar and Sweeteners, Wood Products, Rubber and Fertiliser.

Since January 2020, the Group has re-organised its portfolio into two operating groups — Olam Food Ingredients (“**OFI**”) and Olam Global Agri (“**OGA**”) — both held by the parent Olam International Limited (i.e. the Company) which provides stewardship and acts as an accelerator incubating new growth engines. OFI comprises Cocoa, Coffee, Edible Nuts, Spices and Dairy, and offers sustainable, natural, value-added food products and ingredients for consumers to enjoy healthy and indulgent products. Comprising Grains and Animal Feed & Protein, Edible Oils, Rice, Cotton and Commodity Financial Services, OGA is a leading player in high-growth Asian and African countries supplying food, feed and fibre to meet rising demand and a shift to protein-based diets. The Company will nurture gestating businesses Packaged Foods, Infrastructure and Logistics and Olam Palm Gabon to full potential, incubate new engines for future growth, manage the responsible divestment of de-prioritised businesses and non-core assets identified in the Strategic Plan and redeploy the released capital for further growth.

The Group is engaged in the farming, sourcing, processing, storage, transportation, shipping, distribution, trading and marketing of these agricultural products and food ingredients to customers in the Destination Markets. The Group manages the risks present at each stage of the value chain through its risk management system. The Group's profitability is driven by contributions from selective upstream farming and plantations, supply chain trading volumes, value-added solutions, selective midstream processing and manufacturing and downstream packaged foods business.

As at the Latest Practicable Date, the Company's issued and paid-up share capital was S\$3,812,922,224.14 comprising 3,271,018,657 Shares (including Treasury Shares). The Shares are listed on the Mainboard of the SGX-ST.

The Company is a subsidiary of Temasek Holdings (Private) Limited (“**Temasek Holdings**”). As at the Latest Practicable Date, Temasek Holdings and its subsidiaries and associated companies owned approximately 53.42 per cent. of the Company. Temasek Holdings is wholly-owned by Singapore's Minister for Finance (Incorporated).

The Company is also in a strategic partnership with Mitsubishi Corporation (“**Mitsubishi**”), whereby as at the Latest Practicable Date, Mitsubishi owned approximately 17.36 per cent. of the Company. Mitsubishi has two members on the Board of the Company, as well as some members on the Company's global management team.

Based on the audited consolidated financial statements for FY 2017, 2018 and 2019, the Group had, on a consolidated basis, revenue of approximately S\$26.3 billion, S\$30.5 billion and S\$33.0 billion respectively and net profit of approximately S\$551.6 million, S\$323.2 million and S\$525.2 million respectively. Based on the audited consolidated financial statements for FY 2017, 2018 and 2019, as at 31 December 2017, 2018 and 2019, the total assets of the Group (combining non-current and current assets) on a consolidated basis amounted to approximately S\$22.3 billion, S\$23.4 billion and S\$25.7 billion respectively.

History and Development

Since the Company's establishment in 1989 and throughout its evolution from a single-country, single-product trader in 1989 to a multi-national, multi-product integrated global food and agri-business, it has expanded into adjacent products, geographic markets, customers and value chain segments through organic and inorganic growth.

Please refer to the section "*The Company and the Group*" for the phases of the Group's history and development.

SUMMARY OF THE PROGRAMME

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

Issuers	Olam International Limited and Olam Treasury Pte. Ltd.
Guarantor (in respect of the Guaranteed Notes)	Olam International Limited.
Description	Euro Medium Term Note Programme.
Guarantee	The Guarantor will, in respect of a Tranche of Guaranteed Notes, unconditionally and irrevocably guarantee (the “ Guarantee ”) the due payment of all sums expressed to be payable by Treasury Center under the Indenture and the Guaranteed Notes.
Size	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any time. The Company and Olam Treasury may increase the aggregate principal amount of the Programme in accordance with the terms of the Dealer Agreement.
Arrangers	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank (Singapore) Limited.
Dealers	Australia and New Zealand Banking Group Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank (Singapore) Limited.
	The Company and Olam Treasury may from time to time appoint dealers either in respect of one or more Tranches or in respect of the whole Programme or terminate the appointment of any dealer under the Programme. References in this Offering Circular to “ Permanent Dealers ” are to the persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “ Dealers ” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches (and whose appointment has not been terminated).
Trustee	The Bank of New York Mellon, London Branch.
Issuing and Paying Agent	The Bank of New York Mellon, London Branch.
Registrar in respect of Registered Notes other than CMU Notes and CDP Notes	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Registrar and Transfer Agent in respect of CMU Notes	The Bank of New York Mellon, Hong Kong Branch.

Registrar and Transfer Agent in respect of CDP Notes	The Bank of New York Mellon, Singapore Branch.
Transfer Agent in respect of Registered Notes other than CMU Notes and CDP Notes.	The Bank of New York Mellon, London Branch.
CMU Lodging and Paying Agent.	The Bank of New York Mellon, Hong Kong Branch.
CDP Paying Agent.	The Bank of New York Mellon, Singapore Branch.
Listing and Admission to Trading.	<p>Application has been made to the SGX-ST for permission to deal in and the quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. In addition, at the relevant time of issue of the Notes which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for the permission to deal in and quotation of such Notes on the Official List of the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST will be approved. The approval in-principle from, and admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, Olam Treasury, the Guarantor, the Group, any of their associated companies, the Programme and/or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies).</p> <p>The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Company, Olam Treasury and the relevant Dealer(s) in relation to each Series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be initially listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be initially listed. Unlisted Series of Notes may also be issued pursuant to the Programme.</p>
Selling Restrictions	<p>The United States of America, the Public Offer Selling Restriction under Regulation (EU) 2017/1129 (the “Prospectus Regulation”) (in respect of Notes having a Specified Denomination of less than 100,000, as the case may be, or its equivalent in any other currency as at the date of issue of the Notes), the United Kingdom, Hong Kong, Singapore, Japan and the PRC. See “<i>Subscription and Sale</i>”.</p> <p>For the purposes of Regulation S, Category 1 selling restrictions shall apply unless otherwise indicated in the relevant Pricing Supplement.</p>

Risk Factors Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the relevant Issuers or (if applicable) the Guarantor to fulfil its obligations under the Notes are discussed in “*Risk Factors*” below.

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

Summary of Terms relating to Notes other than the Perpetual Securities

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

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

Form of Notes The Notes may be issued in bearer form only (“**Bearer Notes**”) or in registered form only (“**Registered Notes**”). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) Definitive Notes are to be made available to Noteholders (as defined in the “*Terms and Conditions of the Notes other than the Perpetual Securities*”) following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with U.S. Treas. Reg. §163-5(c)(2)(i)(D) (the “**D Rules**”), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of, or in the name of nominees or a common nominee for, one or more clearing systems are referred to as “**Global Certificates**”.

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

Clearing Systems Euroclear, Clearstream, the CMU and CDP and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer, (in respect of each Tranche of Guaranteed Notes) the Guarantor, the Trustee and the relevant Dealer(s) and, as applicable, the Registrar.

Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream or deposited with CDP or deposited with a sub-custodian for the CMU or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the relevant Issuer, (in respect of each Tranche of Guaranteed Notes) the Guarantor, the Trustee, the Issuing and Paying Agent, the Registrar (if applicable) and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies.	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer, (in respect of each Tranche of Guaranteed Notes) the Guarantor, the Issuing and Paying Agent and the relevant Dealers(s). Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies as may be agreed between the relevant Issuer, (in respect of each Tranche of Guaranteed Notes) the Guarantor and the relevant Dealer(s).
Cross Default	See “ <i>Terms and Conditions of the Notes other than the Perpetual Securities — Events of Default</i> ”.
Maturities	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued with any maturity as may be agreed between the relevant Issuer, (in respect of each Tranche of Guaranteed Notes) the Guarantor and the relevant Dealer(s).
Specified Denomination.	Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area (the “ EEA ”) or in the United Kingdom or offered to the public in an EEA State or in the United Kingdom in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be 100,000 (or its equivalent in any other currency as at the date of the issue of the Notes) and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (“ FSMA ”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Fixed Rate Notes	In respect of Fixed Rate Notes, fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <p>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency (as defined in “<i>Terms and Conditions of the Notes other than the Perpetual Securities</i>”) governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or</p> <p>(ii) by reference to LIBOR, EURIBOR, HIBOR, SOR or SIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.</p> <p>Interest periods will be specified in the relevant Pricing Supplement.</p>
Zero Coupon Notes	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption of Notes	<p>The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer and (in respect of each Tranche of Guaranteed Notes) the Guarantor in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).</p> <p>The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.</p>

Other Notes	Terms applicable to Notes such as high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note that the relevant Issuer, (in respect of each Tranche of Guaranteed Notes) the Guarantor, the Trustee, the Issuing and Paying Agent and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and any relevant supplemental Offering Circular.
Optional Redemption of Notes	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or at the option of the holders, and if so the terms applicable to such redemption.
Status of Notes	The Notes and the Receipts and the Coupons relating to them will constitute direct, unconditional, unsubordinated and (subject to Condition 4 of the Terms and Conditions of the Notes other than Perpetual Securities) unsecured obligations of the relevant Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves as described in “ <i>Terms and Conditions of the Notes other than the Perpetual Securities — Status and Guarantee of the Notes</i> ”.
Negative Pledge in relation to Notes	See “ <i>Terms and Conditions of the Notes other than the Perpetual Securities – Negative Pledge</i> ”.
Early Redemption for Taxation	Notes will be redeemable at the option of the relevant Issuer prior to maturity for tax reasons. See “ <i>Terms and Conditions of the Notes other than the Perpetual Securities — Redemption, Purchase and Options</i> ”.
Withholding Tax	All payments of principal and interest by or on behalf of the relevant Issuer and (in respect of each Tranche of Guaranteed Notes) the Guarantor in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the relevant Issuer and (in respect of each Tranche of Guaranteed Notes) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain conditions as set out in the relevant Terms and Conditions. See “ <i>Terms and Conditions of the Notes other than the Perpetual Securities — Taxation</i> ” below.

Governing Law The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law or the Notes will be governed by, and shall be construed in accordance with, Singapore law, as specified in the applicable Pricing Supplement.

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

Summary of Terms relating to Perpetual Securities

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

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

Form of Notes The Perpetual Securities may be issued in bearer form only (“**Bearer Notes**”) or in registered form only (“**Registered Notes**”). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) Definitive Notes are to be made available to Noteholders (as defined in the “*Terms and Conditions of the Perpetual Securities*”) following the expiry of 40 days after their issue date or (ii) such Perpetual Securities have an initial maturity of more than one year and are being issued in compliance with the D Rules, otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of, or in the name of nominees or a common nominee for, one or more clearing systems are referred to as “**Global Certificates**”.

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

Clearing Systems	Euroclear, Clearstream, the CMU and CDP and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer and (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor, the Trustee and the relevant Dealer(s) and as applicable the Registrar.
Initial Delivery of Perpetual Securities	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream or deposited with CDP or deposited with a sub-custodian for the CMU or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the relevant Issuer and (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor, the Trustee, the Issuing and Paying Agent, the Registrar (if applicable) and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Perpetual Securities may be issued in any currency agreed between the relevant Issuer and (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor, the Issuing and Paying Agent and the relevant Dealers(s). Payments in respect of Perpetual Securities may, subject to such compliance, be made in and/or linked to, any currency or currencies as may be agreed between the relevant Issuer and (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor, and the relevant Dealer(s).
No Fixed Maturity	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the relevant Issuer shall only have the right to redeem or purchase them in accordance with the provisions of the terms and conditions of such Perpetual Securities.
Specified Denomination	Perpetual Securities will be in such denominations as may be specified in the relevant Pricing Supplement save that (i) in the case of any Perpetual Securities which are to be admitted to trading on a regulated market within the EEA or in the United Kingdom or offered to the public in an EEA State or in the United Kingdom in circumstances which require the publication of a prospectus under the Prospectus Regulation, the minimum specified denomination shall be 100,000 (or its equivalent in any other currency as at the date of the issue of the Perpetual Securities) and (ii) unless otherwise permitted by then current laws and regulations, Perpetual Securities (including Perpetual Securities denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Fixed Rate Notes	In respect of Fixed Rate Notes, subject to Condition 4(h) of the Terms and Conditions of the Perpetual Securities, distributions will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes	In respect of Floating Rate Notes, distributions will be determined separately for each Series as follows: <ul style="list-style-type: none"> (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or (ii) by reference to LIBOR, EURIBOR, HIBOR, SOR or SIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin. <p>Distribution periods will be specified in the relevant Pricing Supplement.</p>
Dual Currency Notes	Payments in respect of Dual Currency Notes (whether in respect of principal or distributions) will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.
Distributions in respect of Perpetual Securities	Each Perpetual Security will confer a right to receive distributions at fixed or floating rates, subject to Condition 4(h) of the Terms and Conditions of the Perpetual Securities.
Optional Deferral of Distributions in respect of Perpetual Securities	The relevant Pricing Supplement will specify whether the relevant Issuer may, at its sole discretion, elect to defer (in whole and not in part) any distribution which is otherwise scheduled to be paid on a Distribution Payment Date (as defined in the “ <i>Terms and Conditions of the Perpetual Securities</i> ”) to the next Distribution Payment Date by giving a Deferral Election Notice (as defined in the “ <i>Terms and Conditions of the Perpetual Securities</i> ”) to the Noteholders and the Trustee and the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, not more than 15 nor less than 5 Business Days (as defined in the “ <i>Terms and Conditions of the Perpetual Securities</i> ”) (or such other notice period as may be specified in the applicable Pricing Supplement) prior to a scheduled Distribution Payment Date unless, during the Look-Back Period (as specified in the relevant Pricing Supplement) prior to such scheduled Distribution Payment Date, a Compulsory Distribution Payment Event has occurred.

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

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

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

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

Any failure to pay any distribution by the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor), if it validly elects not to do so in accordance with Condition 4(h)(i) of the Terms and Conditions of the Perpetual Securities shall not constitute a default of the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) in respect of the Perpetual Securities.

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

- (a) In respect of the Direct Issuance Perpetual Securities, if a Dividend Stopper is so provided on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payment of all Distribution payments schedules to be made on such date is not made in full by reason of Condition 4(h) of the Terms and Conditions of the Perpetual Securities, the Company shall not and shall procure that none of its subsidiaries shall:
 - (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:
 - (x) if this Perpetual Security is a Senior Perpetual Security, any of the Company's Junior Obligations; or
 - (y) if this Perpetual Security is a Subordinated Perpetual Security, any of the Company's Junior Obligations or (except on a *pro rata* basis) any of the Company's Parity Obligations; or
 - (ii) redeem, reduce, cancel, buy-back or acquire for any consideration:
 - (x) if this Perpetual Security is a Senior Perpetual Security, any of the Company's Junior Obligations; or
 - (y) if this Perpetual Security is a Subordinated Perpetual Security, any of the Company's Junior Obligations or (except on a *pro rata* basis) any of the Company's Parity Obligations,

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

- (b) In respect of the Guaranteed Perpetual Securities, if a Dividend Stopper is so provided on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Condition 4(h) of the Terms and Conditions of the Perpetual Securities, Olam Treasury and (where applicable) the Guarantor shall not and shall procure that none of their subsidiaries shall:
 - (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:
 - (x) if this Perpetual Security is a Senior Perpetual Security, any of the Olam Treasury's or (where applicable) the Guarantor's Junior Obligations; or
 - (y) if this Perpetual Security is a Subordinated Perpetual Security, any of Olam Treasury's or (where applicable) the Guarantor's Junior Obligations or (except on a *pro rata* basis) any of Olam Treasury's or (where applicable) the Guarantor's Parity Obligations; or
 - (ii) redeem, reduce, cancel, buy-back or acquire for any consideration:
 - (x) if this Perpetual Security is a Senior Perpetual Security, any of Olam Treasury's or (where applicable) the Guarantor's Junior Obligations; or

- (y) if this Perpetual Security is a Subordinated Perpetual Security, any of Olam Treasury's or (where applicable) the Guarantor's Junior Obligations or (except on a *pro rata* basis) any of Olam Treasury's or (where applicable) the Guarantor's Parity Obligations,

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

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

Redemption for Accounting

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

Redemption for Tax

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

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

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

Redemption at the Option of the Issuers.

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

Redemption in the case of Minimal Outstanding Amount. . .

The relevant Pricing Supplement will specify whether the Perpetual Securities will be subject to redemption in the case of a minimal outstanding amount. If so specified thereon, the relevant Issuer may, at any time, on giving not less than 30 nor more than 60 days’ irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Pricing Supplement) redeem the Perpetual Securities, in whole, but not in part, at their Early Redemption Amount if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Redemption for Taxation Reasons.

Perpetual Securities will be redeemable at the option of the relevant Issuer prior to maturity for tax reasons. See “*Terms and Conditions of the Perpetual Securities — Redemption and Purchase — Redemption for Taxation Reasons*”.

Status of Senior Perpetual Securities

The Senior Perpetual Securities and the Coupons relating to them will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer, as described in “*Terms and Conditions of the Perpetual Securities — Status of Senior Perpetual Securities and Status of, and Ranking of Claims in relation to, Subordinated Perpetual Securities and Guarantee of Perpetual Securities*”.

Status of Subordinated Perpetual Securities

The Subordinated Perpetual Securities and the Coupons relating to them will constitute direct, unconditional, unsecured and subordinated obligations of the Company or Olam Treasury as described in “*Terms and Conditions of the Perpetual Securities — Status of Senior Perpetual Securities and Status of, and Ranking of Claims in relation to, Subordinated Perpetual Securities and Guarantee of Perpetual Securities*”.

Subordination of Subordinated Perpetual Securities

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up (as defined in the “*Terms and Conditions of the Perpetual Securities*”) of the relevant Issuer and (in respect of the Guaranteed Perpetual Securities) the Guarantor, the Subordinated Holder Claims (as defined in the “*Terms and Conditions of the Perpetual Securities*”) will rank in such Winding-Up:

- (i) expressly subordinated and subject to the rights and claims of all Senior Creditors (as defined in the “*Terms and Conditions of the Perpetual Securities*”) of the relevant Issuer and (in respect of the Guaranteed Perpetual Securities) the Guarantor;
- (ii) *pari passu* with each other and with the rights and claims of any Parity Creditors or holders of Parity Obligations; and
- (iii) in priority to the rights and claims of holders of Junior Obligations.

Set-off in relation to Subordinated Perpetual Securities

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

Limited right to institute proceedings in relation to

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

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

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

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

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

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

Legal Entity Identifiers Company — 33D7DTWH8BNIUWE0IF81.

Olam Treasury — 222100Q5X2XAY8TWQK03.

SUMMARY FINANCIAL INFORMATION

The following tables set forth selected financial information of the Group as at and for FY 2019, FY 2018 and FY 2017. This selected financial information should be read in conjunction with the Group's audited consolidated financial statements including notes thereto for FY 2019 and FY 2018. The Group's audited consolidated financial statements including notes thereto for FY 2019 and FY 2018 are included elsewhere in this Offering Circular. The information in the Group's audited consolidated financial statements including notes thereto for FY 2019 and FY 2018 have not been specifically prepared for inclusion in this Offering Circular.

Consolidated Profit and Loss Accounts

	Group		
	Financial Year Ended		
	31 December 2019	31 December 2018	31 December 2017
	Audited		
	(\$'000)		
Sale of goods and services	32,992,722	30,479,056	26,272,529
Other income	531,537	87,742	207,531
Cost of goods sold	(30,055,135)	(27,985,803)	(23,757,685)
Net (loss)/gain from changes in fair value of biological assets	1,857	61,270	(15,250)
Depreciation and amortisation	(500,334)	(392,836)	(380,680)
Other expenses	(1,822,637)	(1,462,564)	(1,297,602)
Finance income	88,649	79,689	65,597
Finance costs	(628,381)	(548,464)	(531,178)
Share of results from jointly controlled entities and associates	67,872	62,525	67,631
Profit before taxation	676,150	380,615	630,893
Income tax expense	(150,988)	(57,422)	(79,248)
Profit for the financial period	525,162	323,193	551,645
Attributable to:			
Owners of the Company	564,157	347,870	580,743
Non-controlling interests	(38,995)	(24,677)	(29,098)
	525,162	323,193	551,645
Earnings per share attributable to owners of the Company (cents)			
Basic	15.98	9.20	18.62
Diluted	15.79	9.08	17.92

Consolidated Balance Sheet Group

	As At		
	31 December 2019	31 December 2018	31 December 2017
	Audited		
	(S\$'000)		
Non-current assets			
Property, plant and equipment	6,186,963	5,809,948	5,625,837
Right-of-use assets	577,589	–	–
Intangible assets	1,165,231	1,199,912	1,207,283
Biological assets	531,178	511,931	471,656
Investment in subsidiary companies	–	–	–
Interests in jointly controlled entities and associates	661,105	691,692	1,070,940
Long-term investments	71,503	135,777	257,519
Deferred tax assets	183,273	166,785	95,871
Other non-current assets	44,956	27,786	25,852
	9,421,798	8,543,831	8,754,958
Current assets			
Amounts due from subsidiary companies	–	–	–
Trade receivables	2,316,519	2,435,168	1,901,925
Margin accounts with brokers	–	–	399,680
Inventories	7,211,465	6,468,157	6,044,681
Advance payments to suppliers	563,537	805,472	743,516
Advance payments to subsidiary companies	–	–	–
Cash and short-term deposits	3,179,584	2,480,374	1,986,351
Derivative financial instruments	1,847,715	1,835,043	1,619,249
Other current assets	1,129,743	878,772	848,187
	16,248,563	14,902,986	13,543,589
Current liabilities			
Trade payables and accruals	(3,983,485)	(3,633,860)	(2,184,352)
Margin accounts with brokers	(12,961)	(121,017)	–
Borrowings	(6,675,458)	(4,766,411)	(4,660,209)
Lease Liabilities	(82,032)	(10,710)	–
Provision for taxation	(259,077)	(151,994)	(162,977)
Derivative financial instruments	(1,162,135)	(928,631)	(851,947)
Other current liabilities	(596,936)	(456,399)	(473,313)
	(12,772,084)	(10,069,022)	(8,332,798)
Net current assets	3,476,479	4,833,964	5,210,791
Non-current liabilities			
Deferred tax liabilities	(502,031)	(422,625)	(416,991)
Borrowings	(5,403,423)	(6,407,718)	(6,927,729)
Lease Liabilities	(435,068)	(83,396)	–
Other non-current liabilities	(17,695)	–	–
	(6,358,217)	(6,913,739)	(7,344,720)
Net assets	6,540,060	6,464,056	6,621,029
Equity attributable to owners of the Company			
Share capital	3,748,994	3,748,994	3,674,206
Treasury shares	(158,807)	(166,280)	(187,276)
Capital Securities	1,045,867	1,046,406	1,045,773
Reserves	1,795,934	1,696,246	1,910,878
	6,431,988	6,325,366	6,443,581
Non-controlling interests	108,072	138,690	177,448
Total equity	6,540,060	6,464,056	6,621,029

RISK FACTORS

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

RISKS RELATING TO THE GROUP'S BUSINESS

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

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

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

The Group is vulnerable to industry cyclicality

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

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

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

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

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

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

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

Margin calls on futures contracts or other derivative instruments

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

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

Agricultural production and trade flows are significantly affected by government policies and regulations. Governmental policies affecting the agricultural industry (such as taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products) can influence industry profitability, the planting of certain crops versus other uses of agricultural resources, the location and size of crop production, whether unprocessed or processed commodity products are traded and the volume and types of imports and exports. In addition, international trade disputes can adversely affect agricultural commodity trade flows by limiting or disrupting trade between countries or regions. In the past, rising commodity prices and concerns about food security have prompted governments in several

countries to introduce export bans on key agricultural commodities and commodity products. There is no assurance that such export bans may not become more prevalent whether across countries or products. Future government policies may adversely affect the supply of, demand for and prices of the Group's products, restrict the Group's ability to do business in the Group's existing and target markets and could cause the Group's financial results to suffer.

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

The Group faces competition in its various product and geographic markets. The Group's competitors range from global trade houses to local distributors and buying agents. Please refer to the section entitled "*The Company and the Group — Competition*" beginning on page 181 of this Offering Circular. The Group also faces additional competition from the Group's existing customers, who are becoming more involved in sourcing to satisfy their own needs. In some of the developing economies where the Group operates, government controls on trade are gradually being released and trade is being opened up to new participants. As such, there are potential threats of new competitors entering the markets in which the Group operates. Increased competition may reduce the growth in customer base, reduce the profit margin and the market share that the Group currently enjoys, and result in higher selling and marketing expenses. There can be no assurance that other competitors will not surpass the Group's performance in the future. In the event that the Group fails to sustain its competitive advantages, the Group's business, results of operations and financial position may be materially and adversely affected.

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

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

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

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

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

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

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

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

The Group has significant operations in emerging markets such as Africa and other developing countries. For example, in November 2019, the Company acquired Dangote Flour Mills in Nigeria — please refer to “*The Company and the Group — Major growth and capital raising milestones*” for further details. The Group believes that it has a significant customer and supplier base in these developing countries. In conducting the Group's business, the Group is subject to political, economic, legal, operational and other risks arising from operating in these countries. These risks may include, amongst others:

- civil unrest, military conflict, terrorism, change in political climate and general security concerns;
- default by government bodies who may be the only authorised trading counterparties in certain regulated markets;
- relatively less developed legal systems and business practices which may give rise to difficulties in enforcement of agreements entered into with counterparties;
- changes in duties payable and taxation rates;
- imposition of restrictions on currency conversion or the transfer of funds;
- fluctuation in the currency values;
- limitations and/or bans on imports and exports;
- expropriation or nationalisation of private enterprises or confiscation of private property or assets;
- reversal or change of laws, regulations or policies;
- relatively less developed business and communication infrastructure which may hamper the Group's efficiency and internal controls; and
- reinstatement of commodity boards or state monopolies for any of the Group's products.

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

The Group may not be able to successfully implement the 2019 – 2024 Strategic Plan

In January 2019, the Company announced the 2019 – 2024 Strategic Plan. The same was explained in a presentation which was posted on the SGX-NET on 25 January 2019. The 2019 – 2024 Strategic Plan sets out four pathways for the Group's future growth:

- Strengthening, streamlining and focusing the business portfolio by investing in high potential growth businesses and de-prioritising and divesting certain other businesses and assets that no longer fit with the Group's strategic priorities;
- Driving margin improvement by enhancing cost and capital efficiency;
- Generating additional revenue streams by offering differentiated products/services and from both existing and new channels; and
- Exploring partnerships and investments in new engines for growth.

The Group has also identified four enablers to execute the strategic pathways: (i) operational excellence; (ii) sustainability; (iii) digital transformation; and (iv) leadership and talent.

In January 2020, the Company announced the re-organisation of the Group into two new operating groups: Olam Food Ingredients (“**OFI**”), Olam Global Agri (“**OGA**”) with the stewardship of Olam International Limited (i.e. the Company). The re-organisation decision within the first year of the six-year Strategic Plan was not a change in strategy but rather a recognition of the opportunity to create further value for the Company's shareholders through potential carve-outs and capital raising options, including initial public offerings (“**IPOs**”) for OFI and OGA. The re-organisation of the Group may affect the implementation of the Strategic Plan due to potential changes in the management and operating structure, organisational design, operating model, business unit strategy and deployment of human resources that may lead to unexpected outcomes.

The 2019 — 2024 Strategic Plan involves investments in high potential growth businesses while de-prioritising and divesting select businesses and assets. The Group's execution of the new strategic plan may not be successful in achieving the targets as set out in the plan. The Group may not be able to generate a return on its new investments or divestments. Under such circumstances, the Group's business, results of operations and financial position may be adversely affected.

The Group may also face new uncertainties associated with its expansion plans and its participation in the new engines for growth.

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

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

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

In addition, since FY 2009 the Group has been participating in the commodity financial services (“**Commodity Financial Services**”) business in which the Group undertakes funds management (risk management solutions are now classified as embedded services for the various businesses). These activities may involve the Company taking proprietary views of the market. The performance of this business may therefore be subject to the volatility of the commodity markets. Although the Company believes that these businesses will leverage its understanding of commodity and derivative markets and risk management skills, the Company currently does not have a long operating history in managing Commodity Financial Services businesses. The operation and management of the Commodity Financial Services business may require trained personnel and there can be no assurance that the Company will be able to attract or retain personnel required to operate and manage such businesses.

Financial services may require monitoring and compliance with laws, rules and regulations thereby increasing the risk of non-compliance by the Group. The Group may also not be able to generate a return on its initial investments which may adversely affect its financial position. Further, failure to successfully operate and manage the commodities financial services business may result in a loss of reputation of the Group which may adversely affect its business, results of operations and financial position.

The Group may fail to manage any of its acquisitions

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

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

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

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

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

Contractual risks

The Group faces the risk that its counterparties, such as customers, suppliers and service providers, may fail to honour their contractual obligations to the Group. This may result in the Group not being able to net off the Group’s positions and hence reduce the effectiveness of the Group’s hedges. Non-execution of contracts by counterparties may lead to the Group in turn not being able to honour the Group’s contractual obligations to third-parties. This may subject the Group to, among others, legal claims and penalties. The Group may also be subject to legal claims and penalties if the products which the Group has contracted

to sell to its customers suffer losses in weight or quality during shipment and transportation by third-parties. See “*Risk Factors — The value of the Group’s physical products may deteriorate across various stages of its supply chain*”. As a result, the Group’s business, results of operations and financial position may be adversely affected.

Credit risks

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

The Group’s operations are highly dependent on debt financing

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

Since most of the Group’s loans have a limited term, the Group needs sufficient liquidity to meet its loan repayment obligations. Adverse market conditions which hamper the liquidation of stocks or delay the recovery of credit may affect the Group’s loan repayment schedules and this may in turn result in the banks withdrawing or requiring early repayment of the facilities granted to the Group. This poses liquidity risk for the Group even though the Group may be profitable. As the Group may also obtain loans of longer terms, the Group may be exposed to the risk of interest rate fluctuations. These may adversely affect the Group’s business, results of operations and financial position. Please refer to the section “*Capitalisation and Indebtedness*” on page 129 of this Offering Circular.

The Group is exposed to interest rate risk

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

The Group may experience limited availability of funds

The Group may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that

additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group or that any additional financing will not be dilutive to its shareholders.

Factors that could affect the Group's ability to procure financing include the cyclicity of the agricultural products and food ingredients market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. In addition, consolidation in the banking industry in any market in which the Group procures financing may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector.

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

The Group is exposed to foreign exchange rate risk

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

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

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

For instance, the Company is an approved company under the Global Trader Programme ("GTP") of 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% and 5.5% respectively for a period of 5 years from 1 July 2018 until and including 31 December 2022 on qualifying activities, products and income. Should this concessionary tax rate be revised, revoked or not be renewed upon expiry, the Group will be subject to the normal corporate tax rate, which as at the date of this Offering Circular is 17 per cent., which may affect the Group's business, results of operations and financial position.

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

The Group is subject to volatility in shipping and logistics costs

Shipping, logistics, commission and claims expenses accounted for 9.9 per cent. and 9.8 per cent. of the Group's turnover for FY 2018 and FY 2019 respectively. As most of the Group's shipments are made using third-party land and sea transport providers, the Group is subject to fluctuations in the prices of shipping and logistics costs, which may in turn have an impact on the Group's results of operations. Shipping and logistics costs for commodities are usually market-driven and are highly cyclical. Shipping rates fluctuate in response to the level of demand for vessels and the availability of vessels to satisfy that demand. The level of demand is influenced by many factors, including general economic conditions, global trading volumes and port usage. Shipping rates are the most variable element of expense in relation to a particular shipment and are relevant to the Group's results to the extent that they will affect the pricing and profit margin of the services provided by the Group.

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

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

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

Quality deterioration

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

Weight loss

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

Variation in yield

The Group farms some of its products and may experience variation in yield depending on weather and other environmental impacts.

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

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

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

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

The Group is subject to regulation by various regulatory bodies

The Group is subject to the rules of various global regulatory agencies and certain trade associations, which regulate, among other things, the terms and conditions of trade in some of the Group's products. One such agency is the US Commodity Futures Trading Commission. The major associations include, but are not limited to, the International Cotton Association, the European Coffee Federation, the Green Coffee Association, the Federation of Cocoa Commerce Limited and the Nuts Association. While membership in such associations is not material to the business of the Group, these associations help to facilitate dispute resolution through a recognised forum and allow trade participants to regulate, promote and develop best practices as an industry. However, if the Group is found to be in breach of a rule or regulation of the various global regulatory agencies, the Group may be subject to monetary fines, disciplinary actions or other sanctions. This may have an adverse impact on the Group's business, results of operations and/or financial results.

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

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

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

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

The Group includes a holding company structure

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

The Group enters into interested person transactions

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

A change in the accounting standards may have a material impact on the future financial statements of the Company

Changes in accounting standards may materially impact the Company's financial statements. For example, Singapore Financial Reporting Standards (International) 16 – Leases (“**SFRS(I) 16**”) which became effective for annual periods beginning on or after 1 January 2019 requires lessees to recognise most leases on balance sheets to reflect the rights to use (“**ROU**”) the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. SFRS(I) 16 includes two recognition exemptions for lessees – leases of ‘low value’ assets and short-term leases. The Group and the Company adopted SFRS(I) 16 with effect from 1 January 2019. The adoption of SFRS(I) 16 has had an impact on the balance sheet of the Group and the Company and consequently, on the profit and loss items in FY 2019. Please see the audited financial statements for FY 2019 for details.

The Company's holding company and substantial shareholders may change

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

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

As at the Latest Practicable Date, Temasek Holdings and its subsidiaries and associated companies owned approximately 53.42 per cent. of the Company's issued share capital.

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

The Group's business may be impacted by global economic conditions.

Since the global financial crisis which arose due to problems linked with the sub-prime residential mortgage market in the United States, global credit markets have experienced, and may continue to experience, significant dislocations and liquidity disruptions. Although global economic conditions have improved and certain credit markets have shown signs of recovery in 2011 due, in large part, to stimulus measures adopted by various governments, there can be no assurance that these credit markets will continue to recover or that the various governments will maintain their stimulus measures. The global economy and financial markets have been affected by the ongoing sovereign debt crises in several member countries of the European Union in late 2011 to the present, and more recently, the tapering of the stimulative quantitative easing policy, and the potential interest rate increase, by the U.S. Federal Reserve, the economic slowdown of the PRC, the political instability in the Korean Peninsula and the enhanced market volatility stemming from the exit of the United Kingdom from the European Union (“**Brexit**”) effective from 31 January 2020. Given the lack of precedent, it is unclear how Brexit would affect the

fiscal, monetary and regulatory landscape within the United Kingdom, the European Union and globally. This event has resulted in a downgrade of the credit ratings of the United Kingdom and may also create a negative economic impact and increase volatility in global markets. Furthermore, the rising trade tensions between the United States, China and other major nations create uncertainties in the world economy and global financial market. Starting in April 2018, the United States imposed tariffs on various categories of imports from China, and the PRC responded with similarly sized tariffs on the United States' products. In January 2020, the United States and China entered into "phase one" of an economic and trade agreement as an initial step towards resolving the trade war disputes between them. The effect of such an agreement remains elusive, and the lasting impacts any trade conflict may have on the global economic conditions remain uncertain.

Continued concerns about the systemic impact of potential long-term and widespread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for economic growth around the world. The outlook for the world economy and financial markets remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, unemployment rate remains high, and recovery in the housing market remains subdued. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow, or both. In the Middle East, political unrest in various countries has resulted in economic instability and uncertainty.

The economic outlook has negatively affected business and consumer confidence and contributed to significant levels of volatility. Any recurrence of a global financial crisis, which could potentially be sparked by the recent market volatility attributed to concerns over several European countries, may cause a further slowdown the global economy. Continued turbulence in the international markets and prolonged declines in consumer spending may adversely affect the business, results of operations and financial condition of the Group.

The occurrence of contagious diseases could affect the Group's business, financial condition or results of operations

The outbreak of the severe acute respiratory syndrome ("SARS") in early 2003 had an adverse effect on several businesses and sectors. The outbreak of SARS led to a significant decline in travel volumes and business activities throughout most of the Asian region. The occurrence of another outbreak of SARS or of another highly contagious disease may result in another economic downturn and may have an adverse effect on the overall level of business and travel in the affected areas. It may also disrupt the Group's business operations and consequently have an adverse effect on its financial condition and operating results.

There have been sporadic outbreaks of the H5N1 virus or "Avian Influenza" among birds and in particular poultry, as well as some isolated cases of transmission of the virus to humans. There have also been outbreaks among humans of the influenza A/H1N1 virus globally. On 11 June 2009, the World Health Organisation raised its global pandemic alert to Phase 6 after considering data confirming the outbreak. To date, there have been a large number of confirmed cases of influenza A/H1N1 globally. Since 2012, an outbreak of the Middle East Respiratory Syndrome coronavirus ("MERS") has affected several countries, primarily in the Middle East. Since December 2019, there has been an outbreak of the 2019-novel coronavirus ("COVID-19") around the world. On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak a pandemic. Concerns about the global spread of COVID-19 and the H7N9 strain of flu (Avian Flu) in the PRC and outbreaks of the H1N1 virus (Swine Flu) in the United States, Europe and Asia in the past have caused governments to take measures to prevent spread of the viruses.

The outbreak of communicable diseases such as the ones listed above on a global scale may adversely affect the global economy. For example, the outbreak of COVID-19 has resulted in restrictions on travel and public transport and prolonged closures of workplaces, which may have a material adverse effect on the global economy and interruption of the Group's business. There can be no assurance that there will not be a serious outbreak or recurrence of an outbreak of influenza A/H1N1, MERS, COVID-19 or another contagious disease in the future.

Furthermore, the current outbreak and global spread of COVID-19 and the resultant restrictions and closures as mentioned above may impact demand, supply as well as efficient functioning of financial markets. These factors may thereby result in disruptions to Olam's operations or to global commodity supply chains, on which the Group's businesses rely.

Therefore, an outbreak of any of the viruses or diseases referenced above may have an adverse impact on the business, financial condition or results of operations of the Group.

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

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

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

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

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

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

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

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

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

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

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

In addition to the clean-up liability, the Group may become subject to monetary fines and penalties for violation of applicable laws, regulations or administrative orders. This may also result in closure or temporary suspension or adverse restrictions on its operations. The Group may also, in future, become involved in proceedings with various regulatory authorities that may require it to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. In addition, third parties may sue the Group for damages and costs resulting from environmental contamination emanating from its properties and/or production facilities. Unidentified environmental liabilities could arise which could have an adverse effect on the Group's business, results of operations and financial position.

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

The Group requires certain statutory and regulatory licences, permits and approvals, which may be subject to certain conditions. There can be no assurance that the relevant authorities will issue any such licences, permits or approvals in a timely manner, at all or on terms that are acceptable to the Group.

The Group prepares periodical financial information in Singapore pursuant to applicable Singaporean regulatory rules. Investors should be cautious and not place any reliance on the financial information other than that disclosed in this Offering Circular

Following the amendments to the Singapore Exchange Securities Trading Limited Listing Rules (Mainboard) which are effective from 7 February 2020, the Group will no longer be required to release its financial statements on a quarterly basis. It will now report its financial results half-yearly. The half-yearly consolidated management accounts are the Group's management accounts which have not been audited or reviewed by independent auditors. As such, any such financial information that might be published in Singapore should not be referred to or relied upon by potential purchasers to provide the same quality of information associated with any audited or reviewed information. The Group is not responsible to holders of the Notes for the unaudited and unreviewed financial information that may be published in the future from time to time in Singapore and therefore investors should not place any reliance on any such financial information. Such financial information is not an indicator or representation of the Group's full year performance.

RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME

The Notes may not be a suitable investment for all investors

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

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

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

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

Modification, waivers and substitution

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

The Terms and Conditions of the Notes other than the Perpetual Securities and the Terms and Conditions of the Perpetual Securities also provide that the Trustee may, without the consent of Noteholders or Couponholders, agree to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law or as required by Euroclear and/or Clearstream and/or the CMU and/or the CDP, (ii) the substitution of a third party as principal debtor under the Notes in place of the Company, in the circumstances

described in Condition 11 of the Terms and Conditions of the Notes other than the Perpetual Securities and Condition 10 of the Terms and Conditions of the Perpetual Securities and (iii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

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

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

Performance of contractual obligations

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

Noteholders are exposed to financial risk

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

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

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

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

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

Singapore taxation risk

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2023 are intended to be “qualifying debt securities” for the purposes of the ITA subject to the fulfilment of certain conditions more particularly described in the section “*Taxation — Singapore*”. However, there is no assurance that such Notes will continue to enjoy the tax concessions should the relevant tax laws be amended or revoked at any time. In addition, the tax concessions for qualifying debt securities may not be available for any particular tranche of Perpetual Securities if the Inland Revenue Authority of Singapore (“**IRAS**”) does not regard such tranche of the Perpetual Securities as debt securities for Singapore income tax purposes.

FATCA

Whilst the Notes are in global form and held within Euroclear Bank S.A./N.V. and Clearstream Banking S.A. (together, the “**ICSDs**”), in all but the most remote circumstances, it is not expected that sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) will affect the amount of any payment received by the ICSDs (see “*Taxation — FATCA*”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. An Issuer’s obligations under the Notes are discharged once it has paid the common depository for the ICSDs (as bearer/registered holder of the Notes) and the relevant Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

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

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

Definitive Notes will only be issued if the permanent Global Note or the Global Certificate is held on behalf of Euroclear or Clearstream or the CMU or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does so in fact or if such permanent Global Note or the Global Certificate is held by or on behalf of CDP and there shall have occurred and be continuing an Event of Default (as defined in the “*Terms and Conditions of the Notes other than the Perpetual Securities*”) entitling the Trustee to declare all the Notes other than the Perpetual Securities to be due and payable as provided in the Note Conditions or an Enforcement Event (as defined in the “*Terms and Conditions of the Perpetual Securities*”), or CDP is closed for business for a continuous period of 14

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

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

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

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

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

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be or used as "benchmarks", have been the subject of recent international regulatory guidance and proposals for reform. Some of these reforms are already effective while others have yet to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of the LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible

disincentives (including as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcement**”). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. As the Swap Offer Rate methodology relies on US\$ LIBOR in its computation, the likely discontinuation of LIBOR after end-2021 will impact the future sustainability of the Swap Offer Rate. On 30 August 2019, the MAS announced that, it has established an industry-led steering committee to oversee an industry-wide interest rate benchmark transition from the Swap Offer Rate to the Singapore Overnight Rate Average (“**SORA**”). On 19 March 2020, the steering committee set out its key priorities and updated transition roadmap to achieve a smooth transition to SORA as the new interest rate benchmark for the SGD cash and derivatives markets. The Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks:

- i. discourage market participants from continuing to administer or contribute to the benchmark;
- ii. trigger changes in the rules or methodologies used in the benchmark; or
- iii. lead to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

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

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

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

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

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

- (i) the market price of such Notes may be volatile;

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

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

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

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

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

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

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

RISKS RELATED TO THE PERPETUAL SECURITIES

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

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

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

If Distribution Deferral is specified in the relevant Pricing Supplement, an Issuer may, at its sole discretion, elect to defer any scheduled distribution on the Perpetual Securities for any period of time. The relevant Issuer may be subject to certain restrictions in relation to the payment of dividends on its Junior Obligations and the redemption and repurchase of its Junior Obligations until any Arrears of Distribution and any Additional Distribution Amounts are satisfied. The relevant Issuer is not subject to any limit as

to the number of times distributions can be deferred pursuant to the Terms and Conditions of the Perpetual Securities subject to compliance with the foregoing restrictions. Although distributions are cumulative, the relevant Issuer may defer its payment for an indefinite period of time by delivering the relevant deferral notices to the holders, and holders have no rights to claim any distribution, Arrears of Distribution or Additional Distribution Amount if there is such a deferral. Any such deferral of distribution (including Arrears of Distribution) shall not constitute a default for any purpose unless, in the case of a deferral, such payment is required in accordance with Condition 4(h) of the Terms and Conditions of the Perpetual Securities.

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

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

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

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

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

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

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

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

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

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

The Subordinated Perpetual Securities are subordinated obligations

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

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

Tax treatment of the Perpetual Securities is unclear

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

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

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

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

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

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

RISKS RELATING TO RENMINBI-DENOMINATED NOTES

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

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not freely convertible at present. The government of the PRC (the “**PRC Government**”) continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are being developed.

Although Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the People’s Bank of China (“**PBoC**”) in 2018, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of an Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and an Issuer’s ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBoC has entered into agreements (the “**Settlement Arrangements**”) on the clearing of Renminbi business with financial institutions (the “**Renminbi Clearing Banks**”) in a number of financial centres and cities, including but not limited to Hong Kong, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

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

Investment in the Renminbi Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. Recently, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest, distributions and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by global certificates held with the common depositary for Clearstream Banking S.A. and Euroclear Bank SA/NV or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong, (ii) for so long as the Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. An Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("EIT") or PRC individual income tax ("IIT") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of Renminbi Notes but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law

levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if enterprise or individual resident Holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

RISKS RELATED TO THE MARKET GENERALLY

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

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

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

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

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

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

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

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

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

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

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

Interest rate risk

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

Inflation risk

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

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

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

TERMS AND CONDITIONS OF THE NOTES OTHER THAN THE PERPETUAL SECURITIES

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

This Note is one of a series (“**Series**”) of Notes issued by either Olam International Limited (the “**Direct Issuance Notes**”) or Olam Treasury Pte. Ltd. (the “**Guaranteed Notes**”) pursuant to the Trust Deed (as defined below). References to the “**Issuer**” or the “**relevant Issuer**” shall mean only either Olam International Limited (the “**Company**”) or Olam Treasury Pte. Ltd. (“**Olam Treasury**”) as specified in the relevant Pricing Supplement. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. The Guaranteed Notes issued by Olam Treasury will be guaranteed in the Trust Deed (as defined below) by Olam International Limited (the “**Guarantor**”).

The Notes are constituted by an amended and restated trust deed dated 16 March 2018 (as further amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”) between the Company, Olam Treasury, the Guarantor and The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below), [and, in the case of any Notes governed by Singapore law, as amended and supplemented by the Singapore amended and restated supplemental trust deed (as amended or supplemented as at the Issue Date (the “**Singapore Supplemental Trust Deed**”)) dated 16 March 2018 between the Company, Olam Treasury, the Guarantor and the Trustee]¹, the “**Trust Deed**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An amended and restated agency agreement (as further amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 16 March 2018 has been entered into in relation to the Notes between the Company, Olam Treasury, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as the initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent, the other paying agents, the registrars, the transfer agent(s), and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**CMU Lodging and Paying Agent**”, the “**CDP Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrars**”, the “**Transfer Agents**” (which expression shall include the Registrars), and the “**Calculation Agent(s)**” (such Issuing and Paying Agent, CMU Lodging and Paying Agent, CDP Paying Agent, Paying Agents, Registrars and Transfer Agent(s) being together referred to as the “**Agents**”). For the purposes of these Conditions, all references to the Issuing and Paying Agent shall (i) with respect to a Series of Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU**”), be deemed to be a reference to the CMU Lodging and Paying Agent and (ii) with respect to a Series of Notes to be held in the computerised system operated by The Central Depository (Pte) Limited (the “**CDP**”), be deemed to be a reference to the CDP Paying Agent, and all such references shall be construed accordingly. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

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

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

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

1. Form, Denomination and Title

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

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

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

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

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

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

*Notwithstanding anything contained in these Conditions, for so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, S.A. (“**Clearstream**”) and/or the CMU and/or by or on behalf of CDP (as the case may be), each person (other than Euroclear or Clearstream or the CMU or CDP) who is for the time being shown in the records of Euroclear or of Clearstream or of the CMU or of CDP as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream or the CMU or CDP as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Paying Agents, the Registrar, the Transfer Agents and the Trustee as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such principal amount of such Notes, for which purpose the bearer of the relevant Global Note or the registered holder of*

the relevant Registered Global Note shall be treated by the relevant Issuer, any Paying Agent, any Transfer Agent, the Registrar and the Trustee as the holder of such principal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, the CMU and CDP as the case may be. References to Euroclear, Clearstream, the CMU and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the relevant Issuer, the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, and the Trustee.

2. No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may, subject to Conditions 2(e) and 2(f), be transferred, each in whole or in part, upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the *same* form and containing the same representations and certifications (if any), unless otherwise agreed by the relevant Issuer), duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the relevant Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar with the prior written consent of the Trustee and the relevant *Issuer*. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice and/or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer.

Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the other relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday, Sunday or public holiday on which banks are open for general business in Singapore and in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the relevant Issuer, the Registrar or the other Transfer Agents to Noteholders, but subject to (i) payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it, (ii) the Registrar or the other Transfer Agents being satisfied with the documents of title and/or identity of the person making the application and (iii) such regulations as the relevant Issuer may from time to time agree with the Registrar, the other Transfer Agents and the Trustee.
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the relevant Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any Record Date.

3. Status and Guarantee of the Notes

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

The Guarantor will, in respect of each Tranche of Guaranteed Notes, pursuant to the Trust Deed, unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by Olam Treasury in respect of the Notes (the “**Guarantee of the Notes**”). The Guarantee of the Notes constitutes direct, unsubordinated, unconditional and unsecured obligations of the Guarantor which will, at all times, rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

4. Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Company will not, and will ensure that none of its Principal Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or “**indemnity**” in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Noteholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In these Conditions:

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

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

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

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

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

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

5. Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h). To the extent it is provided hereon that the Rate of Interest is subject to one or more resets over the life of the Notes, the Calculation Agent shall, on the date specified hereon as the date for the determination of the relevant reset Rate of Interest, determine and publish such reset Rate of Interest in accordance with Condition 5(i).

(b) **Interest on Floating Rate Notes:**

- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined, in the case of Floating Rate Notes by the Calculation Agent in accordance with this Condition 5(b) and Conditions 5(h) and 5(i). The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent and each other Paying Agent shall be entitled to rely on all determinations and calculations made by the Calculation Agent without any responsibility to verify any of the same and without liability to the Noteholders or any other person for so doing. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, “**Interest Payment Date**” shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) *ISDA Determination for Floating Rate Notes*

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

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

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

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

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

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

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

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

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) of Condition 5(b)(iii)(B) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) of Condition 5(b)(iii)(B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) of Condition 5(b)(iii)(B) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

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

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

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

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

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest

Accrual Period which shall be the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Interest Accrual Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other Relevant Screen Page);

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

Accrual Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (2) In the case of Floating Rate Notes which are Swap Rate Notes:
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Accrual Period, determine the Rate of Interest for such Interest Accrual Period which shall be the rate which appears on the Reuters Screen ABSFIX1 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME” under the column headed “SGD SWAP OFFER” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Accrual Period;
- (bb) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest (which shall be rounded up, if necessary, to the nearest four decimal places) for such Interest Accrual Period in accordance with the following formula:

In the case of Premium:

Rate of Interest =

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

In the case of Premium:

Rate of Interest =

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

where:

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

Spot Rate = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSFIX1 Page (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned;

Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Accrual Period concerned which appear on the Reuters Screen ABSFIX1 Page (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned; and

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

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

In the case of Premium:

Swap Rate =

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

In the case of Discount:

Swap Rate =

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

where:

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

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

Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Accrual Period concerned which appear on the Reuters Screen ABSFIX1 Page (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Accrual Period concerned; and

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

(dd) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Accrual Period by whatever means they determine to be most appropriate, or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date, **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

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

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined by the Calculation Agent in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (g) **Margin, Maximum Rate of Interest/Minimum Rate of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 5(g)(ii).
- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

- (i) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:*** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the relevant Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.
- (j) ***Determination or Calculation by an agent appointed by the Trustee:*** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall appoint an agent (at the cost of the relevant Issuer) on its behalf to do so and such determination or calculation by such agent shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by any agent pursuant to this Condition 5(j) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders. The Trustee shall not be responsible or liable to any Noteholder or the relevant Issuer or any other person for the accuracy of any determination or calculation made by any agent appointed pursuant to this Condition 5(j) or in the event that any such agent fails to make any determination or calculation contemplated in this Condition 5(j) or for any loss suffered by any Noteholder, the relevant Issuer or any other person arising directly or indirectly as a result of any determination or calculation made by any such agent hereunder.

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

“**Business Day**” means:

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

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

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

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

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

where:

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

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30.

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

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30.

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

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

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

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

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

where:

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

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

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

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

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

“Interest Amount” means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Redemption, Purchase and Options

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

(b) **Early Redemption:**

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of Condition 6(b)(i)(C), the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 6(b)(i)(B), except that such Condition shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(b)(i)(C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

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

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 6(b)(i)), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b)) (together with interest accrued but unpaid (if any) to the date fixed for redemption), if the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction) or the Notes do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and such obligation cannot be avoided by the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days

prior to the earliest date on which the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor shall deliver to the Trustee a certificate signed by a director or two authorised signatories of the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor stating that the obligation referred to in (i) above of this Condition 6(c) cannot be avoided by the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor taking reasonable measures available to it, and an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled without further enquiry and without liability to any Noteholder or any other person to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(c), in which event it shall be conclusive and binding on Noteholders and Couponholders.

- (d) ***Redemption at the Option of the Issuer:*** If Call Option is specified hereon, the relevant Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued but unpaid (if any) to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

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

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

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

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

- (f) ***Partly Paid Notes:*** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6(f) and the provisions specified hereon.

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

7. Payments and Talons

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

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

- (b) **Registered Notes:**
 - (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii) below.
 - (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifth (in the case of Renminbi) and fifteenth (in the case of a currency other than Renminbi) day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made:
 - (x) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and

(y) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 7(b)(ii), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the relevant Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the relevant Issuer, any adverse tax consequence to the relevant Issuer.
- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agent initially appointed by the Issuers and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agents appointed under the Agency Agreement and any Calculation Agents appointed in respect of any Notes act solely as agents of the Issuers and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuers and the Guarantor reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, any other Paying Agent, any Registrar, any Transfer Agent or any Calculation Agent in accordance with the provisions of the Agency Agreement and to appoint additional or other Paying Agents or Transfer Agents, in each case in accordance with the Agency Agreement, **provided that** the Issuers and the Guarantor shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU, (v) a CDP Paying Agent in relation to Notes cleared through CDP, (vi) one or more Calculation Agent(s) where these Conditions so require, (vii) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for Definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require and (viii) such other agents as may be required by any other stock exchange on which the Notes may be listed.

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

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

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

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

banks and foreign exchange markets are open for general business in Singapore and in the relevant place of presentation (if presentation and/or surrender of such Note, Receipt or Coupon is required), in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:

- (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
- (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

8. Taxation

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

- (a) **Other connection:** by or on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
- (b) **Presentation more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the last day of such period of 30 days.

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

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

9. Prescription

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

10. Events of Default

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

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

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

- (d) the Company or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of (or of a particular type of) its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of (or of a particular type of) the indebtedness of the Company or any Principal Subsidiary;
- (e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the assets of the Company or any Principal Subsidiary and is not discharged or stayed within 21 days;
- (f) any security on or over all or a material part of the assets of the Company or any Principal Subsidiary becomes enforceable;
- (g) an order is made or a resolution is passed or a meeting is convened for the winding-up of the Company or any of its Principal Subsidiaries (except (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of Noteholders before that event occurs; or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary (after taking into account the rights of any other shareholder(s) of such Principal Subsidiary) are transferred to or otherwise vested in the Company or another of its Subsidiaries in accordance with applicable law and regulation) or any step is taken by any person for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Company or any Principal Subsidiary or over any material part of the assets of the Company or any Principal Subsidiary;
- (h) the Company or any Principal Subsidiary ceases or threatens to cease to carry on all or a substantial part of its business or (otherwise than in the ordinary course of its business) disposes or threatens to dispose of the whole or a substantial part of its property or assets (in each case, except (i) for the purposes of such a consolidation, amalgamation, merger or reconstruction as is referred to in Condition 10(g) above or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary (after taking into account the rights of any other shareholder(s) of such Principal Subsidiary) are transferred to or otherwise vested in the Company or another of its Subsidiaries in accordance with applicable law and regulation);
- (i) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company or any of its Principal Subsidiaries **provided that** the occurrence of any event in relation to a Principal Subsidiary only shall not constitute an Event of Default under this Condition 10(i);
- (j) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done by the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor in order (a) to enable the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Trust Deed, (b) to ensure that those obligations are legally binding and enforceable, and (c) in the case of Notes governed

under the laws of England, to make the Notes and the Trust Deed admissible in evidence in the courts of England or in the case of Notes governed under the laws of Singapore, to make such Notes and the Trust Deed admissible in evidence in the courts of Singapore, is not taken, fulfilled or done or it is or will become unlawful for the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor to perform or comply with any one or more of its obligations under the Trust Deed or the Notes;

- (k) any of the Agency Agreement, the Trust Deed or any of the Notes ceases for any reason (or is claimed by the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor not) to be the legal and valid obligations of the relevant Issuer or (in respect of each Tranche of Guaranteed Notes) the Guarantor, binding upon it in accordance with its terms;
- (l) the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force or effect;
- (m) the Company or any Principal Subsidiary is declared by the Minister of Finance of Singapore to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; and
- (n) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 10(d), 10(e), 10(f) and 10(g).

11. Meetings of Noteholders, Modification and Waiver

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

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

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

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

12. Enforcement

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

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the relevant Issuer, (in respect of each Tranche of Guaranteed Notes) the Guarantor and any entity related to the relevant Issuer or the Guarantor without accounting for any profit.

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

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

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the relevant Issuer on demand the amount payable by the relevant Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the relevant Issuer, the Issuing and Paying Agent and/or the Registrar may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. Further Issues

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

16. Notices

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

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

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

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under [the Contracts (Rights of Third Parties) Act 1999]² [Contracts (Rights of Third Parties) Act Chapter 53B of Singapore]³.

18. Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Agency Agreement, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English]² [Singapore]³ law.
- (b) **Jurisdiction:** The Courts of [England] [Singapore] are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“**Proceedings**”) may be brought in such courts. Each of the Company and Olam Treasury has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **Service of Process:** Each of the Company and Olam Treasury has irrevocably appointed Olam Europe Limited as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

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

³ The language indicated in brackets shall be included in the Terms and Conditions of the Notes other than the Perpetual Securities that are governed by Singapore law.

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

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

This Perpetual Security is one of a series (“**Series**”) of Perpetual Securities issued by either Olam International Limited (the “**Direct Issuance Perpetual Securities**”) or Olam Treasury Pte. Ltd. (the “**Guaranteed Perpetual Securities**”) pursuant to the Trust Deed (as defined below). References to the “**Issuer**” or the “**relevant Issuer**” shall mean only either Olam International Limited (the “**Company**”) or Olam Treasury Pte. Ltd. (“**Olam Treasury**”) as specified in the relevant Pricing Supplement. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement and/or the Trust Deed and **provided that**, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail. The Guaranteed Perpetual Securities issued by Olam Treasury will be guaranteed in the Trust Deed (as defined below) by Olam International Limited (the “**Guarantor**”).

The Perpetual Securities are constituted by an amended and restated trust deed dated 16 March 2018 (as further amended or supplemented as at the date of issue of the Perpetual Securities (the “**Issue Date**”) dated 16 March 2018 between the Company, Olam Treasury, the Guarantor and The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below)[, and in the case of any Perpetual Securities governed by Singapore law, as amended and supplemented by the Singapore amended and restated supplemental trust deed (as amended or supplemented as at the Issue Date (the “**Singapore Supplemental Trust Deed**”) dated 16 March 2018 between the Company, Olam Treasury, the Guarantor and the Trustee]⁴ the “**Trust Deed**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An amended and restated agency agreement (as further amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 16 March 2018 has been entered into in relation to the Perpetual Securities between the Company, Olam Treasury, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as the initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent, the other paying agents, the registrars, the transfer agent(s), and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**CMU Lodging and Paying Agent**”, the “**CDP Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrars**” and the “**Transfer Agents**” (which expression shall include the Registrars), and the “**Calculation Agent(s)**” (such Issuing and Paying Agent, CMU Lodging and Paying Agent, CDP Paying Agent, Paying Agents, Registrars and Transfer Agent(s) being together referred to as the “**Agents**”). For the purposes of these Conditions, all references to the Issuing and Paying Agent shall (i) with respect to a Series of Perpetual Securities to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU**”), be deemed to be a reference to the CMU Lodging and Paying Agent and (ii) with respect to a Series of Perpetual Securities to be held in the computerised system operated by The Central

⁴ The language indicated in brackets shall be included in the Terms and Conditions of the Perpetual Securities that are governed by Singapore law.

Depository (Pte) Limited (the “**CDP**”), be deemed to be a reference to the CDP Paying Agent, and all such references shall be construed accordingly. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

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

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

1. **Form, Denomination and Title**

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

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

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

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

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

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

*Notwithstanding anything contained in these Conditions, for so long as any of the Perpetual Security is represented by a Global Note held on behalf of Euroclear Bank SA/NV. (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream**”) and/or the CMU and/or by or on behalf of CDP (as the case may be), each person (other than Euroclear or Clearstream or the CMU or CDP) who is for the time being shown in the records of Euroclear or of Clearstream or of the CMU or of CDP as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear or Clearstream or the CMU or CDP as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer,*

the Paying Agents, the Registrar, the Transfer Agents and the Trustee as the holder of such principal amount of such Perpetual Securities for all purposes other than with respect to the payment of principal or distribution on such principal amount of such Perpetual Securities, for which purpose the bearer of the relevant Global Note or the registered holder of the relevant Registered Global Note shall be treated by the relevant Issuer, any Paying Agent, any Transfer Agent, the Registrar and the Trustee as the holder of such principal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Perpetual Securities” and related expressions shall be construed accordingly. Perpetual Securities which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, the CMU and CDP as the case may be. References to Euroclear, Clearstream, the CMU and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the relevant Issuer, the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, and the Trustee.

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

- (a) ***No Exchange of Perpetual Securities***: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) ***Transfer of Registered Notes***: One or more Registered Notes may, subject to Conditions 2(e) and 2(f) be transferred each in whole or in part upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the relevant Issuer), duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the relevant Issuer, with the prior written approval of the Registrar and the Trustee or by the Registrar with the prior written consent of the Trustee, the relevant Issuer and (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) ***Exercise of Options or Partial Redemption in Respect of Registered Notes***: In the case of an exercise of an Issuer’s option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or Condition 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer and/or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the other relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday, Sunday or public holiday, on which banks are open for general business in Singapore and in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the relevant Issuer, the Registrar or the other Transfer Agents to Noteholders, but subject to (i) payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it, (ii) the Registrar or the other Transfer Agents being satisfied with the documents of title and/or identity of the person making the application and (iii) such regulations as the relevant Issuer may from time to time agree with the Registrar, the other Transfer Agents and the Trustee.
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Registered Note, (ii) during the period of 15 days prior to any date on which the Perpetual Securities may be called for redemption by the relevant Issuer at its option pursuant to Condition 5(e), (iii) after any such Registered Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any Record Date.

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

- (a) **Senior Perpetual Securities:** This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities.
- (i) **Status of Senior Perpetual Securities:** The Senior Perpetual Securities and the Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the relevant Issuer under the Senior Perpetual Securities and the Coupons relating to them shall at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the relevant Issuer, present and future, other than those preferred by applicable statute or law.
- (ii) **Guarantee of the Senior Perpetual Securities:** The Guarantor will, in respect of each Tranche of Senior Perpetual Securities issued by Olam Treasury, pursuant to the Trust Deed unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by Olam Treasury in respect of the Senior Perpetual Securities (the “**Guarantee of the Senior Perpetual Securities**”). The Guarantee of the Senior Perpetual Securities constitutes direct, unsubordinated, unconditional and unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

- (b) **Subordinated Perpetual Securities:** This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities.
- (i) **Status of Subordinated Perpetual Securities:** The Subordinated Perpetual Securities and the Coupons relating to them constitute direct, unconditional, unsecured and subordinated obligations of the relevant Issuer and (in respect of the Guaranteed Perpetual Securities) the Guarantor and shall at all times rank *pari passu* and without any preference among themselves and with any Parity Obligations of the relevant Issuer and (in respect of the Guaranteed Perpetual Securities) the Guarantor. The rights and claims of the Noteholders in respect of the Subordinated Perpetual Securities and the Coupons relating to them are subordinated as provided in this Condition 3(b).
- (ii) **Guarantee of the Subordinated Perpetual Securities:** The Guarantor will, in respect of each Tranche of Subordinated Perpetual Securities issued by Olam Treasury, pursuant to the Trust Deed unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by Olam Treasury in respect of the Subordinated Perpetual Securities (the “**Guarantee of the Subordinated Perpetual Securities**”, and, together with the Guarantee of the Senior Perpetual Securities, the “**Guarantee of the Perpetual Securities**”). The Guarantee of the Subordinated Perpetual Securities constitutes direct, unconditional and unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (iii) **Ranking of claims on Winding-Up:** Subject to the insolvency laws of the jurisdiction of incorporation of the relevant Issuer and (in respect of the Guaranteed Perpetual Securities) the Guarantor and other applicable laws, in the event of the Winding-Up of the relevant Issuer and (in respect of the Guaranteed Perpetual Securities) the Guarantor, the Subordinated Holder Claims will rank in such Winding-Up:
- (A) expressly subordinated and subject to the rights and claims of all Senior Creditors of the relevant Issuer and (in respect of the Guaranteed Perpetual Securities) the Guarantor;
- (B) *pari passu* with each other and with the rights and claims of any Parity Creditors or holders of Parity Obligations; and
- (C) in priority to the rights and claims of holders of Junior Obligations.

In these Conditions:

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

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

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

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

4. Distributions and other Calculations

- (a) ***Distribution on Fixed Rate Notes***: Subject to Condition 4(h), each Fixed Rate Note confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Distribution Rate, such distribution being payable in arrear on each Distribution Payment Date. The amount of distributions payable shall be determined in accordance with Condition 4(g). To the extent it is provided hereon that the Distribution Rate is subject to one or more resets over the life of the Perpetual Securities, the Calculation Agent shall, on the date specified hereon as the date for the determination of the relevant reset Distribution Rate, determine and publish such reset Distribution Rate in accordance with Condition 4(i).
- (b) ***Distribution on Floating Rate Notes***:
 - (i) ***Distribution Payment Dates***: Subject to Condition 4(h), each Floating Rate Note confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Distribution Rate, such distribution being payable in arrear on each Distribution Payment Date. The amount of distribution payable shall be determined, in the case of Floating Rate Notes, by the Calculation Agent in accordance with this Condition 4(b) and Conditions 4(g) and 4(i). The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent and each other Paying Agent shall be entitled to rely on all determinations and calculations made by the Calculation Agent without any responsibility to verify any of the same and without liability to the Noteholders or any other person for so doing. Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Dates or, if no Specified Distribution Payment Date(s) is/are shown hereon, “**Distribution Payment Date**” shall mean each date which (save as mentioned in these Conditions) falls the number of months or other period shown hereon as the Distribution Period after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date.

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

(A) *ISDA Determination for Floating Rate Notes*

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

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

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

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

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Distribution Rate is to be determined, the Distribution Rate for each Distribution Accrual Period will, subject as provided below, be either:
 - (i) the offered quotation; or
 - (ii) the arithmetic mean of the offered quotations,

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

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

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

arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time), on the relevant Distribution Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, **provided that**, if the Distribution Rate cannot be determined in accordance with the foregoing provisions of this Condition 4(b)(iii)(B), the Distribution Rate shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Distribution Rate or Minimum Distribution Rate is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Accrual Period, in place of the Margin or Maximum or Minimum Distribution Rate relating to that last preceding Distribution Accrual Period).

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

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

- (x) The Distribution Rate payable from time to time in respect of each Floating Rate Note under Condition 4(b)(iii)(C) will be determined by the Calculation Agent on the basis of the following provisions.
- (i) In the case of Floating Rate Notes which are SIBOR Notes:
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Accrual Period, determine the Distribution Rate for such Distribution Accrual Period which shall be the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Distribution Accrual Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other Relevant Screen Page);
- (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof), the Calculation Agent will, at or about the Relevant Time on such Distribution Determination Date, determine the Distribution Rate for such Distribution Accrual Period which shall be the rate which appears on the Reuters Screen SIBP Page under the caption “SINGAPORE

DOLLAR INTER-BANK OFFERED RATES – 11:00 A.M.” and the row headed “*SIBOR SGD*” (or such other replacement page thereof), being the offered rate for deposits in Singapore Dollars for a period equal to the duration of such Distribution Accrual Period;

- (cc) if no such rate appears on the Reuters Screen SIBP Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen SIBP Page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore Dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Distribution Accrual Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Distribution Rate for such Distribution Accrual Period shall be the arithmetic mean (rounded, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent;
- (dd) if on any Distribution Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Distribution Rate for the relevant Distribution Accrual Period shall be determined in accordance with subparagraph (i)(cc) of this Condition 4(b)(iii)(C) on the basis of the quotations of those Reference Banks providing such quotations; and
- (ee) if on any Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Distribution Rate for the relevant Distribution Accrual Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Accrual Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Distribution Accrual Period by whatever means they determine to be most appropriate or if on such Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date, **provided that**, if the Distribution Rate cannot be determined in

accordance with the foregoing provisions of this Condition 4(b)(iii)(C), the Distribution Rate shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Distribution Rate or Minimum Distribution Rate is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Accrual Period, in place of the Margin or Maximum or Minimum Distribution Rate relating to that last preceding Distribution Accrual Period).

- (ii) In the case of Floating Rate Notes which are Swap Rate Notes:
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Accrual Period, determine the Distribution Rate for such Distribution Accrual Period which shall be the rate which appears on the Reuters Screen ABSFIX1 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME” under the column headed “SGD SWAP OFFER” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Accrual Period;
- (bb) if on any Distribution Determination Date, no such rate is quoted on the Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Distribution Rate (which shall be rounded up, if necessary, to the nearest four decimal places) for such Distribution Accrual Period in accordance with the following formula:

In the case of Premium:

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

In the case of Discount:

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

where:

- SIBOR = the rate which appears under the caption “SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) AT 11:00 A.M.” and the row headed “SIBOR USD” on the Reuters Screen SIBO Page of the Reuters Monitor Money Rates Service (or such other page as may replace the Reuters Screen SIBO Page for the purpose of displaying Singapore inter-bank U.S. Dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned;
- Spot Rate = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSFIX1 Page (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned;
- Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Distribution Accrual Period concerned which appear on the Reuters Screen ABSFIX1 Page (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned; and
- T = the number of days in the Distribution Accrual Period concerned.

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

In the case of Premium:

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

In the case of Discount:

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

where:

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

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

Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Distribution Accrual Period concerned which appear on the Reuters Screen ABSFIX1 Page (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Accrual Period concerned; and

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

- (dd) if on any Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Distribution Rate shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Distribution Accrual Period by whatever means they determine to be most appropriate, or if on such Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Distribution Rate for the relevant Distribution Accrual Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date, **provided that**, if the Distribution Rate cannot be determined in accordance with the foregoing provisions of this Condition 4(b)(iii)(D), the Distribution Rate shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Distribution Rate or Minimum Distribution Rate is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Accrual Period, in place of the Margin or Maximum or Minimum Distribution Rate relating to that last preceding Distribution Accrual Period).

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

(h) ***Distribution Deferral:***

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

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

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

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

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

- (iii) *Requirements as to Notice:* Each Deferral Election Notice shall be accompanied, in the case of the notice to the Trustee by a certificate in the form scheduled to the Trust Deed signed by a director or two authorised signatories of the relevant Issuer confirming that no Compulsory Distribution Payment Event has occurred during the Look-Back Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the Look-Back Period and the Trustee shall be entitled to rely without any obligation to verify the same and without liability to any Noteholder, any Couponholder or any other person on any Deferral Election Notice or any certificate as aforementioned. Each Deferral Election Notice shall be conclusive and binding on the Noteholders.
- (iv) *Additional Distribution:* If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.
- (v) *Restrictions in the case of Deferral:*
 - (a) In respect of the Direct Issuance Perpetual Securities, if Dividend Stopper is set out hereon and on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of this Condition 4(h), the Company shall not and shall procure that none of its Subsidiaries shall:
 - (1) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:
 - (x) if this Perpetual Security is a Senior Perpetual Security, any of the Company’s Junior Obligations; or
 - (y) if this Perpetual Security is a Subordinated Perpetual Security, any of the Company’s Junior Obligations or (except on a *pro rata* basis) any of the Company’s Parity Obligations; or
 - (2) redeem, reduce, cancel, buy-back or acquire for any consideration:
 - (x) if this Perpetual Security is a Senior Perpetual Security, any of the Company’s Junior Obligations; or
 - (y) if this Perpetual Security is a Subordinated Perpetual Security, any of the Company’s Junior Obligations or (except on a *pro rata* basis) any of the Company’s Parity Obligations,

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

- (b) In respect of the Guaranteed Perpetual Securities, if Dividend Stopper is set out hereon and on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of this Condition 4(h), Olam Treasury and (where applicable) the Guarantor shall not and shall procure that none of their Subsidiaries shall:
- (1) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:
 - (x) if this Perpetual Security is a Senior Perpetual Security, any of the Olam Treasury's or (where applicable) the Guarantor's Junior Obligations; or
 - (y) if this Perpetual Security is a Subordinated Perpetual Security, any of Olam Treasury's or (where applicable) the Guarantor's Junior Obligations or (except on a *pro rata* basis) any of Olam Treasury's or (where applicable) the Guarantor's Parity Obligations; or
 - (2) redeem, reduce, cancel, buy-back or acquire for any consideration:
 - (x) if this Perpetual Security is a Senior Perpetual Security, any of Olam Treasury's or (where applicable) the Guarantor's Junior Obligations; or
 - (y) if this Perpetual Security is a Subordinated Perpetual Security, any of Olam Treasury's or (where applicable) the Guarantor's Junior Obligations or (except on a *pro rata* basis) any of Olam Treasury's or (where applicable) the Guarantor's Parity Obligations,

in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group, (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations, (iii) if Olam Treasury or (where applicable) the Guarantor has made payment in whole (and not in part only) of all outstanding Arrears of Distributions (if applicable) and any Additional Distribution Amounts (if applicable) or (iv) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders and/or otherwise specified in the applicable Pricing Supplement. For the avoidance of doubt, the restrictions in this Condition 4(h)(v)(b) shall only apply to Olam Treasury or (where applicable) the Guarantor's Subsidiaries to the extent that such dividends, distributions or payments

are made in respect of Olam Treasury's or (where applicable) the Guarantor's Junior Obligations or in the case of Subordinated Perpetual Securities (except on a *pro rata* basis) Olam Treasury's or (where applicable) the Guarantor's Parity Obligations and nothing in this Condition 4(h)(v)(b) shall restrict Olam Treasury or (where applicable) the Guarantor or any of its Subsidiaries from making payment on its guarantees in respect of obligations which are not Olam Treasury's or (where applicable) the Guarantor's Junior Obligations or in the case of Subordinated Perpetual Securities (except on a *pro rata* basis) Olam Treasury's or (where applicable) the Guarantor's Parity Obligations.

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

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

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

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

- (i) ***Determination and Publication of Distribution Rates, Distribution Amounts, Early Redemption Amounts:*** The Calculation Agent shall, as soon as practicable on each Distribution Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Distribution Amounts for the relevant Distribution Accrual Period, calculate the Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Distribution Rate and the Distribution Amounts for each Distribution Accrual Period and the relevant Distribution Payment Date and, if required to be calculated, the Early Redemption Amount to be notified to the Trustee, the relevant Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Perpetual Securities that is to make a further

calculation upon receipt of such information and, if the Perpetual Securities are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Distribution Period, if determined prior to such time, in the case of notification to such exchange of a Distribution Rate and Distribution Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Distribution Payment Date or Distribution Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Distribution Amounts and the Distribution Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Distribution Period. If the Perpetual Securities become due and payable under Condition 9, the accrued distributions and the Distribution Rate payable in respect of the Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition 4 but no publication of the Distribution Rate or the Distribution Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

- (j) ***Determination or Calculation by an agent appointed by the Trustee:*** If the Calculation Agent does not at any time for any reason determine or calculate the Distribution Rate for a Distribution Accrual Period or any Distribution Amount or Early Redemption Amount, the Trustee shall appoint an agent (at the cost of the relevant Issuer) on its behalf to do so and such determination or calculation by such agent shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by any agent pursuant to this Condition 4(j) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders. The Trustee shall not be responsible or liable to any Noteholder, the relevant Issuer, or any other person for the accuracy of any determination or calculation made by any agent appointed pursuant to this Condition 4(j) or in the event that any such agent fails to make any determination or calculation contemplated in this Condition 4(j) or for any loss suffered by any Noteholder, the relevant Issuer or any other person arising directly or indirectly as a result of any determination or calculation made by such agent hereunder.
- (k) ***Definitions:*** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore and in the city of the Issuing and Paying Agent’s specified office and, in the case of Perpetual Securities cleared through the CMU, in the city of the CMU Lodging and Paying Agent’s specified office and, in the case of Perpetual Securities cleared through CDP, in the city of the CDP Paying Agent’s specified office and, in the case of Registered Notes, in the city of the Registrar’s specified office; and
- (ii) in the case of:
- (a) a currency other than euro and Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for general business in the principal financial centre for such currency; and/or

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

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

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

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30.

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

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

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

where:

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

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

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

“**Distribution Amount**” means:

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

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

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

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

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

“Distribution Rate” means the rate of distribution payable from time to time in respect of this Perpetual Security and that is either specified or calculated in accordance with the provisions hereon.

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

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

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

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

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

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

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

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

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

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

5. Redemption and Purchase

- (a) **No Fixed Redemption Date:** The Perpetual Securities are Perpetual Securities in respect of which there is no fixed redemption date and the relevant Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9), only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5.
- (b) **Redemption for Taxation Reasons:** The Perpetual Securities may be redeemed at the option of the relevant Issuer in whole, but not in part, on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Note or at any time (if this Perpetual Security is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (a "**Tax Redemption Notice**") (which notice shall be irrevocable), at their Early Redemption Amount, if (i) the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction) or the Perpetual Securities do not qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Perpetual Securities, and (ii) such obligation cannot be avoided by the relevant Issuer taking reasonable measures available to it, **provided that** no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Perpetual Securities were then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b) the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor shall deliver to the Trustee (a) a certificate signed by a director or two authorised signatories of the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor stating that the obligation referred to in (i) above of this Condition 5(b) cannot be avoided by the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor taking reasonable measures available to it, and (b) an opinion of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such change or amendment is then effective); and the Trustee shall be entitled to accept such certificate and opinion, without further inquiry, and without liability to any Noteholder or any other person as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 5(b), in which event it shall be conclusive and binding on the Noteholders and Couponholders.

- (c) **Redemption for Accounting Reasons:** If Redemption for Accounting Reasons is specified hereon, the Perpetual Securities may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount if, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council as amended from time to time (“**SFRS**”) (or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the relevant Issuer) or other internationally generally accepted accounting standards that the relevant Issuer has adopted for the purposes of the preparation of its audited consolidated financial statements as amended from time to time (the “**Relevant Accounting Standards**”), the Perpetual Securities may no longer be recorded as “equity” in the audited consolidated financial statements of the relevant Issuer prepared in accordance with the Relevant Accounting Standards (an “**Accounting Event**”).

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor shall deliver to the Trustee a certificate signed by a director or two authorised signatories of the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor stating that an Accounting Event has occurred and is prevailing and an opinion of the relevant Issuer's independent auditors to the effect that an Accounting Event has occurred and is prevailing. The Trustee shall be entitled without further enquiry and without liability to any Noteholder, Couponholder or any other person to rely on such certificate and opinion and it shall be conclusive evidence of the satisfaction of the entitlement of the relevant Issuer to publish a notice of redemption pursuant to this Condition 5(c). Each such certificate and opinion shall be conclusive and binding on Noteholders and Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 5(c), **provided that** such date for redemption shall be no earlier than the last day before the date on which the Perpetual Securities may no longer be so recorded as “equity” in the audited consolidated financial statements of the relevant Issuer prepared in accordance with the Relevant Accounting Standards.

- (d) **Redemption for tax deductibility reasons:** The Perpetual Securities may be redeemed at the option of the relevant Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders, the Trustee, the Issuing and Paying Agent, the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, and the Registrar, at their Early Redemption Amount if the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor satisfies the Trustee immediately before giving such notice that, as a result of:
- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
 - (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
 - (iii) any applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the position advised by the relevant Issuer's or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor's tax advisers on or before the Issue Date, payments by the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor would no longer, or within 90 days of the date of the

opinion referred to in paragraph (y) below of this Condition 5(d), would not be fully deductible by the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor for Singapore income tax purposes (“**Tax Deductibility Event**”), **provided that** no notice of redemption may be given earlier than 90 days prior to the effective date on which payments on the Perpetual Securities would not be fully tax deductible by the relevant Issuer for Singapore profits tax. Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor shall deliver or procure that there is delivered to the Trustee (x) a certificate signed by a director or two authorised signatories of the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor stating that the circumstances referred to above prevail and setting out the details of such circumstances and (y) an opinion of the relevant Issuer’s or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor’s independent auditors or tax advisers of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the tax regime is due to take effect, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in of this Condition 5(d) in which event the same shall be conclusive and binding on the Noteholders. For the purposes of determining whether any payments by the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor would be fully deductible by the relevant Issuer or (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor for Singapore income tax purposes under this Condition 5(d), interest restriction under the total asset method shall be disregarded.

- (e) ***Redemption at the Option of the relevant Issuer:*** If Call Option is specified hereon, the relevant Issuer may, on giving not less than 30 nor more than 60 days’ irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all, or if so provided, some of the Perpetual Securities on any Optional Redemption Date shown on the face hereof. Any such redemption of Perpetual Securities shall be at their Early Redemption Amount. All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(e).
- (f) ***Redemption in the case of Minimal Outstanding Amount:*** If Minimal Outstanding Amount Redemption Option is specified hereon, the relevant Issuer may, at any time, on giving not less than 30 nor more than 60 days’ irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem the Perpetual Securities, in whole, but not in part, at their Early Redemption Amount if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 5(f).
- (g) ***No Other Redemption:*** The relevant Issuer shall not be entitled to redeem the Perpetual Securities and shall have no obligation to make any payment of principal in respect of the Perpetual Securities otherwise than as provided in Conditions 5(b) and 5(d) and, to the extent specified hereon, in Conditions 5(c), 5(e) and 5(f) and/or as otherwise specified in the applicable Pricing Supplement.

- (h) **Purchases:** In respect of the Direct Issuance Perpetual Securities, the Company and any of its Subsidiaries (as the case may be) may at any time purchase Perpetual Securities (**provided that** all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Perpetual Securities so purchased, while held by or on behalf of the Company or any such Subsidiary, shall not entitle the holder to vote at any meetings of the holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the holders or for the purposes of Condition 9(d) or Condition 10(a).

In respect of the Guaranteed Perpetual Securities, Olam Treasury, the Guarantor and any of the Guarantor's Subsidiaries (as the case may be) may at any time purchase Perpetual Securities (**provided that** all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Perpetual Securities so purchased, while held by or on behalf of Olam Treasury, the Guarantor or any such Subsidiary of the Guarantor, shall not entitle the holder to vote at any meetings of the holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the holders or for the purposes of Condition 9(d) or Condition 10(a).

- (i) **Cancellation:** In respect of the Direct Issuance Perpetual Securities, all Perpetual Securities purchased by or on behalf of the Company or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Perpetual Securities to the Registrar at its specified office and, in each case, if so surrendered, the same shall, together with all Perpetual Securities redeemed by the Company, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Company in respect of any such Perpetual Securities shall be discharged.

In respect of the Guaranteed Perpetual Securities, all Perpetual Securities purchased by or on behalf of Olam Treasury, the Guarantor or any of the Guarantor's Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Perpetual Securities to the Registrar at its specified office and, in each case, if so surrendered, the same shall, together with all Perpetual Securities redeemed by Olam Treasury, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities so surrendered for cancellation may not be reissued or resold and the obligations of Olam Treasury in respect of any such Perpetual Securities shall be discharged.

6. Payments and Talons

- (a) **Bearer Notes:** Payments of principal and distribution (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities (in the case of all other payments of principal and, in the case of distributions, as specified in Condition 6(f)(v)) or Coupons (in the case of distributions, save as specified in Condition 6(f)(ii)), as the case may be:
- (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and
 - (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this Condition 6(a) and in Condition 6(b), “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes:**

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).
- (ii) Distributions on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifth (in the case of Renminbi) and fifteenth (in the case of a currency other than Renminbi) day before the due date for payment thereof (the “**Record Date**”). Payments of distributions on each Registered Note shall be made:
 - (x) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distributions may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and
 - (y) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 6(b)(ii), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the relevant Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Perpetual Securities in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the relevant Issuer, any adverse tax consequence to the relevant Issuer.
- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agent initially appointed by the relevant Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, and the Transfer Agents appointed under the Agency Agreement and any Calculation Agents appointed in respect of any Perpetual Securities act solely as agents of the relevant Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The relevant Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, any other Paying Agent, any Registrar, any Transfer

Agent, or any Calculation Agent in accordance with the provisions of the Agency Agreement and to appoint additional or other Paying Agents or Transfer Agents, in each case in accordance with the Agency Agreement, **provided that** the relevant Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CMU Lodging and Paying Agent in relation to Perpetual Securities accepted for clearance through the CMU, (v) a CDP Paying Agent in relation to Perpetual Securities cleared through CDP, (vi) one or more Calculation Agent(s) where these Conditions so require, (vii) a Paying Agent in Singapore, where the Perpetual Securities may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for definitive Perpetual Securities, for so long as the Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require and (viii) such other agents as may be required by any other stock exchange on which the Perpetual Securities may be listed.

In addition, the relevant Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. Dollars in the circumstances described in Condition 6(c).

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

(f) *Unmatured Coupons and unexchanged Talons:*

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes), such Perpetual Securities should be surrendered to the relevant Paying Agent for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the principal amount or the Early Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note or Dual Currency Note, unexpired Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Bearer Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the relevant Issuer, the Issuing and Paying Agent and/or the Registrar may require.
- (v) If the due date for redemption of any Perpetual Security is not a Distribution Payment Date, distributions accrued from the preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be.

(g) *Talons:* On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon

sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

- (h) **Non-Business Days:** If any date for payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any distribution or other sum in respect of such postponed payment. In this Condition 6, “**business day**” means a day (other than a Saturday, Sunday or public holiday) on which, in the case of Perpetual Securities to be cleared through Euroclear and Clearstream, Euroclear and Clearstream are operating or, in the case of Perpetual Securities to be cleared through the CMU, the CMU is operating or, in the case of Perpetual Securities to be cleared through CDP, CDP is operating and, in each case, on which banks and foreign exchange markets are open for general business in Singapore and in the relevant place of presentation (if presentation and/or surrender of such Perpetual Security or Coupon is required), in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
- (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency;
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
 - (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

7. Taxation

All payments of principal and distributions (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) by or on behalf of the relevant Issuer and (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor in respect of the Perpetual Securities and the Coupons shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the relevant Issuer and (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Perpetual Security or Coupon presented for payment:

- (a) **Other connection:** by or on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Perpetual Security or Coupon by reason of his having some connection with Singapore other than the mere holding of the Perpetual Security or Coupon; or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
- (b) **Presentation more than 30 days after the Relevant Date:** more than 30 days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the last day of such period of 30 days.

As used in these Conditions, “**Relevant Date**” in respect of any Perpetual Security or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable

is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Perpetual Securities, any Early Redemption Amount and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it and (ii) “**principal**”, “**Distribution**”, “**Arrears of Distribution**” and “**Additional Distribution Amount**” shall be deemed to include any additional amounts in respect of principal, distribution, Arrears of Distribution or Additional Distribution Amount (as the case may be) which may be payable pursuant to this Condition 7 or any undertaking given in addition to or in substitution for it under the Trust Deed.

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

8. Prescription

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

9. Non-payment

- (a) ***Non-payment when due***: Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for Winding-Up is limited to circumstances where payment under the Perpetual Securities has become due. In the case of any distribution (including Arrears of Distribution or Additional Distribution Amounts, if applicable), such distribution will not be due if the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) has elected to defer that distribution in accordance with Condition 4(h). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

- (b) **Proceedings for Winding-Up:** If (i) an order is made or an effective resolution is passed for the Winding-Up of the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor), and such order or resolution is subsisting and has not been discharged, stayed, dismissed, rescinded, revoked or superceded, as the case may be, or (ii) the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) fails to pay the principal of or any distribution (including Arrears of Distribution and Additional Distribution Amounts, if applicable) on the Perpetual Securities (save, for the avoidance of doubt, for distributions (including Arrears of Distribution and Additional Distribution Amounts, if applicable) which have been deferred in accordance with Condition 4(h)) and such failure continues for a period of 10 days or more after the date on which such payment is due (together the “**Enforcement Events**”, and each an “**Enforcement Event**”), the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) and/or prove in the Winding-Up of the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) and/or claim in the liquidation of the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) for such payment, as provided in the Trust Deed.
- (c) **Enforcement:** Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) institute such proceedings against the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) as it may think fit to enforce any term or condition binding on the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) under the Perpetual Securities (other than any payment obligation of the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium (if any) or satisfaction of any distributions (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) in respect of the Perpetual Securities, including any damages awarded for breach of any obligations), **provided that** in no event shall the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor), by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.
- (d) **Entitlement of Trustee:** The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so requested by an Extraordinary Resolution of the Noteholders or in writing by the Noteholders of at least twenty five per cent. in principal amount of the Perpetual Securities then outstanding and (ii) it shall have been first indemnified and/or secured and/or pre-funded to its satisfaction.
- (e) **Right of Noteholders:** No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) or to institute proceedings for the Winding-Up or claim in the liquidation of the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholder or the Couponholder, as the case may be, shall have only such rights against the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) as those which the Trustee is entitled to exercise as set out in this Condition 9.

- (f) ***Extent of Noteholders' remedy:*** No remedy against the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor), other than as referred to in this Condition 9, shall be available to the Trustee or the Noteholders or the Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed, the Perpetual Securities or in respect of any breach by the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities.

10. Meetings of Noteholders, Modification and Waiver

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

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

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

- (b) **Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Perpetual Securities, the Agency Agreement, the Trust Deed or these Conditions that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by Euroclear and/or Clearstream and/or the CMU and/or CDP, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Perpetual Securities, the Agency Agreement, the Trust Deed or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise requires, the relevant Issuer shall notify the Noteholders, or shall procure that notification be made to the Noteholders, of such modification, authorisation or waiver.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and satisfaction of such other conditions as the Trustee may require, but without the consent of the Noteholders or Couponholders, to the substitution of certain entities in place of the relevant Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Perpetual Securities and as a party to the Agency Agreement.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 10) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee, acting for and on behalf of Noteholders, shall not be entitled to require on behalf of any Noteholder or Couponholder, nor shall any Noteholder or Couponholder be entitled to claim, from the relevant Issuer (or, in respect of each Tranche of Guaranteed Perpetual Securities, the Guarantor) any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

11. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the relevant Issuer, (in respect of each Tranche of Guaranteed Perpetual Securities) the Guarantor and any entity related to the relevant Issuer or the Guarantor without accounting for any profit.

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

12. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the relevant Issuer on demand the amount payable by the relevant Issuer in respect of such Perpetual Securities, Certificates, Coupons or further Coupons) and otherwise as the relevant Issuer, the Issuing and Paying Agent and/or the Registrar may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

13. Further Issues

The relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Perpetual Securities) or upon such terms as the relevant Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition 13 and forming a single series with the Perpetual Securities. Any further securities forming a single series with the outstanding securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

14. Notices

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

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14.

So long as the Perpetual Securities are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held (i) on behalf of Euroclear or Clearstream, or any other clearing system (except as provided in (ii) and (iii) below), notices to the holders of Perpetual Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these

Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate; (ii) on behalf of the CMU, notices to the holders of Perpetual Securities of that Series may be given by delivery of the relevant notice to the persons shown in a CMU instrument position report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate; or (iii) by CDP, notices to the holders of Perpetual Securities of that Series may be given by delivery of the relevant notice to the persons shown in the list of Noteholders provided by CDP. Any such notice will be deemed to have been given at 5.00 pm on the day the relevant clearing system receiving such date.

15. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the [Contracts (Rights of Third Parties) Act 1999]⁵ [Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore]⁶.

16. Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Agency Agreement, the Perpetual Securities, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English]¹ [Singapore]² law [, except that the subordination provisions set out in Condition 3(b) applicable to the relevant Issuer shall be governed by and construed in accordance with Singapore law. In the event that the relevant Issuer's jurisdiction is not Singapore or England, the Trustee needs to agree in writing to the jurisdiction of the relevant Issuer prior to the Perpetual Securities being issued]².
- (b) **Jurisdiction:** The Courts of [England]¹ [Singapore]² are to have jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Securities, Coupons, or Talons (“**Proceedings**”) may be brought in such courts. Each of the Company and Olam Treasury has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) [**Service of Process:** Each of the Company and Olam Treasury has irrevocably appointed Olam Europe Limited as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.]¹

⁵ The language indicated in brackets shall be included in the Terms and Conditions of the Perpetual Securities that are governed by English law.

⁶ The language indicated in brackets shall be included in the Terms and Conditions of the Perpetual Securities that are governed by Singapore law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES AND THE PERPETUAL SECURITIES WHILE IN GLOBAL FORM

1. Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream (the “**Common Depository**”) or CDP or a sub-custodian for the CMU.

Upon the initial deposit of a Global Note with the Common Depository or with CDP or with a sub-custodian for the CMU or registration of Registered Notes in the name of (i) any nominee for Euroclear or Clearstream (as the case may be), (ii) CDP and/or (iii) the HKMA as operator of the CMU and delivery of the relevant Global Certificate to the Common Depository or CDP or the sub-custodian for the CMU (as the case may be), Euroclear or Clearstream or CDP or the CMU (as the case may be) will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

2. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, CDP or any other clearing system (each an “**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, CDP or any such Alternative Clearing System (as the case may be) for his share of each payment made by the relevant Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the rules of the CMU as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error) shall be the only person(s) entitled or, in the case of Registered Notes, directed or deemed by the CMU as entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the relevant Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the holder of a particular principal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the relevant Issuer in respect of such Global Note or Global Certificate.

3. Exchange

3.1 *Temporary Global Notes*

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or in a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”) is not applicable, in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

The holder of a temporary Global Note will not be entitled to collect any payment of interest, distributions, principal or other amount due on or after the Exchange Date unless, upon due presentation of the temporary Global Note for exchange or delivery of (or, in the case of a subsequent exchange, due endorsement of) a permanent Global Note or for delivery of Definitive Notes, as the case may be, is improperly withheld or refused by or on behalf of the relevant Issuer.

3.2 *Permanent Global Notes*

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear, Clearstream, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if the permanent Global Note is cleared through the CDP System (as defined in “*Clearance and Settlement — CDP*”) and (a) in the case of Notes other than Perpetual Securities, an Event of Default (as defined in the Terms and Conditions of the Notes other than the Perpetual Securities) entitling the Trustee to declare all the Notes to be due and payable as provided in the Terms and Conditions of the Notes other than the Perpetual Securities has occurred and is continuing, (b) in the case of Perpetual Securities, an Enforcement Event (as defined in the Terms and Conditions of the Perpetual Securities) has occurred and is continuing, (c) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (d) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (e) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the relevant master depository services agreement made between the relevant Issuer and CDP and no alternative clearing system is available.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 *Global Certificates*

The following will apply in respect of transfers of Notes held in Euroclear, Clearstream, CDP, the CMU or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) of the Terms and Conditions of the Notes other than the Perpetual Securities (in the case of Notes other than Perpetual Securities) or Condition 2(b) of the Terms and Conditions of the Perpetual Securities (in the case of Perpetual Securities) may only be made:

- (i) in whole but not in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) in whole or in part with the prior consent of the relevant Issuer; or
- (iii) in whole but not in part if the Global Certificate is cleared through CDP and:
 - (a) in the case of Notes other than Perpetual Securities, an Event of Default entitling the Trustee to declare all the Notes to be due and payable as provided in the Terms and Conditions of the Notes other than Perpetual Securities has occurred and is continuing; or
 - (b) in the case of Perpetual Securities, an Enforcement Event has occurred and is continuing; or
 - (c) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise); or
 - (d) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or
 - (e) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the relevant master depository services agreement made between the relevant Issuer and CDP and no alternative clearing system is available,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) above, the Registered Noteholder has given the Registrar not less than 30 days' notice at its specified office of the Registered Noteholder's intention to effect such transfer.

3.4 *Partial Exchange of Permanent Global Notes*

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Terms and Conditions of the Notes other than the Perpetual Securities or, as the case may be, the Terms and Conditions of the Perpetual Securities (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

3.5 *Delivery of Notes*

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through CDP, the CDP Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the relevant Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 *Exchange Date*

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent or, in the case of Notes cleared through the CMU, the CMU Lodging and Paying Agent or, in the case of Notes cleared through CDP, the CDP Paying Agent, is located and in the city in which the relevant clearing system is located.

4. *Amendment to Conditions*

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes other than the Perpetual Securities or, as the case may be, the Terms and Conditions of the Perpetual Securities set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 *Payments*

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused.

Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note (except with respect to a Global Note held through the CMU) will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(e)(vii) and Condition 8(d) of the Terms and Conditions of the Notes other than the Perpetual Securities (in the case of Notes other than Perpetual Securities) or Condition 6(e)(vii) and Condition 7(d) of the Terms and Conditions of the Perpetual Securities (in the case of Perpetual Securities) will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of “business day” set out in Condition 7(h) (of the Terms and Conditions of the Notes other than the Perpetual Securities) (in the case of Notes other than Perpetual Securities) or Condition 6(h) (of the Terms and Conditions of the Perpetual Securities) (in the case of Perpetual Securities).

All payments in respect of Notes represented by a Global Certificate (other than a Global Certificate held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Note or Global Certificate held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

4.2 Prescription

Claims against the relevant Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest or distribution) from the appropriate Relevant Date (as defined in Condition 8 of the Terms and Conditions of the Notes other than the Perpetual Securities (in the case of Notes other than Perpetual Securities) or Condition 7 of the Terms and Conditions of the Perpetual Securities (in the case of Perpetual Securities)).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through the CDP System, the CDP Paying Agent) for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the register of the certificateholders, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the relevant Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest, distribution and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the relevant Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the relevant Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of the Notes other than the Perpetual Securities or, as the case may be, the Terms and Conditions of the Perpetual Securities, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, the CMU, CDP or any alternative clearing system (as the case may be).

4.7 Noteholders' Options (in the case of Notes other than Perpetual Securities only)

Any option of the Noteholders provided for in the Terms and Conditions of the Notes other than the Perpetual Securities while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through the CDP System, the CDP Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through the CDP System, the CDP Paying Agent), for notation.

4.8 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held by or on behalf of, or Registered Notes are registered in the name of, or in the name of any nominee or sub-custodian for, a clearing system, the Trustee and the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through the CDP System, the CDP Paying Agent) are entitled to have regard to

any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and are entitled to consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of (i) Euroclear and/or Clearstream or any other clearing system (except as provided in (ii) and (iii) below of this paragraph 4.9), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes other than the Perpetual Securities or, as the case may be, the Terms and Conditions of the Perpetual Securities or by delivery of the relevant notice to the holder of the Global Note or Global Certificate or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the business day preceding the date of despatch of such notice as holding interests in the relevant Global Note or Global Certificate or (iii) CDP, subject to the agreement of CDP, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to CDP for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes other than the Perpetual Securities or, as the case may be, the Terms and Conditions of the Perpetual Securities or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

5. Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the relevant Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

USE OF PROCEEDS

Unless otherwise specified in the relevant Pricing Supplement, the net proceeds from the issue of each Tranche of Notes will be used by the Group for working capital purposes and general corporate purposes, including financing capital expenditure, repayment of existing debt and potential acquisition opportunities which the Group may pursue in the future as part of its strategic objectives.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the Group's capitalisation and indebtedness as at 31 December 2019. This table should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Offering Circular.

	Audited
	(\$'000)
Short-term Borrowings (repayable within one year)	
Short-term overdrafts	198,826
Short-term loans	5,423,748
Medium-term Notes	717,798
Other bonds	335,086
Current portion of leases	82,032
Total short-term borrowings and leased liabilities	6,757,490
Long-term Borrowings (repayable after one year)	
Bank borrowings	2,773,071
Lease liabilities	435,068
Medium-term Notes	2,630,352
Bonds	—
Total long-term borrowings	5,838,491
Total Borrowings	12,595,981
Total Equity	
Share Capital	3,748,994
Treasury Shares	(158,807)
Capital Securities	1,045,867
Reserves	1,795,934
Equity Attributable to Equity Noteholders of the Company	6,431,988
Minority Interests	108,072
Total Equity	6,540,060
Total Capitalisation and Indebtedness	19,136,041

Except as disclosed in this Offering Circular, since 31 December 2019, there has been no material change in each of the Issuers' capitalisation or indebtedness.

THE COMPANY AND THE GROUP

Overview

The Group is a leading food and agri-business supplying food, ingredients, feed and fibre to over 25,200 customers worldwide. Its value chain spans over 60 countries and includes farming, a direct and indirect sourcing network of an estimated five million farmers, processing, distribution and trading operations.

The Company was established in 1989 as a division of the KC Group to operate its agri-business and was duly incorporated under the laws of Singapore in July 1995. Since the establishment of the business, the Company has evolved from a single-country, single-product trader to a multi-country, multi-product integrated global agri-business. The expansion of the Group has been possible as a result of pursuing growth strategies by exploiting adjacent opportunities, which it defines as developing opportunities in agricultural products and food ingredients that share customers, costs, capabilities and distribution channels with its existing operations, through organic and inorganic growth strategies.

The Group's portfolio comprises Cocoa, Coffee, Dairy, Edible Nuts, Spices, Grains and Animal Feed & Protein, Edible Oils, Rice, Cotton, Commodity Financial Services, Packaged Foods, Palm plantations (Olam Palm Gabon), Infrastructure and Logistics, and four de-prioritised businesses identified in the 2019-2024 Strategic Plan — Sugar and Sweeteners, Wood Products, Rubber and Fertiliser.

Since January 2020, the Group has re-organised its portfolio into two operating groups — Olam Food Ingredients (“**OFI**”) and Olam Global Agri (“**OGA**”) — both held by the parent Olam International Limited (i.e. the Company) which provides stewardship and acts as an accelerator incubating new growth engines. OFI comprises Cocoa, Coffee, Edible Nuts, Spices and Dairy, and offers sustainable, natural, value-added food products and ingredients for consumers to enjoy healthy and indulgent products. Comprising Grains and Animal Feed & Protein, Edible Oils, Rice, Cotton and Commodity Financial Services, OGA is a leading player in high-growth Asian and African countries supplying food, feed and fibre to meet rising demand and a shift to protein-based diets. The Company will nurture gestating businesses Packaged Foods, Infrastructure and Logistics and Olam Palm Gabon to full potential, incubate new engines for future growth, manage the responsible divestment of de-prioritised businesses and non-core assets identified in the Strategic Plan and redeploy the released capital for further growth.

The Group is engaged in the farming, sourcing, processing, storage, transportation, shipping, distribution, trading and marketing of these agricultural products and food ingredients to customers in the Destination Markets. The Group manages the risks present at each stage of the value chain through its risk management system. The Group's profitability is driven by contributions from selective upstream farming and plantations, supply chain trading volumes, value-added solutions, selective midstream processing and manufacturing and downstream packaged foods business.

As at the Latest Practicable Date, the Company's issued and paid-up share capital was S\$3,812,922,224.14 comprising 3,271,018,657 Shares (including Treasury Shares). The Shares are listed on the Mainboard of the SGX-ST.

The Company is a subsidiary of Temasek Holdings (Private) Limited (“**Temasek Holdings**”). As at the Latest Practicable Date, Temasek Holdings and its subsidiaries and associated companies owned approximately 53.42 per cent. of the Company. Temasek Holdings is wholly-owned by Singapore's Minister for Finance (Incorporated).

The Company is also in a strategic partnership with Mitsubishi Corporation (“**Mitsubishi**”), whereby as at the Latest Practicable Date, Mitsubishi owned approximately 17.36 per cent. of the Company. Mitsubishi has two members on the Board of the Company, as well as some members on the Company's global management team.

Based on the audited consolidated financial statements for FY 2017, 2018 and 2019, the Group had, on a consolidated basis, revenue of approximately S\$26.3 billion, S\$30.5 billion and S\$33.0 billion respectively and net profit of approximately S\$551.6 million, S\$323.2 million and S\$525.2 million respectively. Based on the audited consolidated financial statements for FY 2017, 2018 and 2019, as at 31 December 2017, 2018 and 2019, the total assets of the Group (combining non-current and current assets) on a consolidated basis amounted to approximately S\$22.3 billion, S\$23.4 billion and S\$25.7 billion respectively.

History and Development

Since the Company's establishment in 1989 and throughout its evolution from a single-country, single-product trader in 1989 to a multi-national, multi-product integrated global food and agri-business, it has expanded into adjacent products, geographic markets, customers and value chain segments through organic and inorganic growth.

The Group's history and development can be categorised into the following phases:

Formative Years: 1989 to 1992

The foundations of the Company's business are intrinsically linked to the KC Group, which has over 150 years of trading history. The Company's business was first established in 1989 as a division to start the KC Group's agribusiness enterprise and to generate foreign exchange.

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

Business Model Development: 1993 to 1995

Between 1993 and 1995, the business grew from a single-country operation into multiple origins (being producing countries from which the Group procures its food ingredients and/or agricultural products, "Origins"), first within West Africa (including Benin, Togo, Ghana, Côte d'Ivoire, Burkina Faso, Senegal, Guinea Bissau, Cameroon and the Republic of Gabon (the "RoG")), followed by East Africa (Tanzania, Kenya, Uganda, Mozambique and Madagascar) and then India. This move into multiple Origins coincided with the deregulation of the agricultural commodity markets.

Global Expansion and IPO: 1995 to 2005

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

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

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

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

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

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

Building a Global Leader: 2006 to 2018

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

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

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

The Company reviewed its performance again in 2013 and announced the outcome of its strategy review and the Strategic Plan in April 2013 for FY 2014 to FY 2016 (the “**FY 2014 – 2016 Strategic Plan**”). The review established that while the Group is in a strong position to leverage positive global trends in the agri-commodity sector, it would benefit from re-balancing its growth objectives with an increased focus on accelerating the generation of positive free cash flow. Four key priorities, namely (i) accelerating free cash flow generation, (ii) reducing gearing, (iii) reducing complexity and (iv) promoting a better understanding of the Group, and six specific pathways, namely (i) reshaping portfolio and reducing complexity, (ii) recalibrating pace of investments, (iii) optimising balance sheet, (iv) pursuing opportunities for unlocking intrinsic value, (v) improving operating efficiencies and (vi) enhancing stakeholder communication, were identified to achieve these priorities were identified as part of the FY 2014-2016 Strategic Plan.

In the annual report for FY 2015, the Company explained two three-year strategic plans — the first cycle from 2016 to 2018 and the second from 2019 to 2021 (the “**2016 – 2021 Strategic Plan**”). The same was explained in a presentation made at the 21st Annual General Meeting which was posted on the SGX-NET on 25 April 2016. The review established that there were no significant shifts in the agri-sector in the previous three years, and that to drive growth, the industry has employed five growth vectors: (i) new products, (ii) new value chain steps, (iii) M&A, (iv) new geographies and (v) market share gain. The Company had therefore adopted six key criteria to focus its portfolio, and inform its investment choices and capital allocation decisions between its businesses: (i) to address areas where performance is inconsistent or not meeting expectations, (ii) to scale up and strengthen leadership positions, (iii) to be selective and more focused on investments with higher potential returns, (iv) to streamline its portfolio and release cash from divestments, (v) to improve investment balance between its businesses and (vi) to assess and manage its risks. In the 2016 – 2021 Strategic Plan, the Company had prioritised its portfolio into five ‘clusters’ to assess these criteria:

- Cluster 1 — Edible Nuts, Cocoa, Grains, Coffee, Cotton and Spices & Vegetable Ingredients (SVI);
- Cluster 2 — Packaged Foods business (PFB), Edible Oils, Rubber, Dairy and Commodity Financial Services;
- Cluster 3 — Rice, Wood Products and Sugar;
- Cluster 4 — Fertilisers and Gabon Special Economic Zone; and
- Cluster 5 — Africa as a separate vertical.

Re-imagining Olam and Re-organisation to Unlock Value: 2019 to Present

In January 2019, the Company announced the 2019 — 2024 Strategic Plan that is intended to capitalise on key trends shaping the sector. Driven by consumers and advances in technology, these trends include increasing demand for healthier foods, traceable and sustainable sourcing, e-commerce and the rise of “purpose” brands. The Group plans to invest U.S.\$3.5 billion (including maintenance capital expenditure) to strengthen businesses with high growth potential, while releasing U.S.\$1.6 billion by responsibly divesting certain businesses and assets lying outside the strategic priorities over the course of this plan.

The 2019 — 2024 Strategic Plan sets out four pathways for the Group’s future growth:

- Strengthening, streamlining and focusing the business portfolio by investing in high potential growth businesses and de-prioritising and divesting certain other businesses and assets that no longer fit with the Group’s strategic priorities;
- Driving margin improvement by enhancing cost and capital efficiency;
- Generating additional revenue streams by offering differentiated products/services and from both existing and new channels; and
- Exploring partnerships and investments in new engines for growth.

The 2019 — 2024 Strategic Plan also sets out four enablers to execute these strategic pathways: (i) operational excellence; (ii) sustainability; (iii) digital transformation; and (iv) leadership and talent.

The Group decided to explore options that would unlock further value over and above the Strategic Plan on a sustained basis by re-organising its portfolio. In May 2019, the Group appointed two independent Financial Advisors (FAs) — Credit Suisse and Rothschild Singapore — to conduct this exercise. Building on the Strategic Plan, the Company completed the exercise with independent financial advisors to explore options to unlock and maximise the Company’s long-term value. On 20 January 2020, the Company

announced that Olam will re-organise its diverse business portfolio to create two new coherent operating groups — Olam Food Ingredients (“**OFI**”) and Olam Global Agri (“**OGA**”) (the “**Re-Organisation**”) — that are well-positioned for further growth in line with key consumer trends and market opportunities. By simplifying the portfolio across two distinct and coherent groups, each with a clear vision for profitable and sustainable growth, it sharpens focus and provides opportunities to capitalise on key market trends, while continuing to leverage the benefits of the Group. Please refer to the sections on “2019 — 2024 Strategic Plan” and “Re-organisation of Olam: Unlocking long term value” for further details.

Major growth and capital raising milestones

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

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

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

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

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

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

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

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

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

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

On 21 March 2018, the Company announced the disposal of its 50 per cent. equity interest in Nauvu to a wholly-owned subsidiary of Wilmar for an aggregate cash consideration of up to U.S.\$148,000,000, subject to adjustments as provided in the sale and purchase agreement. Following the disposal, Nauvu ceased to be an associate company of the Company.

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

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

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

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

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

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

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

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

On 19 December 2008, the Company completed a tender offer of the 2008 Bonds pursuant to which the Company repurchased from the holders of the 2008 Bonds, an aggregate principal amount of U.S.\$117.6 million of 2008 Bonds.

On 22 December 2008 and 29 December 2008, the Company completed further on-market repurchases of an aggregate principal amount of U.S.\$1 million and U.S.\$5 million respectively of the 2008 Bonds (all the 2008 Bonds repurchased pursuant to the tender offer and the on-market repurchases are collectively referred to herein as the “**Repurchased Bonds**”). The Company cancelled the Repurchased Bonds. The aggregate principal amount of the 2008 Bonds remaining outstanding following the cancellation of the Repurchased Bonds was U.S.\$176.4 million.

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

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

On 4 March 2009, the Company completed an exchange offer of the 2008 Bonds (the “**Exchange Offer**”), pursuant to which the Company had accepted for exchange, U.S.\$136 million in aggregate principal amount of the 2008 Bonds (the “**Exchanged Bonds**”) and issued U.S.\$106.08 million in aggregate principal amount of 1.2821 per cent. convertible bonds due 2013, convertible into Shares (the “**Issued Fresh Bonds**”). The Company had cancelled the Exchanged Bonds. The aggregate principal amount of 2008 Bonds remaining outstanding following cancellation of the Repurchased Bonds and the Exchanged Bonds was U.S.\$40.4 million (the “**Remaining 2008 Bonds**”).

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

On 23 March 2009, the Company entered into exchange agreements with certain holders of some of the Remaining 2008 Bonds, pursuant to which the Company agreed to accept for exchange, U.S.\$21.2 million in aggregate principal amount of the Remaining 2008 Bonds (the “**Further Exchanged Bonds**”) and issue U.S.\$16.536 million in aggregate principal amount of 1.2821 per cent. convertible bonds due 2013, convertible into Shares (the “**Additional Fresh Bonds**”), and both Issued Fresh Bonds and Additional Fresh Bonds are collectively referred to herein as the “**Fresh Bonds**”) on terms identical to that of the Exchange Offer (the “**Further Bond Exchange**”).

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

- the aggregate principal amount of Fresh Bonds issued by the Company pursuant to the Exchange Offer and the Further Bond Exchange was U.S.\$122.616 million; and
- the Company cancelled the Further Exchanged Bonds. The aggregate principal amount of 2008 Bonds remaining outstanding following cancellation of the Exchanged Bonds and the Further Exchanged Bonds was U.S.\$19.2 million.

Between 1 December 2009 and 25 August 2010, the Company made a series of announcements that holders of various aggregate principal amounts of the Fresh Bonds had converted the Fresh Bonds held by them and the Company had cancelled such Fresh Bonds. As at 25 August 2010, the aggregate principal amount of the Fresh Bonds that remained outstanding following the cancellations of the Fresh Bonds between 1 December 2009 and 25 August 2010 was U.S.\$21.996 million. On 27 August 2010 the Company announced that holders of all these outstanding bonds had exercised their rights to convert their bonds and that all the outstanding bonds had been cancelled.

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

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

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

On 27 August 2009, the Company announced that it received commitments from a group of banks for a fully underwritten U.S.\$540 million syndicated transferable term loan facility comprising two tranches, namely (i) a three-year term loan of U.S.\$324 million and (ii) a five-year term loan of U.S.\$216 million (the “**Loan Facility**”). The proceeds of the Loan Facility were to be used towards the refinancing of existing debt, as well as for working capital and for general corporate funding requirements of the Company, including capital expenditure and expansion of its supply chain management business. On 10 November 2009, as there was oversubscription, the Company increased the size of the Loan Facility to U.S.\$850 million from U.S.\$540 million, comprising two tranches, namely (i) a three-year amortising term loan of U.S.\$510 million and (ii) a five-year amortising term loan of U.S.\$340 million.

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

On 1 September 2009, the Company announced the acquisition of a 14.35 per cent. stake in NZ Farming Systems Uruguay Limited (“**NZFSU**”), an operator of large scale New Zealand-style dairy farming operations in Uruguay. Listed on the New Zealand stock exchange, NZFSU was established in 2006 by PGG Wrightson Ltd (“**PGW**”), New Zealand’s leading rural services company, with the aim of providing an opportunity to New Zealand farmers and investors to benefit from the export of their world-leading

dairy farming practices. NZFSU was formed for the purpose of applying New Zealand's high performing pastoral based farming systems to extensive areas of high quality, low cost and under-utilised Uruguayan farm land for dairy farming. The Company had purchased this stake for a cash consideration of N.Z.\$14.37 million.

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

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

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

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

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

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

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

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

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

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

In June 2010, the Company announced the formation of several subsidiaries through which the Group intends to undertake certain Commodity Financial Services businesses, which the Company believes will leverage its understanding of commodity and derivative markets and risk management skills.

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

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

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

On 17 August 2010, the Company announced that it would invest U.S.\$43.5 million in Côte d’Ivoire to set up a greenfield cocoa processing facility in Abidjan, as well as a primary processing and warehousing facility in San Pedro. The investment was fully funded by a combination of internal accruals and borrowings. The plant was commissioned in July 2014.

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

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

On 13 November 2010, the Company announced that it had entered into a joint venture (the “**Palm Plantation JV**”) with the government of the RoG to initially develop in phase I, 50,000 hectares of palm plantation in the RoG with an investment of U.S.\$236 million. The Company will hold 70 per cent. interest in the joint venture company to be set up, and the remaining 30 per cent. will be held by the government of the RoG. As part of the agreement, the government of the RoG has committed to the Palm Plantation JV, a land bank of 300,000 hectares for palm and rubber plantation development in multiple phases. The Palm Plantation JV included setting up milling plants to extract crude palm oil, which is sold in Africa and exported to the European Union. In its announcement, the Company stated that the project is expected to achieve 100 per cent. Roundtable on Sustainable Palm Oil (“**RSPO**”)¹ certification and therefore have a unique value proposition for the markets. The Palm Plantation JV, known as Olam Palm, Gabon of which the Company now holds a 60 per cent. interest, commissioned its first milling plant in Gabon in September 2015 and is expected to complete phase I development by 2017.

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

On 3 December 2010, the Company announced that it had entered into an 80:20 joint venture with the Lababidi Group (“**LG**”) to set up a port-based sugar refinery in Nigeria. The total cost of the project is approximately U.S.\$200 million. The Group has not proceeded with the project due to a change in strategy, announced in April 2013 which indicated its intention to pursue an asset-light strategy for the sugar platform instead of an asset-medium strategy that might involve investments in milling or refining assets.

On 15 December 2010, the Company announced that it had acquired 100 per cent. of the equity share capital of tt Timber International (“**tt Timber**”), a subsidiary of the Dalhoff Larsen Horneman A/S Group (“**DLH**”), for a total consideration of C29.6 million. DLH supplies timber and timber products manufactured from sustainably produced raw materials. tt Timber owns forest concession rights for 1.3 million hectares of natural tropical hardwood forest in the Democratic Republic of Congo (the “**RoC**”) and 300,000 hectares in the RoG.

On 31 January 2011, the Company announced that it would acquire 100 per cent. of equity interests in Britannia Food Ingredients Holdings Limited (“**BFI**”) and Britannia Storage and Distribution Limited (“**BSD**”) for a combined enterprise value of 33.5 million Sterling (approximately U.S.\$50 million). The Company will initially acquire 85 per cent. of equity capital in BFI and 100 per cent. of BSD, and then acquire the remaining 15 per cent. interest in BFI within the next three years at a pre-agreed valuation. The transaction was completed later in the year and BFI became a fully owned subsidiary of the Company in 2012.

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

On 11 April 2011, the Company announced that Tata Chemicals Limited (“**TCL**”), a part of the Tata group of companies, will invest U.S.\$290 million to acquire a 25.1 per cent. equity stake in the Project, resulting in a reduction of the Company’s and the government of the RoG’s shareholding in the Project to 62.9 per cent. and 12 per cent. respectively. TCL will be primarily responsible for project management during the erection and commissioning of the plant as well as the operation and maintenance of the plant for the first three years post commercial production. Sales and marketing of ammonia and urea products will be jointly undertaken by the Company, the government of the RoG and TCL through a joint venture

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

agreement in which the Company and the government of the RoG will hold equal stakes. On 8 September 2011, the Company and TCL announced the completion of the gas due diligence for the Project. On 28 March 2014, the Company and TCL announced that a termination agreement has been signed and that TCL would not proceed with its proposed 25.1 per cent. equity stake in the Project. The decision was made due to a change in TCL's investment focus away from overseas fertiliser manufacturing and Olam's intention to move to a minority and non-consolidated position in the Project.

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

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

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

On 31 August 2011, the Company announced that it had agreed to acquire 100 per cent. shareholding of Hemarus Industries Limited, together with its 3,500 tons crush per day ("**TCD**") sugar milling facility, a 20 megawatt co-generation facility and accompanying assets in India for a total purchase consideration of U.S.\$73.8 million (INR 3,400 million). Further capital expenditure was invested to enhance the sugar milling capacity.

On 12 September 2011, the Company, TCL and the government of the RoG announced that their joint venture company, Gabon Fertiliser Company had signed a pre-construction services agreement with Technip S.A. ("**Technip**") as the main contractor for the Project. Technip will provide the licensed technologies of Haldor Topsoe A/S for the ammonia plant, Saipem S.p.A. for the urea plant and Uhde Fertilizer Technology B.V. (UFT) for the urea granulation plant. Work did not commence as TCL had withdrawn from the joint venture, and the Company is currently in search of a partner to invest in the Gabon Fertiliser project as part of its Strategic Plan to deconsolidate its investment in the joint venture.

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

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

On 1 December 2011, the Company announced that it would invest U.S.\$49.2 million to set up a 6,000 hectare greenfield, fully integrated, mechanised and irrigated paddy farming and rice milling facility in Nasarawa State, one of the main rice growing belts in Nigeria. This integrated rice farm and milling facility was commissioned in July 2014.

On 2 December 2011, the Company announced the proposed expansion of its wheat milling capacity at CFM, for a total outlay of about U.S.\$50 million. The expansion was completed in 2013.

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

On 30 January 2012, the Company announced that it had formed a partnership with the Russian Dairy Company LCC (“**RUSMOLCO**”), a growing player in the Russian dairy industry, for the large-scale development of dairy and grains farming in the Penza region of Russia, and that it had acquired a 75 per cent. interest in RUSMOLCO for a consideration of approximately U.S.\$75 million. In November 2015, the Group subscribed for additional shares in RUSMOLCO, thereby increasing its stake in the company to 93 per cent.

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

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

On 19 March 2012, the Company announced that it intended to enter into a partnership with the government of the RoG to develop, over two phases, approximately 50,000 hectares of rubber plantations in the RoG. The parties proposed to form a joint venture company, in which the Company and the government of the RoG will hold 80 per cent. and 20 per cent. equity interest respectively. The total investment amount is estimated to be U.S.\$183 million. The Company now owns 60 per cent. interest in the joint venture, known as Olam Rubber Gabon, which is expected to complete its planting of 12,000 hectares by 2017.

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

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

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

may be held as treasury shares or cancelled, as the Company may decide from time to time. The share buyback programme was funded from the Company's existing resources.

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

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

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

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

On 18 September 2012, the Company announced that it had acquired 100 per cent. of the equity interest in Northern Coffee Corporation Ltd, owner of the largest coffee estate in Zambia for approximately U.S.\$6.15 million through a bidding process organised by the Zambia Development Authority ("**ZDA**"). Further capital expenditure is being committed by the Group to fully develop 2,700 hectares of Arabica coffee plantation over the next five years.

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

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

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

On 3 December 2012, the Company announced a renounceable underwritten rights issue ("**Rights Issue**") of U.S.\$750 million 6.75 per cent. Bonds due 2018 ("**2013 Bonds**") with 387,365,079 free detachable

warrants on shares of the Company (“**Warrants**”), each Warrant carrying the right to subscribe for one new Share (“**New Share**”) in the Company at an exercise price of U.S.\$1.291 for each New Share, on the basis of 313 Bonds of principal amount of U.S.\$1.00 each with 162 Warrants for every 1,000 Shares. If all the Warrants are exercised, the Company will raise up to an incremental U.S.\$500 million of gross proceeds. The Rights Issue was completed on 29 January 2013. The Warrants are exercisable from 29 January 2016 to 29 January 2018.

On 21 December 2012, the Company announced that it has acquired the soluble coffee assets and business of Seda Solubles (“**Seda**”) for U.S.\$52 million through a bidding process under a court-managed scheme of receivership in Spain. Seda is a leading producer of soluble coffee and coffee related products with a fully integrated production platform. It also announced that on the proposed acquisition of UAP, as Olam and UAP were not able to reach an agreement on the final closing terms and conditions, on the basis of a mutual agreement, both parties decided to terminate the proposed transaction.

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

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

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

On 9 May 2013, the Company announced that it has entered into a joint venture with Sanyo Foods Co. Ltd of Japan (“**Sanyo Foods**”) to set up a joint venture company in Nigeria to manufacture and distribute instant noodles in Nigeria and across sub-Saharan Africa. Sanyo Foods will invest U.S.\$20 million in cash for a 25.5 per cent. equity interest through issue of new shares by the joint venture company that will house the Company’s instant noodles assets and business in Nigeria, and the Company will hold the balance majority ownership of 74.5 per cent. in the joint venture company with management control. The joint venture is expected to draw the strengths of both partners with the Company’s expanding marketing and distribution network across Nigeria and its pan-Africa presence as well as Sanyo Foods’ technology in the development and manufacturing of instant noodle products, and new market development experience. This arrangement has been superseded by the Company’s sale of 25 per cent. interest in Packaged Foods business to Sanyo Foods announced on 18 August 2014 and completed on 2 February 2015 (*see milestone dated 18 August 2014 below for more details*).

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

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

On 1 November 2013, the Company announced that Queensland Cotton Corporation Pty Ltd (“**QCC**”), a wholly-owned subsidiary of the Company, has sold its Dirranbandi cotton gin in Queensland to Cubbie Ginners Pty Ltd for A\$20.0 million. It was announced that the sale of the gin was based on ensuring the

best strategic and economic outcome for the company, and that the sale was also in line with the Company's strategy to unlock value and redeploy capital in higher growth areas, thereby optimising the cotton business for the Group.

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

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

On 23 December 2013, the Company announced that it had entered into an agreement to sell up to a 14.99 per cent. stake in Open Country Dairy Limited ("**OCD**"), New Zealand to Talley's Group Limited for up to NZ\$46.5 million. The transaction released cash for the Company while still maintaining product off-take arrangements with OCD, which are strategically important for the Company's dairy supply chain business. The partial takeover offer by Talley's Group Limited closed on 24 May 2014. As a result of the transaction, the Company received cash proceeds of NZ\$35.1 million and has a 15.19 per cent. residual stake in OCD.

On 22 January 2014, the Company announced the repurchase of an aggregate principal amount of S\$39.2 million of Perpetual Bonds and the repurchase of an aggregate principal amount of S\$15 million of the Series 4 Notes by way of on-market purchases. The Perpetual Bonds and the Series 4 Notes were repurchased at an average price of 92.38 and 92.96 respectively, in line with the Company's balance sheet optimisation objective.

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

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

On 28 March 2014, the Company announced that the RoG will invest an additional U.S.\$56.8 million towards equity and increase its stake in the Olam Palm Gabon ("**OPG**") and Olam Rubber Gabon ("**ORG**") joint ventures with the Company in the RoG. On completion of this transaction, Olam will own a 60 per cent. equity interest in both OPG and ORG joint ventures, with RoG holding the remaining 40 per cent. It was announced that the transactions are in line with the Company's strategic plan to unlock value by seeking strategic partners to co-share investments in capital intensive and long gestation projects. The Company received cash of S\$40.0 million and a gain of S\$31.9 million in capital reserves on completion.

On 25 April 2014, the Company announced that its wholly-owned subsidiary NZFSU has sold dairy farm land in the Western and the Eastern regions in Uruguay for a total cash consideration of U.S.\$53.7 million. NZFSU owns dairy farms in the Western, Eastern and Central regions in Uruguay on 28,478 hectares of farm land and approximately 1,769 hectares of farm land in the West of Uruguay together with 6,002 hectares of farm land in the East of Uruguay were sold. The Company received gross cash proceeds of S\$70.4 million and booked a one-time pre-tax gain of S\$21.0 million on completion of these transactions.

On 16 May 2014, the Company announced that it will be investing U.S.\$61.0 million to establish a new cocoa processing facility in Indonesia to enable the Company to leverage the strength of its Indonesian cocoa sourcing network and participate in the growth of Asian cocoa consumption.

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

On 23 June 2014, the Company announced that it had entered into a partnership with Mitsubishi Corporation of Japan (“**Mitsubishi**”) in which Mitsubishi will invest U.S.\$64.0 million for an 80.0 per cent. equity interest in the Company wholly owned subsidiary, Olam Grains Australia (“**OGA**”). The partnership is intended to leverage growth opportunities in the Australian Grains business. The transaction was completed and the Company 20 per cent. stake in the partnership is now classified as a long term investment.

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

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

On 22 July 2014, the Company announced that it had issued S\$400 million 4.25 per cent. fixed rate notes due 2019 under the Programme.

On 5 August 2014, the Company announced that it had issued U.S.\$300 million 4.5 per cent. fixed rate unsecured notes due 2020 at an issue price of 99.337 per cent. of their principal amount under the Programme.

On 18 August 2014, the Company announced that it had agreed to sell a 25.0 per cent. stake in its Packaged Foods business to Sanyo Foods Co. Ltd. for a price consideration of U.S.\$187.5 million based on an initial enterprise value of U.S.\$750.0 million for the business. The transaction was completed on 2 February 2015 and the Company received cash proceeds of U.S.\$167.5 million and added U.S.\$79.6 million to its capital reserves.

On 1 September 2014, the Company announced the sale of its dairy processing plant in Côte d’Ivoire to Friesland for a cash consideration (excluding any working capital) of U.S.\$18.7 million, subject to working capital adjustments at closing. At closing, the Company received net sales proceeds of 11.4 billion CFA (€17.3 million). In addition, the Company assigned its trademark “Pearl” for certain designated countries in Africa to Friesland for a cash consideration of U.S.\$6.3 million.

On 9 September 2014, the Company announced that its wholly owned dairy farming subsidiary New Zealand Farming Systems Uruguay (“**NZFSU**”) will be investing U.S.\$80.0 million to establish a new dairy processing facility. The green-field dairy processing facility is expected to commence operations in

2017 with an initial capacity to process 600,000 litres per day, going up to one million litres of milk per day. On 14 August 2015, the Company announced that it had decided to restructure this business and defer the planned green-field dairy processing investment.

On 29 October 2014, the Company announced that its indirect wholly-owned subsidiary Olam Australia Pty Ltd had agreed to acquire a 20 per cent. shareholding in ProClass. ProClass is the largest independent cotton testing and classing house in Australia.

On 13 November 2014, the Company announced that consequent to the payment of the first and final dividend at S\$0.05 per 1 ordinary share and a special silver jubilee dividend at S\$0.025 per 1 ordinary share in respect of the financial year ended 30 June 2014, it will issue 12,333,258 additional Warrants to the Warrantheolders on the basis of 31 additional Warrants for every 1,000 Warrants held by the Warrantheolders. The adjusted Exercise Price in respect of the Warrants and additional Warrants will be U.S.\$1.21 per Share.

On 19 November 2014, the Company secured revolving credit and term loan facilities aggregating U.S.\$2,475 million. The facilities consist of three equal tranches of U.S.\$825 million each, a 364-day revolving credit facility, a 2-year revolving credit facility and a 3-year loan. Proceeds from the facilities were applied towards refinancing of existing debt and meeting working capital and general corporate funding requirements of the Company.

On 5 December 2014, the Company announced that it had signed a purchase agreement to acquire a 100 per cent. interest in a leading U.S. peanut sheller, McCleskey Mills, Inc (“**MMI**”), at an enterprise value of U.S.\$176.0 million. The acquisition of MMI is consistent with the Company’s strategy to selectively invest in prioritised platforms, which includes Edible Nuts. The acquisition was completed in January 2015 for a cash consideration of U.S.\$178.0 million. The final purchase price allocation for the acquisition is expected to be completed by September 2015.

On 12 December 2014, the Company secured a 5-year term loan of A\$350 million for its Australian subsidiaries Olam Orchards Australia Pty Ltd. And Olam Australia Pty Ltd. Proceeds from the facility will be applied towards refinancing of existing debt and meeting working capital and general corporate funding requirements of the Company.

On 16 December 2014, the Company announced the proposed acquisition of the global cocoa business of Archer-Daniels-Midland Company (“**ADM**”) at an enterprise value on a cash and debt free basis of U.S.\$1.3 billion, comprising fixed assets of U.S.\$550.0 million and working capital of U.S.\$750.0 million, subject to closing adjustments.

On 12 January 2015, the Company announced that Queensland Cotton, a wholly owned subsidiary of Olam Australia had signed an agreement to sell Western Wool Marketing to Quality Wool.

On 15 January 2015, the Company announced the issuance of U.S.\$50 million 5 year Senior Notes due 2020 in a private placement under the Programme.

On 28 January 2015, the Company announced that it had exercised its option, pursuant to the U.S.\$750 million in principal amount of 6.7 per cent. Bonds due 2018 (the “**2018 Bonds**”), to redeem all of the outstanding 2018 Bonds on 27 February 2015.

On 2 March 2015, the Company announced its participation in the RoG GRAINE out-grower plantation programme through a joint venture in which RoG will hold 51.0 per cent. equity ownership and the Company will hold the balance of 49.0 per cent.

On 17 March 2015, the Company announced the issuance of A\$125 million 4.875 per cent. 5 year Senior Unsecured Notes due 2020 under the Programme. On 19 March 2015, the Company announced the issuance of additional notes of A\$25 million, thereby increasing the total aggregate principal amount of

the combined issuance to A\$150 million (the “**2020 Combined Notes**”). The 2020 Combined Notes were issued at an issue price of 100.069 per cent. of their principal amount. The post-swap U.S. Dollar fixed coupon was 3.975 per cent. per annum. On 29 April 2015, the Company announced the issuance of an additional A\$30 million fixed rate senior unsecured notes (the “**2020 New Notes**”) at a total price of 101.628 per cent. of their principal amount. The effective post-swap U.S. Dollar fixed coupon on the 2020 New Notes was 3.60 per cent. per annum.

On 14 May 2015, Outspan Agro Timor Unipessoal, LDA, a wholly-owned subsidiary of the Company, acquire a fully integrated operating dry coffee mill in Timor Leste.

On 12 August 2015, the Company announced that it had secured a U.S.\$800 million revolving credit facility for its U.S. subsidiaries. Proceeds from the Facility were used to refinance existing debt, as well as to finance the working capital needs of the Company’s subsidiaries in the U.S. and for general corporate purposes.

On 28 August 2015, the Company announced that it had entered into a strategic partnership with Mitsubishi. The Company proposed to raise additional equity capital by issuing an aggregate of 332.73 million new Shares with a private placement to Mitsubishi at an issue price of S\$2.75 per new Share, as well as a separate secondary shares acquisition from the KC Group. The issue raised gross proceeds of approximately S\$915.0 million, with the new Shares representing approximately 12.0 per cent. of the enlarged issued and paid up share capital (excluding treasury shares) of the Company, giving Mitsubishi a combined equity stake of 20 per cent. in the Company. Temasek Holdings remained the majority shareholder of the Company with a controlling 51.4 per cent. stake. Additionally, Mitsubishi was given the right to appoint up to two members to the Board of the Company, as well as adding some members to the Company’s global management team. The strategic rationale behind the issuance was to progress the formation of a proposed joint venture for distribution of the Company’s products in the Japanese market, as well as developing future strategic collaboration opportunities with Mitsubishi.

On 31 August 2015, the Company announced the issuance of ¥6,200,000,000 1.375 per cent. Senior Unsecured Notes due 2020 under the Programme (“**Yen Notes**”). The Yen Notes were issued pursuant to a private placement under the Programme. The Yen Notes were issued at an issue price of 100 per cent. of their principal amount. The post-swap U.S. Dollar fixed coupon was 3.75 per cent. per annum.

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.

On 17 October 2015, the Company announced that it had successfully acquired ADM’s global cocoa business (previously announced on 16 December 2014) at an enterprise value on a cash-free debt-free basis of U.S.\$1,204.0 million, comprising fixed assets of U.S.\$550 million and working capital of U.S.\$654.0 million. ADM’s cocoa business was combined with the Company’s Cocoa platform to form Olam Cocoa, a fully integrated cocoa bean and cocoa products supplier (including powder, butter and liquor) with over 2,400 cocoa experts (of whom 1,500 joined from ADM) based in 11 producing countries, seven usines, 12 midstream processing facilities, six innovation centres, 20 marketing offices and more than 200 warehouses.

On 28 October 2015, the Company announced that it had secured a revolving credit and term loan facility aggregating U.S.\$1,000 million. The facility consists of two tranches, a U.S.\$850 million 364-day revolving credit facility and a U.S.\$150 million 5-year term loan. The proceeds of the loan were used to refinance existing debt and meet working capital and general corporate funding requirements of the Company.

On 1 November 2015, Panasia International FZCO, a wholly-owned subsidiary of the Company, acquired 100 per cent. 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.

On 23 December 2015, the Company completed a tender offer of the New Convertible Bonds pursuant to which the Company repurchased from holders of the New Convertible Bonds, an aggregate principal amount of U.S.\$269.5 million of the New Convertible Bonds.

On 30 December 2015 OPG, the 60/40 joint venture company between the Company and the Republic of Gabon, entered into a sale of long term lease rights of land and a sale and lease-back of plantation and milling assets, comprising 20,030 hectares of total land area in Awala, Gabon, and including 6,502 hectares of planted area, for a cash consideration of U.S.\$130.0 million with YCAP Asset Management. The transaction was not completed.

On 7 January 2016, the Company and French feedstock company InVivo Animal Nutrition & Health (“**InVivo NSA**”) announced a joint consulting agreement for development of expertise in animal feed in Nigeria. The two-year consulting partnership agreement will involve technical assistance and sharing of expertise to jointly develop solutions and products in the animal feed space.

On 11 January 2016, the Company announced it had acquired Amber Foods Limited, which indirectly through its 100 per cent. owned subsidiary owns the wheat milling and pasta manufacturing assets of the BUA Group in Nigeria (a diversified foods and infrastructure business group in Nigeria), for a total enterprise value of U.S.\$275.0 million. 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 pasta manufacturing plant in Port Harcourt in the Southeast of Nigeria.

On 14 January 2016, the Company completed a tender offer of the New Convertible Bonds pursuant to which the Company repurchased from holders of the New Convertible Bonds, an aggregate principal amount of U.S.\$175.9 million of the New Convertible Bonds.

On 21 January 2016, the Company repurchased New Convertible Bonds for an aggregate principal amount of U.S.\$10.3 million of the New Convertible Bonds.

On 23 February 2016, the Company announced that it had exercised its option, pursuant to the U.S.\$500 million in principal amount of 6 per cent. New Convertible Bonds due 2016, to redeem all of the outstanding New Convertible Bonds on 22 February 2016.

On 8 April 2016, the Company announced its investment of U.S.\$150.0 million to set up two animal feed mills, poultry breeding farms and a hatchery to produce day-old-chicks in Nigeria, marking the commencement of works on project sites in Kaduna State and Kwara State, Nigeria, where the Company will set up Nigeria’s largest integrated animal feed mill, breeding farm and hatchery.

On 13 April 2016, the Company announced the issuance of U.S.\$300 million 4.50 per cent. fixed rate senior unsecured notes due 2021 (“**2021 Notes**”) under the Programme. The 2021 Notes were issued on 13 April 2016 at an issue price of 100.00 per cent. of their principal amount.

On 14 April 2016, the Company announced that it had secured a revolving credit facility aggregating U.S.\$650 million, consisting of two tranches of U.S.\$325 million each, a 364-day revolving credit facility and a 2-year revolving credit facility. Proceeds from the facility will be applied by the Company towards refinancing of existing debt and meeting general working capital and corporate funding requirements.

On 15 April 2016, the Company and Mitsubishi announced the formation of a joint venture, MC Agri Alliance Ltd (“**MCAA**”) in Japan. The new joint venture will import and distribute coffee, cocoa, sesame, edible nuts, spices, vegetable ingredients and tomato products in the Japanese market. Mitsubishi will hold 70.0 per cent. of the joint venture and the Company 30.0 per cent.

On 19 April 2016, the Company announced that it had secured a 5-year U.S.\$175.0 million loan agreement with IFC, a member of the World Bank Group, to finance its permanent working capital and capital expenditure requirements for four food processing facilities in Nigeria (the sesame hulling and Crown Flour Mill facilities) and in India (the Hemarus sugar mill and spice processing facilities).

On 17 May 2016, the Company announced the issuance of ¥5.5 billion 1.427 per cent (“**2021 New Notes**”) senior unsecured notes due 2021 under the Programme. The 2021 New Notes were issued on 24 May 2016.

On 1 June 2016, the Company announced that it had acquired the remaining 50.0 per cent. interest in AI from its joint venture partner for a total consideration of U.S.\$24.0 million, with AI becoming a wholly owned subsidiary of the Company post-completion to consolidate the Company’s presence in edible oils refining and distribution in East Africa.

On 6 June 2016, the Company announced that consequent to the announcement of the second and final dividend of S\$0.035 per 1 ordinary share for the financial year ended 31 December 2015, it will issue additional Warrants (relating to the 2018 Bonds) to the Warrantholders on the basis of 1 additional Warrant for every 45 Warrants held by the Warrantholders held on 3 May 2016.

On 9 June 2016, the Company announced that it had acquired a 100.0 per cent. interest in Brooks Peanut Company (“**Brooks**”) at an enterprise value of U.S.\$85.0 million. Brooks was the sixth largest peanut sheller in the United States. The acquisition is consistent with the Company’s strategy of further integration of its value chain into direct farm procurement and shelling, as well as expanding its sourcing network and market position as a peanut sheller in the United States.

On 13 July 2016, the Company priced a benchmark U.S.\$500 million issuance of perpetual capital securities (“**Capital Securities**”) under the Programme. The Capital Securities were issued on 20 July 2016 and priced at par, bearing a distribution rate of 5.35 per cent. for the first five years, to be reset at the end of five years from the issue date and each date falling every five years thereafter, with an option for the Company to redeem in whole on or after the fifth anniversary of the issuance of the Capital Securities.

On 15 September 2016, the Company announced the issuance of U.S.\$150 million 4.50 per cent. senior unsecured notes due 2021 (“**Series 10 Tranche 002 Notes**”) to be consolidated and forming a single series with the existing 2021 Notes (the “**Consolidated 2021 Notes**”), pursuant to the Programme. The Series 10 Tranche 002 Notes were priced at 101.651 per cent. of their principal amount plus accrued interest from, and including, 12 April 2016 to, but excluding, the issue date for the Series 10 Tranche 002 Notes. The Series 10 Tranche 002 Notes were issued on 14 September 2016.

On 4 October 2016, the Company announced that its Awala palm plantation in Africa has become the first new development to have its working plantation RSPO certified. The Awala plantation was the Company’s first venture into upstream palm plantations in a joint-venture with the Republic of Gabon, as one of the major projects undertaken by OPG. The certification boosts Africa’s RSPO certified production hectares by 30 per cent. from 21,666 hectares.

On 13 October 2016, the Company announced that it secured a U.S.\$2.0 billion revolving credit facility consisting of three tranches — a 364-day revolving credit facility of U.S.\$400.0 million, a 2-year revolving credit facility of U.S.\$800.0 million and a 3-year revolving credit facility of U.S.\$800.0 million. Proceeds from the facility will be applied towards the refinancing of existing syndicated and bilateral bank loans.

On 24 October 2016, the Company announced that it acquired 100 per cent. interest in East African coffee specialist Schluter S.A. (“**Schluter**”) at an enterprise value of U.S.\$7.5 million. Schluter is based in Switzerland with marketing offices in Nyon and Liverpool in the UK, and operates milling facilities in the Democratic Republic of Congo and Burundi. With the acquisition, Schluter will become the specialty arm of Olam Coffee in Europe.

On 6 December 2016, Olam Americas Inc., a wholly-owned subsidiary of the Company, priced the private placement of U.S.\$175 million 3.90 per cent. senior unsecured notes due 2022. The private placement was completed on 10 January 2017.

On 8 February 2017, the Company announced its intention to repurchase up to S\$235.8 million in aggregate principal amount of the S\$275.0 million 7.0 per cent. perpetual capital securities (the “**Securities**”) in the open market between 1 March 2017 and 7 March 2017 at par value including accrued distributions. On 14 July 2017, it also announced its intention to exercise its option to redeem any outstanding Securities as of 1 September 2017 at par including accrued distributions. The redemption was completed on 4 September 2017.

On 2 March 2017, the Company announced the issuance of U.S.\$300 million 4.375 per cent. senior unsecured notes due 2023 at an issue price of 99.37 per cent. of their principal amount under the Programme. The issuance was completed on 9 March 2017.

On 31 March 2017, the Company’s joint venture with Sanyo Foods in Ghana, Nutrifoods Ghana Limited, opened its newly expanded biscuit production facility in Tema. The joint venture company had invested U.S.\$8.25 million in expansion and upgrading work. The expansion further strengthened Nutrifoods’ position as the number one biscuit producer in Ghana, which already has a 30 per cent. market share.

On 31 March 2017, the Company announced the issuance of ¥5.7 billion 0.47 per cent. senior unsecured notes due 2022 under the Programme. The issuance was completed on 7 April 2017.

On 18 May 2017, the Company announced the issuance of ¥6.0 billion 0.9725 per cent. senior unsecured notes due 2022 under the Programme. The issuance was completed on 25 May 2017.

On 26 May 2017, Olam Americas Inc., a wholly-owned subsidiary of the Company, priced the private placement of U.S.\$170 million 3.73 per cent. senior unsecured notes due 2022. The private placement was completed on 15 June 2017.

On 4 July 2017, the Company announced the issuance of S\$300 million subordinated perpetual securities under the Programme. The issuance was completed on 11 July 2017.

On 17 July 2017, the Company announced that its wholly-owned subsidiary, Olam Treasury Pte. Ltd. secured a ¥25.0 billion three-year term loan facility, guaranteed by the Company. Proceeds from the facility will be applied towards the refinancing of existing syndicated and bilateral bank loans of the Company and its subsidiaries and for general corporate purposes.

On 28 July 2017, the Company announced that it (and Olam Treasury Pte. Ltd., as co-borrower) secured a U.S.\$400 million revolving credit facility, guaranteed by the Company, consisting of three tranches — a 364-day revolving credit facility of U.S.\$160 million, a 2-year revolving credit facility of U.S.\$120 million and a 3-year revolving credit facility of U.S.\$120 million. Proceeds from the facility will be applied towards the refinancing of existing syndicated and bilateral bank loans of the Company and its subsidiaries.

On 31 July 2017, the Company announced the issuance of S\$50 million subordinated perpetual securities under the Programme, to be consolidated and form a single series with the S\$300,000,000 subordinated perpetual securities issued on 11 July 2017. The issuance was completed on 4 August 2017.

On 22 August 2017, the Company announced the issuance of U.S.\$50 million 3.65 per cent. senior unsecured notes due 2022, which were issued pursuant to a private placement under the Programme. The issuance was completed on 1 September 2017.

On 12 September 2017, the Company's poultry feed mill and day-old-chick facilities in Kaduna State, Nigeria was inaugurated. The Company also concurrently started production at an integrated poultry and fish feed mill at Ilorin in Kwara State, Nigeria.

On 20 September 2017, the Company announced the issuance of ¥8 billion 0.9825 per cent. senior unsecured notes due 2022, which were issued pursuant to a private placement under the Programme. The issuance was completed on 27 September 2017.

On 22 September 2017, the Company announced that it had sold 5,100 acres (approximately 2,100 hectares) of its farmland assets to Farmland Partners Inc ("FPI"), one of the largest listed farmland real estate investment trusts in the United States, for a cash consideration of U.S.\$110 million. The Company has also entered into a revenue sharing model with FPI where it will pay the latter a share of the annual revenue, while it continues to operate the orchards for a period of 25 years. Upon completion of the transaction on 1 December 2017, the Company received U.S.\$110 million in cash proceeds and reduced its invested capital, improving its return on invested capital.

On 13 October 2017, the Company announced that it (and Olam Treasury Pte Ltd, as co-borrower) secured a U.S.\$1,750 million revolving credit facility, guaranteed by the Company, consisting of three tranches — a 364-day revolving credit facility of U.S.\$583.33 million, a 2-year revolving credit facility of U.S.\$583.33 million and a 3-year revolving credit facility of U.S.\$583.34 million. Proceeds from the facility will be applied towards the refinancing of existing syndicated and bilateral bank loans of the Company and its subsidiaries.

On 18 December 2017, the Company announced a strategic partnership with Mitr Phol Sugar Corporation (Mitr Phol), the world's fourth largest and Asia's largest sugar producer, to capitalise on the attractive growth opportunities for sugar milling and refining in Indonesia. Mitr Phol will invest U.S.\$100 million for a 50 per cent. stake in the Company's wholly-owned subsidiary Far East Agri (Far East), which operates PT DU.S.. The Company will retain the remaining 50 per cent. stake in Far East. Under the new agreement, Far East will explore the development of a green-field sugar milling facility in East Java. This transaction generated a one-time gain of approximately U.S.\$80 million based on the written down carrying value of the assets for the financial year ended 31 December 2017.

On 15 January 2018, the Company announced that its Bilala palm oil mill and concessions in Mouila, Gabon, achieved RSPO certification. It is the second of two plantations managed by the Group to be certified, and covers 15,900 hectares of planted oil palm, and 19,500 hectares of protected High Conservation Value areas. The certification boosts the Group's RSPO certified production hectares to 55,400 hectares.

On 19 January 2018, the Company announced that it had acquired 546,000 ordinary shares in Long Son Joint Stock Company ("**Long Son**"), a company established under the laws of Vietnam, and a cashew processor, for a total consideration of U.S.\$20.0 million. Following the acquisition, Long Son became a 30.0 per cent. associated company of Olam. It also announced that it had entered into a Stock Purchase Agreement with Confitera Co., Ltd. ("**Confitera**"), which the Company holds approximately 20.0 per cent. interest, for the repurchase by Confitera of the Company's 387 shares held in the capital of Confitera for an aggregate consideration of JPY 83 million. Following the sale of shares, Confitera ceased to be an associated company of Olam.

As announced on 17 November 2017, the Company allotted and issued an aggregate of 91,348,968 new Shares pursuant to the exercise of an aggregate of 91,348,968 warrants, as a result of which the Company's public float fell below 10 per cent., to approximately 9.31 per cent. On 27 February 2018, the Company announced that after the expiry of the warrants on 29 January 2018, Temasek Holdings held approximately 53.8 per cent. of the Company's issued share capital (excluding treasury shares). Mitsubishi held 17.5 per cent. of the enlarged capital base while KC Group held 7.1 per cent. after it exercised all of its warrants. On 2 April 2018, following the vesting and release of shares under certain subsisting restricted share awards and performance share awards granted under the Olam Share Grant Plan, the percentage of

the Company's total issued shares (excluding treasury shares) that is listed and held by the public was 10.27 per cent, satisfying the requirement under the Rule 723 of the Listing Manual, where at least 10 per cent. of the Company's ordinary shares are in the hands of the public.

On 26 March 2018, the Company announced that it had secured a three-year sustainability-linked revolving credit facility, aggregating U.S.\$500.0 million, with Olam Treasury as co-borrower to the facility. This is Asia's first sustainability-linked club loan with multiple banks issuing the loan together and in collaboration with the borrower on achieving sustainability targets. The targets are based on pre-set environmental, social and governance metrics, which will be tested annually. If the targets are achieved, the interest rate on the facility will be subsequently reduced.

On 28 March 2018, the Company announced that it had secured medium term financing facilities, aggregating U.S.\$163.0 million from the Asian Development Bank and Japan International Cooperation Agency. The facilities consist of two tranches: (i) a U.S.\$83.0 million five-year facility and (ii) a U.S.\$80.0 million seven-year facility. Proceeds from the facilities was to be applied towards capital expenditure and working capital requirements of the Company and subsidiaries in Vietnam, Indonesia, Timor-Leste and Papua New Guinea.

On 29 March 2018, the Company also announced that it sold its wholly owned subsidiary PT ACE Dalle Kokoa Manufaktur, a company incorporated in Indonesia which held land as its primary asset, to PT Mega Khatulistiwa Propertindo, for approximately U.S.\$14.0 million.

On 17 April 2018, the Company announced the launch of AtSource, a sustainable and traceable sourcing solution that will provide environmental and social insights into the journey of agricultural raw materials and food ingredients from the farm to manufacturing and retail customers. AtSource will also enhance the Company's ability to assess and positively influence the environmental footprint of the farmers in the Company's supply chain, the vast majority of whom are smallholders growing crops such as cocoa, coffee and cashew in emerging markets. AtSource presents manufacturers with rich and granular data through a digital dashboard which tracks the social and environmental footprint of a product.

On 18 April 2018, the Company announced the formation of a joint venture, Guzman Coffee & Nuts, SL. ("GC&N") in Spain. The Company paid a consideration of approximately EUR1.88 million for a 29 per cent. stake in GC&N with Guzman Global, SL holding the remaining stake. The new joint venture will import and distribute coffee and edible nuts in the Spanish and Portuguese markets.

On 3 May 2018, the Company announced the acquisition of a 100.0 per cent. shareholding in Inversiones Andinas J&V S.A.C ("Andinas") for U.S.\$3.5 million. Incorporated in Peru, Andinas is involved in origination, processing, packaging and marketing of quinoa and chia, which became new adjacent products to Olam's Edible Nuts portfolio.

On 11 May 2018, the Company announced its intention to acquire a 60.0 per cent. shareholding interest in Cotontchad SN, a state-owned company with exclusive rights to procure, process and sell Chadian cotton and by-products, for U.S.\$16.5 million. The transaction was completed in 2019.

On 4 June 2018, the Company announced the acquisition of a 100.0 per cent. shareholding interest in Ruyat Oil Limited ("Ruyat") for an aggregate consideration of U.S.\$4.4 million. Ruyat is incorporated in Nigeria with principal activities in sourcing of crude vegetable oil, refining and marketing of refined, bleached and deodorised Olein.

On 19 July 2018, the Company announced that its wholly owned subsidiary Olam Americas Inc. priced a U.S.\$100.0 million issuance of five-year fixed rate notes via a private placement at a fixed coupon of 4.35 per cent. The proceeds from the issue of the Notes was to be used by Olam Americas Inc. and its U.S. affiliates for repayment of existing debt and general corporate purposes.

On 20 September 2018, Olam Treasury announced that it had secured its second term loan facility of JPY30.0 billion (approximately U.S.\$265.0 million) in the Japanese loan market, consisting of JPY20.7 billion, a three-year tranche, and JPY9.3 billion, a five-year tranche, guaranteed by the Company.

On 28 September 2018, the Company announced that the Company and its wholly owned subsidiary, Olam Treasury, had secured a multi-tranche revolving credit facility (“**RCF**”) aggregating U.S.\$1,425.0 million. The RCF consists of a 364-day facility of U.S.\$570.0 million, a two-year facility of U.S.\$427.5 million and a three-year facility of U.S.\$427.5 million. The proceeds from the RCF will be applied towards refinancing existing loans of the Company and its subsidiaries.

On 25 January 2019, the Group announced its new strategic plan for the next six-year period from 2019 to 2024. It added that it was in the process of appointing financial advisors to explore various options to maximise value for shareholders. This exercise was completed in the fourth quarter of 2019.

On 11 February 2019, the Company announced that QCC, an indirect wholly-owned subsidiary of the Company, disposed of its entire 51 per cent. shareholding in Collymongle Ginning Pty Ltd (“**CGPL**”), a company incorporated in Australia, to PJ & PM Harris Pty Ltd (“**Harris**”) following an exercise of option, for a total cash consideration of A\$4.08 million. QCC had in 2014 sold down its shareholding in CGPL from 100 per cent. to 51 per cent. to Harris. The Company also announced that its wholly owned subsidiary Olam Argentina S.A. had disposed of its entire 100 per cent. equity interest in Olam Alimentos S.A. (OAL), a company incorporated in Argentina with the principal activity in peanut shelling and blanching, to Adecoagro, for cash consideration of U.S.\$10 million.

On 26 February 2019, the Company announced the acquisition of an 85.0 per cent. equity interest in YTS Holdings Pte Ltd (“**YTS**”) which owns 100.0 per cent. of Indonesia’s largest cocoa processor PT Bumitangerang Mesindotama (BT Cocoa) from its founding members, Piter Jasman and family, for a total cash consideration of U.S.\$90.0 million. The acquisition is intended to expand the Group’s cocoa platform in Asia and further enhance the product offering in the Asia Pacific markets.

On 1 April 2019, the Company announced that the Company and Olam Treasury secured a three-year digital-linked revolving credit facility aggregating US\$350.0 million. The pricing of the facility is linked to Olam’s digital maturity score, which is determined by the Boston Consulting Group using their proprietary “Digital Acceleration Index” methodology that assesses Olam across four digital building blocks: (1) business strategy driven by digital; (2) digitising the core; (3) new digital growth; and (4) enablers. The Company and the participating banks have agreed on annual improvement targets over the course of the facility which, if achieved, would trigger a reduction in the interest rate.

On 21 May 2019, the Company announced that its wholly-owned subsidiary Olam Americas Inc. successfully priced a US\$120.0 million issuance of five-year fixed rate notes via a private placement to nine investors at a fixed coupon of 3.89 per cent. per annum. The proceeds from the issuance was to be used by Olam Americas Inc. and its U.S. affiliates for repayment of existing debt and general corporate purposes.

On 3 July 2019, the Company announced that its wholly owned subsidiary, Olam Holdings B.V. (“**OHBV**”) secured a revolving credit facility aggregating US\$375.0 million. The facility has a 364-day tenor with an option to extend for a further 364 days. Proceeds from the facility was to be used towards refinancing of OHBV’s syndicated loan and bilateral bank loans of the Company and its subsidiaries.

On 19 July 2019, the Company announced that the Group acquired the remaining minority shareholding of 6.98% in Milky Projects Limited, which directly holds equity in RUSMOLCO, from its founding shareholder. Following the acquisition, RUSMOLCO becomes a wholly-owned subsidiary of Olam.

On 10 September 2019, the Company announced that the Company and Olam Treasury secured a revolving credit facility of US\$525.0 million, consisting of three tranches – a one-year revolving credit facility of US\$315.0 million, a two-year revolving credit facility of US\$105.0 million and a three-year revolving credit facility of US\$105.0 million. The interest margin of the revolving credit facility is linked to meeting sustainability Key Performance Indicators (“**KPIs**”) which are aligned with the Company’s three purpose outcomes of Prosperous Farmers and Food Systems, Thriving Communities, and Regeneration of the Living World. The KPIs will be tracked and reported by the Group’s Corporate Responsibility & Sustainability team and independently assessed by Ernst & Young based on agreed-upon procedures approved by the banks.

On 17 October 2019, the Company announced that the Company and Olam Treasury secured a multi-tranche revolving credit facility aggregating US\$1,525.0 million, consisting of a 364-day revolving credit facility of US\$610.0 million, a two-year revolving credit facility of US\$457.5 million and a three-year revolving credit facility of US\$457.5 million for refinancing of existing loans.

On 22 October 2019, the Company announced that it had signed a purchase agreement to acquire a 100% interest in leading Californian almond processor and ingredient manufacturer Hughson Nut Inc. and associated real estate assets from APB Partners, LLC at a total enterprise value of US\$54.0 million. The acquisition of Hughson Nut Inc. is consistent with the Group’s strategic plan to offer differentiated solutions, such as ingredients and product innovation, and to target new customer segments in co-manufacturing, food service and e-commerce. Given Hughson Nut Inc.’s extensive processing capabilities, the Group can now offer a fully integrated solution across the almond value chain from the U.S., including processed whole nuts and value-added ingredients, complementing similar capabilities in Australia and Vietnam.

On 1 November 2019, the Company announced that the Group completed the acquisition of 100% equity stake in Dangote Flour Mills Plc (“**DFM**”), a leading flour and pasta manufacturer incorporated in Nigeria for an aggregate consideration of NGN 120 billion. The acquisition of DFM supports the Group’s strategy for the Grain and Animal Feed & Protein business to expand its wheat milling capacity in high-growth markets, such as Nigeria. The Group and DFM combined would provide enhanced manufacturing capacity and create synergies with the Group’s existing business.

On 26 November 2019, the Company announced the sale of the real estate assets (the “**RE Assets**”) of the Group’s onion and garlic processing facility in Gilroy, California to Chicago-based investment management firm Mesirow Financial (“**Mesirow**”) for a total consideration of US\$110.3 million. It also entered into a tiered revenue sharing arrangement with Mesirow with whom it will share a part of the annual revenue from operating the assets for a period of 25 years. This was completed in December 2019 with the transfer of the titles to the RE Assets by the Company and the total consideration discharged by a cash deposit paid and a promissory note issued to the Company by Mesirow. On 4 May 2020, the Company announced that it was notified by Mesirow that, because of significant financial market disruption/challenge arising from COVID-19, it has been unable to secure the required debt and equity financing to meet its obligations under the promissory note by 30 April 2020. Consequently, it had mutually agreed with Mesirow to terminate the tiered revenue sharing arrangement and for Mesirow to transfer the titles of the RE Assets back to the Company. The Company will recognise the RE Assets at current fair value, the assessment of which is expected to be completed by 30 June 2020. Any difference between the fair value of the RE Assets and the aforementioned consideration will be recorded in the unaudited financial statements of the Company for the half-year ending 30 June 2020.

On 10 December 2019, the Company announced that it has through Olam Orchards Australia (“**OOA**”) completed the sale of 89,085 megalitres of its permanent water rights in Australia to a related entity of the Public Sector Pension Investment Board (“**PSP Investments**”), one of Canada’s largest pension investment managers, for a total consideration of A\$490.0 million. PSP Investments acquired approximately 12,000 hectares of almond orchards and related assets in Victoria, Australia, which were previously leased to OOA. Both the almond orchards and the associated water rights will continue to be operated by OOA. The transaction resulted in a one-time post-tax gain of S\$232.0 million.

On 24 December 2019, the Company announced that it has divested 10.0% of its 40.5% stake in ARISE Integrated Industrial Platforms (“**ARISE IIP**”) to Africa Finance Corporation (“**AFC**”) for a consideration of US\$59.0 million as part of the re-organisation of its associated company, Gabon Special Economic Zone (“**GSEZ**”). GSEZ has re-organised its business into three separate verticals – ARISE Port & Logistics (“**ARISE P&L**”), ARISE IIP and ARISE Infrastructure Services (“**ARISE IS**”). The transaction resulted in a one-time post-tax gain of S\$40.4 million.

On 20 January 2020, the Company announced that it will reorganise its business portfolio to create two operating groups: (1) Olam Food Ingredients (“**OFI**”) and (2) Olam Global Agri (“**OGA**”), both held by the parent Olam International Limited (i.e. the Company) which will provide stewardship and act as an accelerator incubating new growth engines. OFI offers natural food products and ingredients to customers. It leverages its portfolio of food products to provide solutions for consumers’ changing preferences and demands. OGA operates as a food supplier in Asian and African countries, to meet consumers’ rising demand and a shift to protein-based diets. As an accelerator, the Company is responsible for nurturing gestating businesses to full potential, incubating new engines for future growth, managing the responsible divestment of non-core assets and de-prioritised businesses identified in the Strategic Plan and redeploying the released capital for further growth. This reorganisation plan will enable the Company to maximise the Group’s long-term value and its potential in future capital raising options.

On 28 January 2020, the Company announced that the Group reduced its effective interest in ARISE P&L from 40.5% to 31.0% as part of GSEZ’s re-organisation with infusion of additional capital by A.P. Moller Capital and AFC. This transaction has resulted in a cash release of US\$31.0 million and an estimated one-time gain of US\$12.0 million for the Group.

On 24 March 2020, the Company announced that the Group completed the sale of its remaining 50.0% equity interest in Far East Agri, which owns the sugar refining asset in Indonesia, to joint venture partner Mittr Phol Sugar Corporation for a total consideration of US\$82.5 million with additional US\$2.5 million contingent on the satisfaction of conditions provided in the sale and purchase agreement within three years from completion. The Group will book a post-tax capital gain of approximately US\$37.5 million for 2020.

On 7 April 2020, the Company announced that the SGX-ST had on the same day informed the Company that it has no objection to granting a waiver from Rule 707(1) of the Listing Manual of SGX-ST, which allows an extension of time until 29 June 2020 for the Company to hold its FY2019 AGM (the “**Waiver**”). The Company had also applied to ACRA for a similar extension of time to hold the FY2019 AGM pursuant to Section 175(1) of the Companies Act (Chapter 50 of Singapore) (the “**CA**”), and to seek an extension of time to lodge its annual return for FY2019 with ACRA pursuant to Section 197(1) of the CA by 30 July 2020 (the “**ACRA Approvals**”). ACRA had on 3 April 2020 approved the Company’s applications. On 28 April 2020, the Company announced that it will hold the FY2019 AGM on 20 May 2020 by electronic means.

On 9 April 2020, the Company announced that PureCircle and Ingredion Incorporated (“**Ingredion**”) had reached an agreement on the terms of a recommended acquisition whereby the entire issued and to be issued share capital of PureCircle will be acquired by Ingredion SRSS Holdings Limited (“**Bidco**”), a wholly-owned subsidiary of Ingredion (the “**Acquisition**”). It is intended that the Acquisition will be implemented by means of a scheme of arrangement under the provisions of the Bermuda Companies Act (the “**Scheme**”). The Company (being a significant shareholder of PureCircle), along with the remaining significant shareholders of PureCircle, have each irrevocably undertaken to vote (or procure the voting) in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the general meeting of PureCircle (or in the event that the Acquisition is implemented by way of a takeover offer, to accept, or procure the acceptance of, the takeover offer) and to elect to receive new shares in Bidco, in each case, in respect of all of their respective holdings in PureCircle. The actual number of shares to be sold and aggregate consideration to be received by the Company remains subject to the election by the existing shareholders of PureCircle. Upon completion of the Acquisition, the Company will be a party to a shareholders agreement with Bidco, Ingredion and the minority shareholders in Bidco. The Acquisition is subject to, amongst others, the satisfaction of certain material conditions, sanction of the Court, the approval of PureCircle’s shareholders as well as the delivery of the Order of the Court to the Registrar of Companies.

On 29 April 2020, the Company announced that the Company and Olam Treasury have secured multi-tranche financing facilities (the “**Facilities**”) aggregating US\$176.0 million from the International Finance Corporation (“**IFC**”) and Japan International Cooperation Agency (“**JICA**”). The Facilities consist of two tranches - a 5-year term loan of US\$120.0 million and a 7-year term loan of US\$56.0 million. Proceeds from the Facilities will be used for the procurement of specific agri-commodities from smallholder farmers in Vietnam, Indonesia, Timor-Leste, Papua New Guinea and Uganda as well as the expansion of Olam’s cocoa processing facility in Indonesia.

Business Overview

The Group’s business today involves supplying food, feed and fibre to over 25,200 customers worldwide. Its value chain spans over 60 countries and includes farming, a direct and indirect sourcing network of an estimated five million farmers, processing, distribution and trading operations. Built over the last 30 years, its value chain participation involves the following activities:

Selective Upstream

The Group selectively integrates upstream into plantations and farming targeting specific countries where it believes these countries have a comparative advantage to produce these commodities cheaper and better sustainably over the long term. It invests upstream if it is able to achieve a cost structure below the marginal cost producer’s cost of production for that commodity that would allow it to be viable across commodity pricing cycles. This ensures that the Group would be profitable in the upstream activity under all pricing scenarios including a deep commodity down cycle. Its strategy to integrate upstream is therefore not based on a speculative judgment of higher commodity prices over the long term.

The Group has built an upstream business, which it initially entered through an almond orchard acquisition in Australia in FY 2010 and now includes other perennial tree crops, broadacre row crops, dairy farming and forest concessions. The Group expands upstream selectively where it sees the grower, rather than the trader, or buyer, having an increasing share of the profit pool in the product value chain. It also invests in areas where it believes it can build a significant cost advantage that could result in attractive returns. These businesses have gestation periods and will take time to reach maturity, but when operating at full potential, are expected to deliver higher margins than the core supply chain or midstream businesses given that these investments have been selected based on their margin profile and cost position.

The Group’s vision is to be the “world’s best planter”, applying the highest standards in sustainable development with the aim of creating net positive impacts for the Company, the communities and the living world.

Supply Chain

The Group’s supply chain management business involves origination and sourcing of a product from a supplier in a producing country (the “**Farm Gate**”) in the Origins, primary processing, exporting, shipping, importing and warehousing, marketing and final distribution at the point of delivery to customers (the “**Factory Gate**”) in the Destination Markets.

As a supply chain manager, the Group’s profitability is driven primarily by the volume of the products sold to its customers and the degree of value-added services that it provides. For every transaction, the Company targets a specific minimum profit per unit handled based on the risks and complexities of meeting the customer’s requirements. The Group constantly evaluates the pricing conditions on the demand side and then considers its costs along the supply chain to determine whether it can achieve its targeted profit per unit handled. The Company will generally not purchase agricultural products from the Farm Gate if it is unable to generate its targeted profit per unit handled.

The Group’s principal role is to source agricultural products directly from Origins and supply them in a reliable and consistent manner to its customers in the Destination Markets. As payment for performing that

role, the Group seeks to capture the margins that exist in the supply chain. The Group does not consider itself to be a directional, positional, proprietary or speculative commodity trader. The Group takes positions, within pre-set risk limits, in products with the main objective of meeting its customers' demands. The Group does not take positions based on its view of the direction or size of commodity price movements and does not take positions in the futures or physical markets unless they are backed by underlying physical transactions, except in Commodity Financial Services, where it would operate by the risk limits set for the business.

The Group has a diversified customer base, which include multi-national food companies, textile manufacturers, wood and furniture component industries, importers and distributors of products in the Destination Markets.

The Group's suppliers are comprised of farmers, port-town suppliers and agents, origin exporters, government monopolies and cooperatives.

The sections below describe the Group's principal activities in the supply chain operations.

Global Origination and Sourcing

Origination involves sourcing directly from the Farm Gate, which the Group believes is the foundation of its supply chain management business. The Group believes that the majority of the value in an agri-business supply chain is generated between the Farm Gate and the point of export in the producing countries.

To achieve effective origination, the Group sources its products directly from the Farm Gate through its network of local buying agents ("LBAs"), who deal with the Company either as principals or on a commission basis. The Group procures commodities from the Farm Gate from farmers and village-level agents and suppliers through an elaborate network spanning hundreds of buying posts in the Origins. As such, the network of farmers, village level agents and suppliers number in the hundreds and are widely dispersed across the growing areas in any one Origin.

To be close to its product sources, the Group sets up procurement offices in the main growing areas of the Origins in which it operates. Most of the Group's procurement offices have warehousing facilities, weighing stations, quality checking facilities and trained staff that check the quality and weight before the products are accepted. In this way, the Group is able to exercise control over the procurement process and manage the physical flow of products from the point of origin. The products which the Company procures are then cleaned, graded, dried, processed and bagged before they are transported to the port town for export shipments or to an interim location for further processing or aggregation.

The Group believes that controlling its products at the point of origin has the following principal benefits:

- Ability to screen the quality of the products to remove any admixture products before transporting them to the processing plant or to the port, thus saving on transportation costs;
- Ability to sort the products by location-specific quality, which enables it to offer value-added services to its customers such as providing tailored product grades. For example, some of its customers may request a type of cocoa bean grown only in certain parts of Côte d'Ivoire. With the Group's origination expertise and depth, it is able to provide such value-added services;
- Ability to provide traceability, because it knows how and where the particular products were cultivated. The Group believes that its customers value this service as a means of ensuring that their products comply with socially responsible business practices, an increasing concern of many of its customers;
- Ability to obtain certification of organic products;

- Ability to gain proprietary market information on crop quality and size. Such information is valuable for the Group's own business decisions and can also be sold to its customers; and
- Ability to establish close relationships with suppliers which helps ensure a stable supplier network. The Group works closely with farmers to improve the efficiency and reliability of the farmer's cultivation practices.

Primary Processing

For most products, the Group processes the agricultural products before they are shipped to the Destination Markets. During processing, the Company subjects the agricultural products to various conditions that change their physical characteristics. Examples of processing include cleaning, sorting and grading. The Company conducts processing activities at Origins, intermediate Destination Markets, final Destination Markets, or a combination thereof, depending on where such processing is most profitable. The key advantage of controlling various stages of processing is the ability to ensure quality, customisation of grades and hygiene certification to export the Company's products to Destination Markets.

Inland and Marine Logistics

The Group's inland and marine logistics activities are mainly outsourced to third-party logistics service providers, while its transportation and handling facilities and its warehousing and port infrastructures, with the exception of Gabon, are mainly leased. In the Grains' business, the Group undertakes bulk ocean freight operations where it selectively invests in vessels mainly for handling and risk management of its own captive requirements as well as for third party volumes.

The Group engages in different types of inland and marine logistics activities, depending on the nature of the shipping arrangements entered into. For example, with container shipment arrangements, the Group would typically enter into freight contracts with the various conference lines and its activities would include, among others, stuffing and delivery of the packed containers to the shipping lines. Alternatively, if the Group were shipping via bulk shipments, it would select time or voyage charters with the various shipping companies. Depending on the Company's terms with the charter parties, its activities may include freight forwarding, clearing, loading and discharging.

The Group's involvement in the inland and marine logistics stage enables it to reduce costs, improve efficiency and maintain the quality of its products. For example, in the Grains business, the Company enters into long term charters for better control of the rate of the loading and discharge and turnaround time when handling its own volumes or volumes from third parties.

Merchandising and Trading

The Group uses its first-hand knowledge of demand trends and supply conditions in the industry to identify potential customer requirements and new business opportunities.

The Group's marketing initiatives are aimed at achieving effective integration with its customers, in order to enable it to become a preferred supplier and to act as a single, credible and reliable counterparty.

The Group has established marketing networks across the Destination Markets, consisting of its own offices and a network of marketing agents or brokers, who are engaged on a non-exclusive basis and on a per-transaction basis.

The Group carries out quality checks, undertakes clearing and forwarding of the cargo, obtains the necessary permission for exporting and acquires the requisite certificates.

The Group's importing and distribution activities depend on the product, market and customers' requirements. For example, in the case of cotton, the Company is able to deliver directly to markets such as India, China and Bangladesh. In the case of cashew kernels, the Group is able to deliver to roasters and salters across Europe and North America, while in the case of rice, it distributes directly to small wholesalers and retailers in countries such as Nigeria, Cameroon and Ghana.

The Group's involvement in distribution activities allows it to meet the specific needs of its customers, which vary in terms of location, time of delivery, volume and packaging.

Value-added Solutions

Through the Group's development of direct relationships with its customers as well as its origination expertise, it has developed an understanding of its customers' preferences and therefore, is able to offer customised value-added solutions in addition to a basic product. These solutions include differentiated solutions based on key industry trends in health and wellness, sustainability and digital, such as AtSource, vendor managed inventory systems ("VMI") services (which involves the outsourcing of inventory activities by its customers to the Group, to reduce working capital requirements and to improve its "just-in-time" practices by tapping the Group's inventory management expertise), grades and quality customisation, traceability guarantees, organic, sustainable and certified products, proprietary market intelligence, tailor-made risk management solutions.

Risk Management

The Group's risk management system is designed to minimise the variance in its targeted profits that may arise as it moves its products through its supply chain. Please refer to the Section on "*Risk Management*" for further details.

Selective Midstream/Downstream

The Group has selectively expanded into the midstream part of the value chain that offer attractive returns by processing some of the agricultural raw materials into ingredient quality intermediate products. It has invested in processing facilities that are close to the source or its customers, supported by research and development and backed by market insights. In order to mitigate any asset utilisation risk as it sets up these processing facilities, the Group does so only when there is sufficient internal captive load from the supply chain business, which eliminates the asset utilisation risk.

The Group has also invested in building a downstream packaged foods business in Africa, which stems from the strength of its unique capabilities related to the management of food supply chains and the common distribution infrastructure that it has built over 30 years for related products across the continent. The Packaged Foods business ("PFB") focuses on five product categories, of which products are manufactured, branded and marketed to consumers across major West African countries. It is one of the top two manufacturers of tomato paste, seasonings, biscuits, candies and drinking yoghurt in Nigeria. In Ghana, it is the number one biscuit and tomato paste producer.

Risk Management

The Group has a rigorous risk management framework that identifies and assesses the likelihood and impact of risks, and the actions needed to mitigate the impact across the entire business. The framework defines individual risks across 11 categories.

Overall responsibility in monitoring and assessing risk lies with the independent risk function (Risk Office), and oversight of each risk is divided among the five Board Committees – Risk Committee, Audit Committee, Capital & Investment Committee, Corporate Responsibility & Sustainability Committee and Human Resources & Compensation Committee. The Group's Chief Risk & Compliance Officer (CRCO)

is also a member of the Executive Committee and reports to both the Group Chief Executive Officer (GCEO) and the Chair of the Board Risk Committee (BRC), which comprises the Executive and Non-Executive Directors.

The BRC is also supported by the Executive Risk Committee (“**ERC**”). The ERC comprises key executives from the senior management team who support the risk governance process by promoting risk culture, approving large exposures and mediating large breaches.

The Risk Office reports to the CRCO and is responsible for identifying, assessing, measuring and monitoring risks, to provide the Group’s senior management and the Board with assurance that all the risks borne by the Group are within its risk tolerance. The Risk Office is responsible for risk monitoring and control on an independent basis and undertakes regular stress-testing of the Group’s portfolio.

Risk limits are set as part of the annual budgeting cycle, which are presented to the Board for approval. These limits — outright, basis, structure, arbitrage and Value-at-Risk (“**VaR**”) as well as credit and counterparty limits — are set based on various factors such as risk versus return, volatility of past earnings, adherence to limits and maximum loss limits derived from scenario and stress-testing. The number of years in business, strength of the management team, prevailing market conditions and the macro-economic outlook are also considered.

The CRCO is mandated to allocate the risk capital across businesses considering 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 assigned limits are set at all levels of hierarchy within the structure, i.e. at business unit level, value chain step level and at profit centre level, as well as any other limits the Risk Office deems appropriate.

Risk Appetite Framework

The Group’s Risk Appetite Framework (RAF) provides periodic updates on the magnitude of the risks being run across the businesses and regions set against Board-approved boundary conditions. The RAF defines levels of tolerance for the main risks assumed by the Group. The RAF was developed taking into account the following factors:

- Trading and Operational Risk — breaches and impact
- Capital and Liquidity buffer — imperatives for balance sheet
- Regulatory Compliance (external) — impact on reputation
- Internal Compliance — controls on environmental, social, governance & other related risks
- Concentration Risks — geographic concentration

Risk categories falling under these five factors are classified on a five-point risk scale from 1 (lowest) to 5 (highest) with defined measures, possible impacts and escalation protocols.

Fifty risks are evaluated and monitored, 16 on a quantitative basis (12 at the business unit level and four at the corporate level) and the remainder qualitatively. These 16 quantitative risks are reported in the Company’s Group Risk Dashboard (GRD).

The oversight of each of the 50 risks is divided among the 5 Board Committees (Board Risk Committee, Audit Committee, Capital & Investment Committee, Corporate Responsibility & Sustainability Committee and Human Resources & Compensation Committee).

In addition, the Enterprise Risk Scorecard (ERS) assesses the likelihood of each of the risks occurring and their potential impact. Each risk is evaluated for each business unit both on an inherent and residual basis using a traffic-light system of red-amber-green. Inherent risks are the threats that an activity poses in the absence of any mitigating factors in place; residual risks are those that remain after mitigations are considered.

In conjunction with the GRD, the ERS assists the Board with examining the effectiveness of the risk management systems and procedures and reviewing risk exposure and risk treatment plans. The RAF, GRD and ERS are updated and presented to the Board quarterly.

The Board is responsible for approving the overall risk capital of the Company at the start of the financial year. Risk capital, expressed as a percentage of the equity capital of the Company, refers to the maximum potential loss if all the trading risks across all product-types and geographic regions materialise at the same time.

The risks over which each of the 5 Board Committees exercises oversight are as set out below:

Risk Committee	Audit Committee	Capital & Investment Committee	Corporate Responsibility & Sustainability Committee	Human Resource & Compensation Committee
<p>Trading Risks:</p> <ul style="list-style-type: none"> • Price Risk • Basis Risk • Structure Risk • Arbitrage Risk • Liquidity Risk <p>Operational Risks:</p> <ul style="list-style-type: none"> • Credit Risk • Counterparty Risk • Transactional Currency Risk <p>Political & Sovereign Risks:</p> <ul style="list-style-type: none"> • Duty, Tariff & Export/Import Ban Risk • Asset Nationalisation Risk • Selective Discrimination Risk • Forced Abandonment Risk • Terrorism/Kidnapping Risk <p>Regulatory Risks:</p> <ul style="list-style-type: none"> • Market Compliance <p>Natural Perils Risks:</p> <ul style="list-style-type: none"> • Pandemic Risk • Fire Risk • Flood Risk • Earthquake Risk • Hurricane/Typhoon/Storm Risk 	<p>Operational Risks:</p> <ul style="list-style-type: none"> • Stock Risk • Quality Risk • Fraud Risk • Systems & Controls Failure Risk <p>Regulatory Risks:</p> <ul style="list-style-type: none"> • Bribery/Corruption Risk • Other Regulatory Risk • Transfer Pricing Risk • Taxation Risk <p>Cybersecurity & Other Risks:</p> <ul style="list-style-type: none"> • Cybersecurity Risk • IT Risk 	<p>Operational Risks:</p> <ul style="list-style-type: none"> • Project Execution Risk • Asset Utilisation Risk <p>Capital Structure & Financing Risks:</p> <ul style="list-style-type: none"> • Interest Rate Risk • Funding Liquidity/ Margin Call Risk • Credit Metrics Risk • Activist Investor Risk • Short Seller Attack Risk <p>Currency Risks:</p> <ul style="list-style-type: none"> • Translational Currency Risk 	<p>Reputational Risks:</p> <ul style="list-style-type: none"> • Social Risk — Safe & Decent Work • Social Risk — Economic Opportunity • Social Risk — Food Safety & Product Recall Risk • Environmental Risk — Healthy Ecosystems • Environmental Risk — Water • Environmental Risk — Climate Action • Environmental Risk — Healthy Soils • Environmental Risk — Waste • Safety and Health Risk <p>Agricultural Risks:</p> <ul style="list-style-type: none"> • Weather Risk • Pests & Diseases Risk • Agronomy/GAP (Good Agricultural Practices) Risk 	<p>Other Risks:</p> <ul style="list-style-type: none"> • Key Person Risks
Board — Strategic Risk Assessment				

The risk categories and their respective key controls and mitigations measures are set out as follows:

Risk category	Key controls & mitigations
Trading Risks	Trading risks are controlled by regular monitoring of positions using industry-standard metrics. The annual risk budgeting process defines position and risk metric limits to control exposures. The Group hedges price risk on the world's commodities exchanges, both through derivatives and tendering.
Operational Risks	Field operating control and primary sourcing infrastructure are in place in every country where The Group operates. The Group's credit/counterparty rating system defines credit limits and controls, Promoting fragmentation of credit exposure on short tenors. Insurance is taken to provide inventory cover as well as credit defaults.
Currency Risks	The Group operates in many geographies and is therefore exposed to many different currencies. G7 currency hedging is performed by a centralised Treasury function and local currency limits in the origins and destinations are assigned to accommodate operational requirements.
Agricultural Risks	The Group aims for transparency with stakeholders, addressing issues as they arise but also seeking to improve wider understanding of issues in the agri-complex. The Group makes information available.
Political & Sovereign Risks	The Group has deep-seated presence in many of the countries in which it operates, built over many years, and has consequently gained substantial knowledge of local practices. The Group maintains global political risk and terrorism risk insurance.
Reputational Risks	The Group has put in place a suite of policies, codes and standards to guide actions and behaviours. These include the Olam Code of Conduct; the Olam Crisis Escalation Procedure; the Olam Plantations, Concessions and Farms Code; the Olam Livelihood Charter; the Olam Supplier Code; the Olam Fair Employment Policy and the Olam Living Landscapes Policy.
Regulatory & Compliance Risks	The Group's Legal Function advises on general regulatory matters including bribery, corruption and sanctions. The Group's Market Compliance Office ensures compliance with derivative/exchange related regulation. Both are global functions.
Capital Structure & Financing Risks	The Group has a strong base of long-term shareholders. The Company maintains strong banking relationships providing committed banking lines, thereby assuring good liquidity.
Natural Perils	The Group maintains insurance cover against risk of natural disasters, such as flood, fire, earthquake and storms.
Other Risks	Succession plans are in place to provide a second line of leadership from within the Group's Operating Committee and Management Committee. The Group employs IT security experts, as well as having in place IT cybersecurity infrastructure.
Strategic Risks	All strategic risks are overseen by the office of the GCEO, and by the Executive Committee.

Risk Measurement

The Group continually upgrades its risk measurement methodology and focuses on the measurement of outright, basis, structure and arbitrage risk, currency risk, diversified value-at-risk (“**VaR**”) and stress testing to determine potential impact of adverse 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.

The VaR methodology calculates the potential loss arising from the commodity price, credit, counterparty and currency risks to which it is exposed.

Market risk (i.e. commodity price risk and currency risk) VaR is calculated over a one-day time horizon with a 95 per cent. confidence level for each product in the portfolio. Credit and counterparty risk VaR may be computed by applying default rates (based on counterparty ratings) and underlying commodity volatilities as appropriate.

Market Compliance Controls

One of the Company’s key priorities is to comply with the highest standards of business conduct. The Market Compliance Office (“**MCO**”) is responsible for ensuring regulatory compliance for the Company’s derivative trading units. The MCO carries out regular trader training courses to ensure familiarity with prevailing exchange rules globally and ensures that all new hires are comprehensively trained in the Company’s Trading Compliance Manual.

Risk Training and Communication

The Company has laid out risk policies that guide newcomers on the risks they will be required to manage and the risk systems that require timely and accurate reporting. The Risk Office frequently presents to the Company’s most senior management bodies. The purpose of this is to enable the continual reinforcement of the control environment and alignment of risk culture and awareness across the Company. From time to time, the Company’s Risk Office publishes risk advisories on pertinent matters to raise awareness and to promote industry best practices.

The Group’s Business Model

The Group’s business model is based on four elements which set its future direction:

1. **Defining the opportunity:** The agricultural commodity complex from a Farm Gate production value of U.S.\$6.1 trillion complex is growing at approximately 2.0 to 2.5 per cent. a year (Source: FAO, United Nations). The Group believes that although growth is modest, it is a significant and a very steady and predictable growth opportunity.
2. **New purpose:** The Group has redefined a new purpose for the Company in FY2017 and further refined it to be “Re-imagining Global Agriculture and Food Systems” in 2019. The Group’s new purpose is to support and double the production of food, feed and fibre (crop basis) to feed a growing world population estimated to be between 9.5 billion and 10 billion people by 2050 without destroying the planet and with less resources. It is also to transform the food system to produce more healthy food and reduce food wastage.
3. **Vision:** To be the world’s most differentiated and most valuable global food and agri-business by 2040.
4. **Governing objective:** To build and maximise long term intrinsic value for continuing shareholders, by opening up capital spreads between the rate of return and the cost of capital, increasing the rate of profitable growth, and sustaining the growth for as long a period as possible.

Over the past 30 years, the Group has developed three key sources of differentiation:

1. Portfolio strategy

- (a) The Group has a uniquely shaped portfolio, having developed a portfolio of speciality agri-products and food ingredients where it has built global leadership positions and is not in direct competition with major peer group companies. These speciality agri-products and food ingredients also serve today's consumer preferences for healthy foods.
- (b) In some select mainstream bulk commodity categories, such as Grains and Animal Feed, and Edible Oils like palm, the Group has adopted a defensible and differentiated strategy. In the Grains and Animal Feed business, the Group is focused on destination processing, such as wheat milling in West Africa, where it has achieved strong leadership position. The Group is one of the top three largest wheat millers by market share in Nigeria, Ghana, Cameroon and Senegal. It is also one of the largest developers of sustainable palm businesses in Africa.
- (c) The Group has a well-balanced portfolio with selective integration in the value chain — by the end of FY2018 approximately 27.4 per cent. of its invested capital is in upstream businesses while approximately 37.8 per cent. of its invested capital is in midstream processing, with the balance in supply chain operations — to capture value. The current portfolio has more than 80 per cent. of revenues coming from the more recession-resistant food categories, while the balance is derived from the more recession-sensitive Industrial Raw Materials, Infrastructure and Logistics segment. The Group's portfolio is also well-diversified within each value chain step:

Diversified supply chain presence

The Group is diversified across products, geographies and markets with operations spread across more than 60 countries. For each product it supplies, the Group is present in its key producing countries around the world which allows it to meet customers' raw material requirements better in terms of quality, quantity and timeliness should any key producing country experience a short crop. In FY 2019, the Group sourced 25.8 per cent. of volumes from Asia, Australia and Middle East, 8.4 per cent. from Africa, 25.4 per cent. from Europe and 40.4 per cent. from the Americas. The Group's geographical diversification results in it not being over-exposed to any single origin for any given product.

The Group's sales are well diversified across markets and in FY2019, the Group derived 49.7 per cent. of its sales from Asia, Australia and Middle East, 13.6 per cent. from Africa, 20.0 per cent. from Europe and 16.7 per cent. from the Americas.

Diversified upstream presence

The Group farms 25 crops across multiple countries: it now manages almond orchards in Australia and the U.S. where it also grows walnuts and pistachios; pepper plantations in Vietnam and Brazil; palm and rubber plantations in Gabon; coffee plantations in Laos, Tanzania, Zambia and Brazil; a cocoa plantation in Indonesia; rice farming in Nigeria; grains farming in Russia; dairy farming in Uruguay and Russia; and forestry concessions in the Republic of Congo. Some of these plantation assets, including the rubber plantations, coffee plantations, dairy farming in Uruguay and forestry concessions, have been de-prioritised according to the Strategic Plan.

Selective and diversified midstream/downstream presence

The Group has built a configuration of food processing plants across products and geographies, either in Origins or closer to end-user customers. These value-added secondary processing activities include cashew processing in India, Vietnam, Cote d'Ivoire and Mozambique; peanut shelling and peanut paste manufacturing in the U.S.; vegetable ingredients and tomato paste manufacturing in the U.S.; soluble coffee production in Vietnam and Spain; cocoa grinding in Asia, Europe and West Africa; and wheat milling in Nigeria, Ghana, Senegal and Cameroon.

In its downstream packaged foods business in West Africa, the Group focuses on five product categories, of which products are manufactured, branded and marketed to consumers across major West African countries in addition to the key markets in Nigeria and Ghana.

Through selective integration into high value upstream, midstream and downstream segments of the value chain while continuing to build on its core supply chain platform, the Group has developed a uniquely shaped portfolio that provides a meaningful differentiation, which in turn enables it to capture incremental value.

- (d) The Group has a unique Africa footprint and operating capabilities. It has a direct presence in more than 20 African countries where its supply chains extend from farming, procurement, primary processing, export, to import, secondary processing, as well as packaged foods manufacturing and distribution. The Group has developed an extensive procurement network involving over 2.7 million smallholders and set up more than 180 processing sites. It employs over 87,600 full-time employees and seasonal workers.

2. Competitive strategy

- (a) The Group has developed strong relationships with its customers in the Destination Markets, many of which are well-known food multi-nationals. The strength of the Group's market capabilities in these markets is a result of its ability to provide customers with various value-added solutions and services based on key industry trends, such as health and wellness, sustainability and digitalisation — VMI services, grades and quality customisation, traceability guarantees, organic, sustainable and certified products, proprietary market intelligence and tailor-made risk management solutions. The Group believes that it is one of the few industry participants which have combined the market skills of a global trade house and the origination skills of an origin trade house.
- (b) The Group has developed strong origin management skills and has a track record of identifying origination opportunities, setting up and managing procurement and distribution infrastructure and institutionalising field operating systems effectively. With its own farms and an estimated network of five million growers and buying from these growers and village level agents, the Group disintermediates other third parties from the supply chain, thereby gaining direct access to suppliers at the Farm Gate. The Group sources its various products using a common infrastructure and employs field staff who are skilled in dealing with multiple products. In addition, the production bases of many of the Group's products are in developing countries, which require deep knowledge of local working conditions. The Group believes that these characteristics of the Origins present significant barriers to entry for its competitors. Its knowledge of global supply conditions and infrastructure and its understanding of all its Origins provides it with a significant advantage over its competitors at the point of origination in delivering timely, consistent and reliable supplies of products to its customers.
- (c) Given its strong origination capabilities, the Group has developed a distinct sustainability advantage by driving it from source and has become one of the leaders in sustainability in the industry. Based on its new purpose, the Group has refreshed its sustainability framework that aims to deliver three outcomes — prosperous farmers and farming systems, thriving

communities and regenerating the living world. It therefore focuses on 10 material areas that will impact the UN Sustainable Development Goals. In April 2018, the Group launched a digitally enabled sustainability initiative AtSource, a comprehensive sustainable sourcing solution for agricultural raw materials and food ingredients. A digital dashboard provides instant access to rich data, advanced foot-printing and granular traceability. Highly targeted interventions can then improve economic, social and environmental factors in the Group's operations.

- (d) In recent years, the Group has made significant investments in digitalising the Company and leading the sector in digital disruption. It is developing a business model where its goal is to resolve the pain points and therefore seize opportunities mainly in the first and last mile of supply chain, particularly for crops coming from emerging markets produced by smallholder farmers. In the first mile, the farmer base is highly fragmented with little access to technology, poor infrastructure and limited financing facilities, while in the last mile, customers are increasingly seeking traceable and sustainable products. The Group is therefore developing digital platforms to reach farmers directly disintermediating the middlemen. It is also driving transformation across the supply chain with the Farmer Services Platform initiative, an industry leading platform or marketplace that helps connect millions of farmers directly with the Company with fair and transparent price discovery while at the same time source their farm inputs and secure microfinance, insurance, etc. from different vendors and service providers.

3. Organisational advantage

- (a) The Group has built a global leadership and talent pool with deep specialist expertise as well as product, market and origin expertise underpinning its business model:
 - (i) It has developed a professional and experienced management team by consistently attracting high quality professionals with specialist skills and deep expertise. The Group has more than 1,000 managers in its global talent pool, many of whom have spent a certain minimum number of years working in an origin country. To support its business diversification into upstream (plantations and farming) and midstream (manufacturing) operations, the Group has built significant expertise in the organisation in these two areas. Most of the Group's core management team have had extensive field experience and are therefore adept at managing issues that may arise from operating in emerging markets.
 - (ii) It has created a foundation of talent and a unique set of operating competencies in Africa and Asia. As of 31 December 2019, about 54 per cent. of its primary workforce is in Africa while 29 per cent. is in Asia, Australia and the Middle East.
- (b) The Group has been building an inspired, high performing and entrepreneurial organisation by:
 - (i) Developing a satisfied, engaged and inspired talent base: The Group identifies organisational factors and enables leadership to identify their purpose that aligns with the Group's purpose. It is also able to retain its people by enhancing engagement in five areas namely, employer brand, career opportunities, learning and development, rewards and recognition, and collaboration;
 - (ii) Institutionalising 'The Olam Way', including its unique entrepreneurial culture, the blueprint for success in its business model: This has been the Group's capability for organisational learning, identifying what has worked well and the manner in which it replicates it. Given the fast-paced and diversified nature of its businesses, there is renewed focus on ensuring every action bears the Company's signature practice;

- (iii) Developing leadership and capability: The Group believes that success is not through business acumen alone but by inspiring a team towards a higher sense of purpose and standards of success. This is combined with concerted efforts in deepening organisational capabilities in the areas of trading, plantations, operational excellence, digital and sustainability. It includes a drive to up-skill nationals in emerging markets through localisation strategies, such as in-house training and mentor programmes, as well as partnerships with national colleges and globally renowned universities; and
 - (iv) Managing performance and rewards: The Group institutionalises a performance management process that is employee centric and future focused to transform the Company, and align it with its strategic goals.
- (c) The Group has a strong, diversified base of long term, well-established and reputable investors: Its ability to attract these investors and raise equity financing has provided it with funds to finance its investments and M&A activities and has also contributed to the Group's ability to obtain narrower spreads on its bank borrowings. The major fund raising activities of the Group were as follows:
- (i) In 2005, the Company raised net proceeds of approximately S\$185 million in its IPO;
 - (ii) In April 2008, the Company raised approximately S\$300 million through a preferential offering of new Shares to existing investors;
 - (iii) On 15 July 2009, the Company raised S\$437.5 million through an issue of new Shares to Breedens and Aranda, both indirect wholly-owned subsidiaries of Temasek Holdings;
 - (iv) In June 2011, the Company carried out the Equity Fund Raising which raised approximately S\$740 million through a private placement of new Shares to institutional and other investors, a *pro rata* and non-renounceable preferential offering of new Shares to entitled shareholders and the issue of new Shares to Breedens;
 - (v) In January 2013, the Company carried out the Rights Issue which raised approximately U.S.\$697.5 million, and was expected to raise further gross proceeds of U.S.\$500 million if all the Warrants issued during the Rights Issue were exercised. On expiry of the Warrants in January 2018, the Company raised a total of S\$657.3 million;
 - (vi) Breedens announced a voluntary conditional cash offer on 14 March 2014 which closed on 23 May 2014. Following the close of the Offer, Temasek Holdings and its subsidiaries and associated companies owned approximately 58.53 per cent. of the Company and the Company became a subsidiary of Temasek Holdings. As at the Latest Practicable Date, Temasek Holdings remains the majority shareholder of the Company with a controlling 53.64 per cent. stake while Mitsubishi holds 17.43 per cent and while KC Group holds 7.03 per cent; and
 - (vii) In August 2015, the Company raised additional equity capital by issuing an aggregate of 332.73 million new Shares in a private placement to Mitsubishi, at an issue price of S\$2.75 per Share, as well as a separate secondary shares acquisition from the KC Group. The issue raised gross proceeds of approximately S\$915.0 million, giving Mitsubishi a combined equity stake of 20 per cent. in the Company.

The Group's Businesses

Prior to the Re-Organisation, the Group's businesses were categorised into the following five segments for financial reporting purposes:

- Edible Nuts and Spices;
- Confectionery and Beverage Ingredients;
- Food Staples and Packaged Foods;
- Industrial Raw Materials, Infrastructure and Logistics; and
- Commodity Financial Services.

With the Re-Organisation, there will be changes in operational and financial reporting of the Group's businesses in line with the new structure.

For the periods included in the table below, the revenue from sale of goods (the "**Turnover**") contribution for each of the four segments was as follows:

Segment	Turnover Contribution (%) for FY 2018	Turnover Contribution (%) for FY 2019
Edible nuts and spices	14.1	13.4
Confectionery and beverage ingredients	23.4	20.3
Food staples and packaged foods	47.6	53.4
Industrial raw materials, infrastructure and logistics	14.9	12.9

For the periods included in the table below, the relative percentage of tonnage sourced by the Group from the geographical regions was as follows:

Region	Percentage of Tonnage Handled (%) for 12 months ended 31 December, 2018	Percentage of Tonnage Handled (%) for 12 months ended 31 December, 2019
Asia, Middle East and Australia	22.0	25.8
Africa	10.6	8.4
Europe	29.6	25.4
Americas	37.8	40.4

For the periods in the table below, the Turnover contribution by Destination Market was as follows:

	Turnover Contribution (%) for FY 2018	Turnover Contribution (%) for FY 2019
Destination Markets		
Asia, Middle East and Australia	43.0	49.7
Africa	15.4	13.6
Europe	24.7	20.0
Americas	16.9	16.7

Descriptions of the various businesses, categorised by the above-mentioned five segments, sourced and supplied by the Group are set out below:

Edible Nuts and Spices

The following table sets out the Group's sales revenue and EBITDA in the edible nuts and spices segment for FY 2018 and FY 2019:

	FY 2018	FY 2019
Sales revenue ⁽¹⁾ (S\$ Mn)	4,312.0	4,436.4
EBITDA ⁽¹⁾ (S\$ Mn)	339.9	342.4

(1) Numbers taken from audited financial statements for FY 2019.

Edible Nuts

The Group is a leading supplier of edible nuts and is the only global integrated player with farming, procurement, processing and distribution capabilities, spanning a unique portfolio which includes almonds, cashew, hazelnuts, peanuts, pistachios, walnuts, macadamias, sesame, quinoa and chia.

Through its worldwide network of more than 50 processing and packaging facilities, the Group offers a range of conventional and organic whole nuts, semi-finished, customised products and value-added ingredients to food manufacturers and retailers. In addition to its global sourcing capabilities, a team of agronomists and sustainability experts support yield improvements while preserving natural resources.

Cashews

A leading global player in the industry, the Group is the largest supplier of raw cashew nuts by market share in global trade with an integrated supply chain across most major producing and processing origins. As the world's largest processor of cashews, the Group operates 14 cashew processing and packaging facilities that span five countries across Asia and Africa, including semi-mechanised cashew processing facilities in Côte d'Ivoire, Mozambique, Nigeria, Vietnam and India. In early 2018, the Group acquired 30.0 per cent. interest in Long Son, the second largest cashew processor in Vietnam, to meet customers' growing requirements for supply of sustainable and traceable cashews across all grades. In 2019, the Group launched cashew nut paste and butter ingredients and commenced co-manufacturing of cashew products for its customers.

Almonds

The Group is the largest grower of almonds globally with orchards in Australia and the United States which enable it to provide a year-round fresh supply of high-quality almonds to its customers worldwide. The Group farms 37,000 acres of almond orchards in Australia, and 11,000 acres in the United States.

The Group operates an almond hulling and processing plant in Victoria, Australia with a total processing capacity of 40,000 MT of almond kernels per year. It also recently started operating a 15,000 MT almond ingredient processing plant in Vietnam. The Group plans to expand its upstream presence in both countries.

In 2019, the Group acquired Hughson Nut Inc. and associated real estate assets at a total enterprise value of US\$54.0 million to offer integrated almond ingredients processing capacity in the United States, including processed whole nuts (50,000 MT) and value-added ingredients (25,000 MT), complementing similar capabilities in Australia and Vietnam. During the year, the Group sold 89,085 megalitres of its permanent water rights in Australia and entered into a revenue-sharing agreement for continued access to the water rights for the orchards.

Hazelnuts

The Group entered the hazelnut business through the acquisition of the Progida Group in Turkey in 2011. Progida is a leading manufacturer and supplier of natural and ingredient hazelnut kernels and hazelnut paste to the global confectionery industries and amongst the top two hazelnut exporters from Turkey.

Peanuts

The Group is involved in peanut sourcing and processing operations in the United States and maintains a marketing and distribution presence in all major markets — the European Union, the United States, China, India and Southeast Asia. The Group's processing facilities and capabilities include shelling, blanching and the manufacture of peanut paste and peanut ingredients.

In 2015 the Group acquired MMI, the third largest peanut sheller in the United States. It operates two processing facilities in Georgia with 20 buying points and farmer stock storage assets at multiple locations in the Southeast region of the United States.

In 2016 the Group acquired Brooks Peanut Company, which was the sixth largest peanut sheller in the United States and the largest Alabama-based sheller.

In 2019, the Group disposed of, for a cash consideration of US\$10 million, its 100.0% equity interest in Olam Alimentos whose principal activity was peanut shelling and blanching in Argentina.

Sesame and other edible nuts

The Group is a leading player in the sesame business with procurement across key markets in Africa and Asia and sesame hulling operations in Nigeria. In 2017, it acquired a sesame hulling and Tahini manufacturing business in Turkey. It is now producing Tahini for private labels.

In FY 2015, the Group expanded into walnuts and pistachios by acquiring walnut and pistachio orchards in California. To-date, it farms 1,200 acres of pistachios and 300 acres of walnuts orchards. The Group plans to expand its upstream presence in pistachios.

In 2018, the Group acquired a 100 per cent. interest in Andinas, a Peru-based company involved in the origination, processing, packaging and marketing of quinoa and chia seeds, including private label volumes.

Spices

The Group is a vertically integrated global producer and supplier of spice ingredients. As a result of its long-standing relationships with farmers and strict food safety standards, it has become the largest dried garlic and onion supplier globally, as well as a global leader in chillies, pepper, tropical spices, purées and parsley.

With over 18 product lines, the Group grows its products in six countries, sources and operates in 11, manufactures in five and sells to more than 65 countries, supplying global, regional and small to medium sized businesses with natural ingredients for their food applications. Culinary experts at its Innovation and Quality Centre in Fresno, California work with customers to develop concepts, test ingredients and evaluate aroma, texture and colour to deliver flavour solutions.

The Group's Spices business was established in 2002 as a wholesale supplier. The business was built upon strategic acquisitions of ingredient companies and businesses. Beginning with the dried vegetable products business of Gilroy Foods & Flavors from Conagra in 2010. Other acquisitions include Key Food Ingredients, a Chinese dried garlic producer, VKL, an Indian spice manufacturer and Dehydro Foods, an Egyptian dried onion and herb manufacturer. Olam Spices also owns pepper estates in Vietnam and Brazil as part of its strategy to integrate its supply chains in selected spices.

In 2019, the Group began production of blends and seasoning mixes in India and New Mexico and expanded its e-commerce volumes.

The Group plans to expand the production and origination of key products, such as onions, garlic and tropical spices, in major origins. It also plans to further integrate its supply chains by investing selectively in higher value-added midstream processing operations, including co-manufacturing and packing of ingredients for its customers' brands. In addition, it intends to expand its product range to include other seed spices, herbs and vegetables, grow its e-commerce platform and use innovation to reach out to new market segments.

The Group has committed long-term investments to ensure the sustainability of its global supply chain, as this approach underpins its continued ability to deliver a high degree of food safety, traceability, sustainability, product integrity and overall value to its customers.

Confectionery and Beverage Ingredients

The following table sets out the Group's sales revenue and EBITDA in the confectionery and beverage ingredients segment for FY 2018 and FY 2019:

	FY 2018	FY 2019
Sales revenue ⁽¹⁾ (S\$ Mn)	7,129.8	6,686.2
EBITDA ⁽¹⁾ (S\$ Mn)	444.0	562.1

(1) Numbers taken from audited financial statements for FY 2019.

Cocoa

Supplying over 2,000 customers globally, the Group is a leading originator of cocoa beans and a global leading processor of cocoa powders, cocoa liquor and cocoa butters, as well as one of the top three integrated suppliers of cocoa beans and cocoa ingredients in the global trade.

The Group has an extensive primary procurement network in all major cocoa-growing countries across Africa, Asia and South America, and is one of the world's most diversified sourcing companies for cocoa. In 1998, the Group became the first international company to be granted approval by the Ghana Cocoa Board to operate as a Licensed Buying Company and has maintained a leading position thereafter. The Group is also a leading exporter in Côte d'Ivoire, Ecuador, Brazil, Nigeria, Indonesia and Cameroon and has good market shares in countries as diverse as Uganda, Tanzania and Papua New Guinea.

The Group has processing, refining and milling presence in the main cocoa producing countries, as well as in, or adjacent to, primary consumption markets in Europe, USA, Brazil and Asia.

To further integrate into the cocoa value chain, in 2013 the Group acquired a 95.0 per cent. stake in Indonesian plantation company PT Sumber Daya Wahana.

In 2015, the Group acquired ADM Cocoa combining its Cocoa business with ADM Cocoa to form Olam Cocoa, an expanded Cocoa business that combined the Group's unique and unparalleled strengths in Origins with a global market presence that is supported by research, information, analysis and futures market expertise. It allowed the Group to provide customers with greater benefits — from origin sourcing, sales and trading, market intelligence and research, risk management, value-added processing and supply chain solutions, to sustainability, research and development and product innovation.

In 2019, the Group announced the acquisition of an 85.0 per cent. equity interest in YTS which owns 100.0 per cent. of Indonesia's largest cocoa processor PT Bumitangerang Mesindotama ("**BT Cocoa**"), from its founding members, Piter Jasman and family, who will continue to hold the remaining 15 per cent. interest. BT Cocoa acquisition adds 120,000 MT of cocoa bean processing capacity and 30,000 MT of cocoa mass pressing capacity to serve increasing demand for cocoa products in Asia, especially cocoa powder, as well as strengthen the brand portfolio with its regionally strong BT Cocoa brand. During the year, the Group also commenced operations of a new port terminal and warehouse in the Netherlands for bulk cocoa beans and a new high flavour cocoa processing line in Koog, Germany, and launched the Specialty Cocoa Beans business.

The Group now has 3,000 cocoa experts based in 10 cocoa sourcing origins, 12 midstream processing facilities with global cocoa bean grind capacity in excess of 820,000 MT and a refining and milling capacity of over 80,000 MT, eight cocoa innovation centres, 17 dedicated sales offices and more than 200 warehouses.

The Group is a close collaborative partner with customers for innovation and ingredient development. Its portfolio of business-to-business cocoa ingredient brands is led by deZaan, with its heritage of more than 100 years of excellence, as well as African origin brand Unicao, South American origin brand Joanes, the regional Macao and Huysman cocoa powder brands, BT Cocoa in Indonesia, and Britannia confectionery and speciality fats brand. Within each brand portfolio, customers can select from technically specific formulations to support multiple applications, from dairy, biscuits and bakery, to beverages, ice creams and desserts, cereals and chocolate confectionery.

Coffee

The Group is one of the top three largest suppliers of coffee by market share in global trade. It has a strong presence in more than 15 Origins across large coffee-producing regions of Africa, Asia, Central and South America, and is well-supported by an extensive network of marketing offices across key coffee consuming countries.

The Group has developed competencies in the coffee business arising from its origination network in the key producing countries where its on-the-ground presence provides valuable market intelligence and proprietary origin information, which not only helps support its marketing and trading decisions, but also serves as a value-added service to customers. The Group also has the ability to assess the true values of coffee at origin, based on its quality systems, cupping facilities and trained quality and cupping personnel.

The Group's investment in processing operations in the Origins and quality control systems allows it to offer special grades of coffee tailored to customer specifications. Combined with the Group's logistics strengths in the Origins and Destination Markets, including its ability to hold stocks close to its customers, the Group is able to provide a high level of service to both large and small coffee roasters.

Within its core supply chain operations, the Group has a specialty coffee division that capitalises on its procurement and marketing expertise to help roasters find exceptional, certified coffees from established origins like Colombia, Indonesia and Guatemala to niche origins like Laos, Yemen and Burundi. In 2016, it acquired Schluter, the Switzerland-based East African coffee specialist, which operates milling facilities in the Democratic Republic of Congo and Burundi and helps promote specialty coffee in Europe.

Over the last seven to nine years, the Group has expanded from being a pure supply chain manager to an integrated player with significant investments in plantations and soluble coffee to cater to the rising demand for soluble coffee in Asia and Central/Eastern Europe. The Group is today the largest independent producer of soluble coffee, operating two state-of the-art soluble coffee processing facilities in Spain and Vietnam and providing frozen extract, spray dried, agglomerated and freeze-dried coffee to bulk and private label customers.

In 2019, as part of the Strategic Plan, the Group has de-prioritised coffee plantations while it continues to enhance its global leadership in the supply chain business and expand the soluble coffee business. During the year, it commenced new mill capacity in Guatemala, a wet mill in Uganda for specialty coffee, expanded warehousing capacity in Brazil, and opened a new Coffee Innovation Centre in the United States to develop coffee-based ingredients.

Food Staples and Packaged Foods

The following table sets out the Group's sales revenue and EBITDA in the food staples and packaged foods segment for FY 2018 and FY 2019:

	<u>FY 2018</u>	<u>FY 2019</u>
Sales revenue ⁽¹⁾ (S\$ Mn)	14,506.3	17.623.4
EBITDA ⁽¹⁾ (S\$ Mn)	288.8	454.6

(1) Numbers taken from audited financial statements for FY 2019.

Rice

The Group is a leading originator, distributor and merchant of rice globally and is amongst the top three suppliers by market share in global trade. It participates in the complete value chain from farming, milling, exports, shipping and logistics management through to branding, marketing and distribution.

The Group is one of the leading buyers of rice from key producing countries in Asia and the Americas from where it exports, and distributes the rice globally using its networks in sales, distributors and warehousing facilities. It has developed several recognised brands in Ghana, Nigeria, Cameroon and Mozambique that cater to the diverse markets within Africa. The Group plans to deepen its value chain participation in Asia origination and Africa branded distribution as well as private label trade in Asia, EU and the United States.

The Group has made selective investments in countries where it can extract greater value directly from the value chain. In Thailand, it operates an aggregation, polishing, sorting, upgrading and packing facility that allows it to ship rice from small 1 kilogramme packs to shipments in bulk vessels. In Nigeria, the Group has developed a 10,000 hectare greenfield fully integrated, mechanised and irrigated paddy farming and rice milling facility – the rice farm was highlighted by The Rockefeller Foundation as a “catalytic innovation in African agriculture”.

To manage port logistics at both ends of the value chain and secure efficiencies of scale, the Group uses voyage and period charters to ship its rice. It has also developed in-house expertise in shipping and logistics management, using innovative hedging tools to effectively manage freight market volatility.

The Group is a founding and existing board member of the Sustainable Rice Platform co-convened by the United Nations Environment Programme and the International Rice Research Institute. Olam has sustainability operations in five rice growing countries to improve the livelihood of the farming community as well as to reduce the greenhouse gas footprint of rice. It is in partnership with the Thai Rice Department and the German development agency GIZ to promote sustainable rice cultivation, and is working with rice farmers to implement the SRP standard.

Sugar

In January 2019, the Group announced that it has ceased sugar trading operations and that it will de-prioritise sugar by divesting the business and its assets over the next six years in its Strategic Plan. The Group was previously involved in the sales and distribution of sugar in Asia, Middle East and South America.

In 2017, the Group sold its 50 per cent. stake in the Company’s wholly-owned subsidiary Far East Agri (“**Far East**”), which operates PT DUS, the sugar refining company in Indonesia, to Mitr Phol, Sugar Corporation (“Mitr Phol”), the world’s fourth largest and Asia’s largest sugar producer for a consideration of US\$100 million. In March 2020, in line with the Group’s Strategic Plan it sold its remaining 50 per cent. equity stake in Far East to Mitr Phol for a consideration of US\$82.5 million, with US\$2.5 million contingent on satisfaction of an arrangement provided in the sale and purchase agreement, within 3 years from completion.

The Group’s remaining assets in sugar are in milling operations in India, which were acquired in 2009 and 2011.

Dairy

From its first consignment of milk powders into Algeria in 2004, the Group has since developed a dairy business with extensive operations in more than 20 countries across four major regions – Africa, Asia, Latin America and Middle East. Today, it is among the top five global traders of dairy products and ingredients in the world, with import and distribution operations in China, Brazil, Russia and Nigeria and a worldwide supply chain and distribution network that offers a full range of products in categories for milk powders, fat products, cheese as well as milk and whey protein concentrates, permeates and lactose.

In Russia, wholly owned subsidiary RUSMOLCO is an integrated dairy business with over 154,000 hectares of land assets involved in feed production, heifer raising, commercial crop production, elevation and seeds. With 24,000 cows, heifers and calves in Russia, it is one of the leading fresh milk producers in the country with current production of about 120 million litres per year. RUSMOLCO has established itself as one of the most efficient milk producers in the country with an average production of over 11,000 kgs/cow/year, twice over the national average per cow productivity. In 2019, it commenced new dairy farm at Serdobsk and plans to expand its dairy farming operations to meet the growing demand in the milk supply deficit country.

In Johor, Malaysia, the Group owns and operates a manufacturing facility that produces enriched milk powder and functional dairy blends. The facility was expanded in 2019 as part of its strategy to grow its midstream processing footprint to become a high quality dairy ingredients company.

The Group became the second largest shareholder of Open Country Dairy (“**OCD**”) in New Zealand in 2008. Following the partial takeover offer by Talley’s Group Limited in May 2014, the Group is a minority shareholder in OCD at 15.19 per cent. and maintains product offtake arrangements with the dairy processor.

The Group also operates an upstream dairy farming business in Uruguay through New Zealand Farming Systems Uruguay (“**NZFSU**”), which it has de-prioritised as part of the Strategic Plan. In 2019, it restructured the business by focusing on the central region and shutting down the east and west farms. NZFSU today manages 36 dairy farms with approximately 70,000 cows.

Grains and Animal Feed & Protein

The Group’s grains and animal feed & protein business is built on a configuration of destination processing assets in wheat milling and animal feed production in Africa and a global footprint in grains trading and bulk ocean freight business.

The Group is the largest wheat miller in Sub-Saharan Africa by installed capacity with 13 strategically located wheat milling facilities in Nigeria, Ghana, Senegal and Cameroon. In Africa’s most populous country Nigeria, it has made a series of acquisitions to become the largest wheat miller. Starting with the acquisition of CFM in 2010, the Group acquired Amber Foods in 2016 and recently Dangote Flour Mills in 2019 to strengthen its position as the market leader in flour and pasta products. It now has a total wheat milling capability of over 4 million MT per annum and complementary flour and pasta manufacturing capabilities that will serve consumer demand for bakery, snacks and pasta products.

In 2017, the Group commissioned Nigeria’s largest integrated animal feed complex with three poultry and aquafeed facilities. It has become a leading player in Nigeria, operating poultry breeding farms with hatchery to provide broiler and layer day-old-chicks, and feed mills to provide poultry and fish feed to local farmers.

Adopting an asset light approach, the Group originates, markets and distributes grains through a network of trading offices in Singapore, Shanghai, Dubai, Geneva, Sao Paulo, Rotterdam, Moscow, Kiev, Melbourne, U.S. and Durban into markets in North Asia, South East Asia, Africa, Middle East, Europe and America. In its bulk ocean freight business, the Group selectively invests in vessels or enters into long term charters mainly for handling and risk management of its own captive requirements as well as for third party volumes.

Edible Oils

The Group supplies a portfolio of oils, including palm, soybean, rapeseed and sunflower oils, to customers in the retail, food manufacturing, food service and personal care sectors across Asia, Africa, Middle East and Europe. It operates five trading and supply chain hubs in Singapore, India, China, the Netherlands and South Africa.

The Group has a 60:40 joint venture with the Republic of Gabon – Olam Palm Gabon (OPG) – the largest Roundtable on Sustainable Palm Oil (RSPO) certified producer in Africa. In 2016, OPG acquired palm oil assets in Gabon from the SIAT Group.

Today, 112,455 hectares are RSPO certified with more than 46,000 hectares under production, including two mills and a kernel crushing plant to produce RSPO and ISCC certified crude palm oil and palm kernel oil, as well as a refinery producing cooking oil and soap, which are sold to Gabonese consumers. The plantations are the first to have been independently assessed as climate positive (net drawdown of atmospheric carbon), and were recognised at the 2019 RSPO Excellence Awards for OPG's strong commitment to establishing sustainable oil palm plantations that generate net positive impacts through forest conservation.

It is on track to achieve full RSPO certification for all its plantations in Gabon by 2021.

The Group's palm oil supply chain originates from OPG's plantations in Gabon as well as third-party suppliers in Indonesia and Malaysia. It has made significant progress in its commitment towards traceable and sustainable supply chains involving third-party suppliers. In 2018, the Group achieved 100 per cent. traceability to mill for all its direct suppliers. It continues to work with these suppliers to develop a more transparent and traceable supply chain and work towards protecting forests and improving labour practices.

Concurrent with its upstream and supply chain developments, the Group leverages its food distribution channels to build up capabilities in the midstream refining and processing segments of the value chain to address the local and regional markets. In Nigeria, it acquired 100.0% interest in Ruyat Oil Limited in 2018 for a consideration of US\$4.4 million, whose principal activities are the sourcing crude vegetable oil, refining and marketing of refined, bleached and deodorised olein. In 2019, the Group completed the refinery upgrade by doubling capacity and making it multi-oil refining by adding soybean oil. In Mozambique, the Group owns and operates two refineries, port-based tanks, two soap plants as well as filling and packing lines. Given the challenging operating conditions facing the Mozambique refining business, the Group has de-prioritised the business as part of the Strategic Plan in 2019. Nevertheless, the Group will continue to invest selectively in midstream refining businesses in Africa to meet the increasing edible oil needs in the Central African Economic and Monetary (CEMAC) region.

Packaged Foods

The Group's in-depth understanding of Africa through its supply chain footprint has helped to build a strong packaged foods portfolio in Nigeria and Ghana. It participates in five categories across snacks, culinary and beverages, with nine brands in leadership positions. A robust distribution and redistribution network coupled with a deep understanding of consumers, and a strong innovation backbone, have helped to develop differentiated products, building brand awareness through insightful marketing campaigns.

In 2013, the Group entered into a joint venture with Sanyo Foods Co. Ltd of Japan ("Sanyo Foods") to manufacture and distribute instant noodles in Nigeria and across sub-Saharan Africa. In 2015, the Group expanded its relationship with Sanyo Foods which involved the sale of a 25.0 per cent. stake in its overall Packaged Foods business to Sanyo Foods for a price consideration of U.S.\$187.5 million based on an initial enterprise value of U.S.\$750.0 million for the business.

Under this joint venture with Sanyo Foods, the packaged foods business is today among the top two players in tomato paste, MSG seasonings, biscuits, candies and drinking yoghurt in Nigeria with brands such as Pure Bliss and Chic Choc in the biscuits space, Tasty Tom and Vedan in the culinary space, OK Pop in candies and FreshYo in beverages. In Ghana, it is the number one player in biscuits with brands such as Perk, King Cracker and Nutrisnax and in tomato paste under the brand Tasty Tom.

The packaged foods business will consolidate its footprint and achieve leadership in the culinary and snacks space in Nigeria and Ghana, and expand into adjacent markets in West Africa.

Industrial Raw Materials, Infrastructure and Logistics

The following table sets out the Group's sales revenue and EBITDA in the industrial raw materials, infrastructure and logistics segment for FY 2018 and FY 2019:

	FY 2018	FY 2019
Sales revenue ⁽¹⁾ (S\$ Mn)	4,530.9	4,246.7
EBITDA ⁽¹⁾ (S\$ Mn)	176.2	173.6

(1) Numbers taken from audited financial statements for FY 2019.

Cotton

The Group is one of the top two cotton merchants by market share in global trade, supplying all cotton growths to the world's textile markets. Its global sourcing network of over 100,000 farmers, ginners and suppliers across all four major growing continents of Africa, Asia, the Americas and Australia, coupled with its farming footprint in Australia and Brazil, are matched by a diversified customer base of textile mills across all major markets.

Following the acquisition of Australia's Queensland Cotton in 2007, the Group became one of the largest private ginners in the world. In Australia, it partners with cotton farmers to ensure throughput volumes for its gins and with land owners to lease and operate cotton farms. In the U.S., the Group has a well-diversified presence across the four cotton-growing regions and merchandises the entire range of U.S. quality grades. In Brazil it has long standing relationships with growers and a significant share in export and domestic markets. In 2019, it began farming operations by planting over 4,600 hectares across two adjacent leased farms (to Better Cotton Initiative standards ("BCI")), undertaking crop rotation with soya and corn to ensure soil health. In China and India, it has established an extensive network covering major growing regions and textiles mill customers.

The Group has a leadership position in several African countries and engages directly with smallholder farmers through its integrated ginning and contract farming operations located in Cote d'Ivoire where it engages small farmers to grow cotton. By providing agronomy support, agri-inputs and training, it supports farmers in improving yield and building capacity for area expansion. This has helped in building scale and higher throughput for its gins while positively impacting farmer livelihoods. The Group expanded this model in 2019 with the acquisition of 60.0 per cent. interest in Cotontchad SN, a state-owned company in Tchad with exclusive rights to procure, process and sell Chadian cotton and by-products.

The Group's central marketing office in Singapore and regional marketing offices in China, India, Turkey, Vietnam and the U.S. are close to major destination markets, including Bangladesh and Indonesia. The Group owns and operates warehouses in the U.S., Australia and Côte d'Ivoire, enabling it to meet customer requirements of timely shipment and up-to-date information.

Wood Products

The Group participates in selected trade flows from the Republic of Congo (Brazzaville) and Southeast Asia, specialising in responsibly-sourced tropical timber for multiple usage including furniture and construction. Its principal activities include responsible harvesting of natural forests, third-party sourcing, industrial processing, logistics and marketing of round logs and lumber in various forms.

The Group processes and exports logs, value-added lumber and wood products with a focus on Forest Stewardship Council® ("FSC®") certified products from its own forestry concessions in the Republic of Congo (Brazzaville). The concessions are managed by its wholly owned subsidiary Congolaise Industrielle

des Bois (“**CIB**”), a pioneer in Responsible and Sustainable Forestry Management in the Congo Basin. CIB manages about 2 million hectares of forest concessions all of which are FSC® certified — the largest area of FSC®-certified tropical hardwood concession in the Congo Basin.

The Group’s wood products are sold across Europe, United States and Asia, which together account for 80 per cent. of global wood consumption. It engages third-party independent forest certification schemes and delivers certified and labelled products to customers who demand such products.

In January 2019, the Group announced that it will de-prioritise wood products in its Strategic Plan by divesting the business and its assets in an orderly and responsible manner over the next six years. During the year, the Group closed its wood products business in Latin America.

Rubber

One of the key thrusts of the Group’s strategy in rubber was to selectively invest and develop upstream plantations in cost-competitive locations, such as Africa. In 2012, the Group entered into a public private partnership — Olam Rubber Gabon (“**ORG**”) — with the RoG to develop greenfield sustainable rubber plantations in Gabon. RoG has a 40 per cent. equity ownership in the joint venture with the balance of 60 per cent. owned by the Group. ORG has completed planting 10,860 hectares of rubber.

The Group also acquired a 100 per cent. stake in Société Agro Industrielle de la Comoe (“**SAIC**”), a crumb rubber processor with a rated capacity of 47,500 metric tonnes of natural rubber per annum, based in Côte d’Ivoire, which is the largest exporting country of natural rubber in Africa. SAIC sources latex directly from plantations owned by smallholders and cooperatives and processes it into crumb rubber for exports to U.S., European and Asian customers.

In 2019, the Group announced that it will de-prioritise rubber in its Strategic Plan by divesting the business and its assets in an orderly and responsible manner over the next six years. During the year, the Group closed the rubber trading desk which was set up to support its upstream and processing activities.

Fertiliser

The Group entered into an 80:20 joint venture with the RoG in 2011 to construct a 1.3 million MT granular urea plant in Gabon using natural gas as feed stock.

In 2019, the Group announced that it will de-prioritise Fertiliser in its Strategic Plan by divesting the business and its assets in an orderly and responsible manner over the next six years. The Group has closed the fertiliser trading desk and is currently in talks with potential strategic partners to co-share and de-consolidate its investment in the Gabon fertiliser project.

Infrastructure and Logistics

The Group has invested in the development of special economic zones and other infrastructure and logistics projects in Africa through associated company, Gabon Special Economic Zone (“**GSEZ**”). In 2019, GSEZ re-organised its business into three separate verticals — ARISE Port & Logistics (“**ARISE P&L**”), ARISE Integrated Industrial Platforms (“**ARISE IIP**”) and ARISE Infrastructure Services (“**ARISE IS**”) under the umbrella ARISE group, creating a pan-African infrastructure and logistics solutions company to extract full value from its investments in infrastructure and logistics projects in Africa and allowing each entity to pursue its own growth path while selectively expand into other markets in the continent.

As part of the re-organisation, the Group divested 10.0% of its effective 40.5% stake in ARISE IIP to Africa Finance Corporation (AFC) for a consideration of US\$59.0 million as well as reduced its effective interest in ARISE P&L from 40.5% to 31.0% with infusion of additional capital by A.P. Moller Capital and AFC.

The ARISE group focuses on originating, building and executing large scale infrastructure and logistics assets to address the infrastructure gap in Africa. ARISE P&L manages ports and logistics infrastructure projects in West Africa, including a mineral port and a general cargo port in Gabon, a cargo port in Mauritania and a bulk port in San Pedro, Côte d'Ivoire. ARISE IIP manages the special economic zone in Nkok, Gabon and will start the construction of an industrial zone in Benin in 2020. ARISE IS comprises other infrastructure management and development projects. Each vertical is a unique joint-venture partnership, with strategic partners and host government shareholders, including A.P. Moller Capital, Meridiam, STOA, SNEDAI and CDC Gabon. Some of the major projects are described below:

- **Special Economic Zone:** A 1,126-hectare multi-industry special economic zone in Nkok with 77 operational units and 26 under construction. It includes a wood products cluster where ARISE IIP operates from first to third transformation of wood products as part of the industrialisation of the Gabonese wood sector;
- **Mineral Port:** A 45-hectare mineral port undertaken in a 75:25 partnership with Meridiam, an international public infrastructure investment fund. The port was commissioned in 2017;
- **New Owendo International Port:** An 18-hectare general cargo terminal in Owendo, where ARISE P&L handles the general cargo, solid and liquid bulk and provides logistics services. The port started operations in 2017;
- **Infrastructure development:** A rural electrification project of 483 kilometre high-voltage and 180 kilometre low-voltage distribution network to connect rural areas to the national grid;
- **Airports:** A new international airport project in Libreville which ARISE IS will design, finance, build and operate under a 50-year concession. ARISE IS also manages the current airport in Libreville; and
- **Industrial Zone, Glo-Djigbé:** A 1,400-hectare integrated industrial zone located 40 kilometres from Cotonou, Benin, focusing on the industrialisation and transformation of agricultural resources.

Commodity Financial Services

The following table sets out the Group’s sales revenue and EBITDA in the Commodity Financial Services segment for FY 2018 and FY 2019:

	<u>FY 2018</u>	<u>FY 2019</u>
Sales revenue ⁽¹⁾ (S\$ Mn)	–	–
EBITDA ⁽¹⁾ (S\$ Mn)	(13.1)	19.0

(1) Numbers taken from audited financial statements for FY 2019.

Funds Management

The Group’s funds management business combines insights in commodity markets with quantitative research capabilities. Over the years, it has developed more than 25 proprietary quantitative trading strategies/algorithms covering several themes such as trend, term structure, mean reversion, risk parity, quanta-mental and value investing to capture a range of market opportunities. A ‘Multi Asset Multi Strategy’ approach to investing ensures diversification across assets, strategies and trading horizon. The Group has an early mover advantage in quantitative/algorithm-based trading space and uses proprietary big data solutions to understand relationships between fundamental and other macro-economic factors.

The business has three established trading programmes: the Global Macro Programme trades in financial and commodity markets – more than 90 futures and over-the-counter (“OTC”) products across 17 global exchanges and OTC trading venues covering equities, commodities, currencies, money market and treasuries. The Global Commodity programme is a commodity focused trading programme – more than 35 global commodity futures and OTC products covering agricultural, metal and energy markets across five global exchanges. Under the China Macro Programme,

The business trades in more than 35 futures covering agricultural, metal, industrial markets across three exchanges in China. CFS currently manages Olam's proprietary capital and has a verifiable track record of more than five years.

Risk Management Solutions

The Group's Risk Management Solutions ("RMS") business provides customised hedging solutions to producers and customers in the agricultural commodity space.

Customers

The Group has a diversified customer base of over 25,200 customers, which include multi-national food companies, textile manufacturers, wood and furniture component industries, importers and distributors of products in the Destination Markets. Its diversified customer base is derived from its global capabilities of a broad selection of agricultural products and food ingredients.

The number of customers increased from approximately 3,346 in FY 2005 to 25,200 in FY 2019. The Group has had no single customer accounting for more than 10 per cent. of its turnover for the three financial years between FY 2017 and FY 2019. The top 25 customers accounted for 15.1 per cent., 22.7 per cent. and 23.1 per cent. of the Group's revenue for these years respectively.

The Group's customers include some of the world's largest packaged food multi-national companies, including Barry Callebaut, Conagra Brands, Kraft Heinz, Unilever, Nestlé, Mondelez, General Mills, Kellogg Company, PepsiCo, Blommer Chocolate and Jacobs Douwe Egberts.

Competition

The Group competes with diverse players at different stages of the supply chain. The intensity and nature of competition depend on the degree of its supply chain participation for each product. In most cases such competition is fragmented. The number of participants in a supply chain depends on how sophisticated, organised and regulated a particular product market is.

The key types of competition are in the areas of:

- export-oriented competition (origin trade houses, farmers/producers, global trade houses and importers); and
- imports, processing and distribution-oriented competition (global trade houses, processors and importers).

2019 — 2024 Strategic Plan

The 2019 — 2024 Strategic Plan announced in January 2019 is intended to place greater emphasis on the Group's strengths and capitalise on new opportunities — a pivotal moment as the Group redefines its new purpose as "Re-imagining Global Agriculture and Food Systems" and transitions from the current "Olam Way" or "Olam 1.0" to "Olam 2.0" to meet evolving consumer preferences, after spending the past nearly 30 years honing its existing business model.

The Group has identified four key trends and opportunities underpinning the food and agri-sector which has influenced the Group's strategies. Driven by consumers and advances in technology, these trends include increasing demand for healthier foods, traceable and sustainable sourcing, e-commerce and the rise of "purpose" brands:

1. "Right-for-me": This trend refers to the consumption of healthy, high nutritional value food, customisation of diets, premiumisation, authenticity and the use of natural ingredients. These include natural, organic, local ingredients, clean labels and the slow-food movement. Premiumisation refers to the phenomena where consumers prioritise spending on food (or things) that matter most to them, while cutting back on other expenditure, with greater emphasis on quality as well as functional ingredients. Suppliers can capture value and secure pricing premiums by differentiating their offerings with value-added solutions that reflect these important consumer behaviours. This has led to the emergence of new cool, chic niche brands which are perceived to be able to meet these needs;

2. “Right-for-the-planet”, “Right-for-the-producer”: This trend refers to the consumption of food that is friendly to the environment, ethically sourced and sustainably produced. In recent years, there has been a growing interest in the footprint of all the food, food ingredients and feed ingredients that are supplied to customers and increasingly, consumers are seeking assurance and certification of the supply chain and the supply chain visibility, provenance and traceability that establishes a clear and direct link to the producer;
3. “How I live and consume”: This trend refers to the growing consumption of food (or things) outside of the home and on-the-go, omni-channel purchasing instead of purchasing in shops, the impact of mobile connectivity on consumer behaviours and food choices being made through social media recommendations; and
4. “How it’s produced”: This trend refers to how food, feed and fibre are produced, such as through the use of advance robotics, drones, unmanned vehicles, big data and analytics, precision agriculture and digital engagement and investments in automation and technology. For example, the Group has Internet of Things (“IoT”) sensors on its almond trees to monitor stress levels so that it can respond and improve water usage efficiencies by irrigating as required at precise timings with a precise quantity of water. Wingspan drones are also used to map its farms and plantations and aid exact intervention in disease infestations and nutritional deficiency issues. In its factories, IoT sensors are used in predictable preventive maintenance.

Based on these four trends, the Group has developed four strategic pathways for growth:

1. Strengthen, streamline and focus the business portfolio:

- (a) Planned investment of U.S.\$3.5 billion (including U.S.\$1 billion maintenance capital expenditure) in 12 prioritised high potential growth, proven businesses — Edible Nuts, Cocoa, Grains and Animal Feed, Coffee, Cotton, Spices, Edible Oils, Infrastructure and Logistics, Dairy, Rice, Packaged Foods and Commodity Financial Services. The business unit strategy for each of the 12 businesses are outlined below; and



- (b) Release of U.S.\$1.6 billion by de-prioritising and divesting four businesses — Sugar, Rubber, Wood Products, Fertiliser — and other non-core businesses and assets that no longer align with the Group’s strategic priorities. The divestments will be completed in a responsible and orderly manner during this plan period.

2. Drive margin improvement by enhancing cost competitiveness and optimising capital efficiency and productivity.
3. Generate additional revenue streams by offering differentiated products/services such as AtSource, risk management solutions, value-added services, ingredients and product innovation; and from both existing and new channels such as co-manufacturing, the food service sector and e-commerce for small and medium-sized customers.
4. Explore partnerships and investments in new engines for growth by assessing opportunities to deliver to the consumers and farmers of tomorrow.

The Group has identified four enablers to execute these strategic pathways:

1. Achieve operational excellence through tracking metrics that matter, digital dashboards and performance scorecards, execution discipline and continuous improvement;
2. Continue to keep sustainability at the heart of the business and re-generate food and farming landscapes while capitalising on changing consumer preferences (“right-for-me”, “right-for-the-planet”, “right-for-the-producer” trends);
3. Lead the industry’s digital transformation and disruption by identifying, validating and deploying initiatives to capture and create value; and
4. Attract, retain and inspire top talent by embedding the Group’s purpose and investing in people development programmes.

The Group has set out four financial goals to be met at the end of the 2019 — 2024 Strategic Plan:

1. A minimum Return on Equity of 12 per cent. from 2021 onwards;
2. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to Invested Capital ratio of at least 13 per cent. from 2021 onwards;
3. Positive Free Cash Flow to Equity from 2020 onwards; and
4. Net Debt to Equity ratio not exceeding 2.0 times throughout the six-year period.

Re-organisation of Olam: Unlocking long term value

Building on the Strategic Plan, the Company completed the exercise with independent financial advisors to explore options to unlock and maximise the Company’s long-term value. On 20 January 2020, the Company announced that it will re-organise its diverse business portfolio to create two new coherent operating groups — Olam Food Ingredients (“**OFI**”) and Olam Global Agri (“**OGA**”) — that are well-positioned for further growth in line with key consumer trends and market opportunities.

- Comprising Cocoa, Coffee, Edible Nuts, Spices and Dairy, OFI offers sustainable, natural, value-added food products and ingredients so that consumers can enjoy the healthy and indulgent products they love. OFI has built a unique global value chain presence including its own farms, farm-gate origination, manufacturing facilities and innovation centres. It partners with customers, leveraging its complementary and differentiated portfolio of “on-trend” food products, to co-create solutions that anticipate and meet changing consumer preferences as demand increases for healthier food that is traceable and sustainable.

- Comprising Grains and Animal Feed & Protein, Edible Oils, Rice, Cotton and Commodity Financial Services, OGA is a leading player in high-growth Asian and African countries supplying food, feed and fibre to meet rising demand and a shift to protein-based diets. It has built proprietary operating capabilities including significant strengths in global origination, processing, trading, logistics, distribution, farming and risk management, and a deep understanding of the market via its on-the-ground presence in these emerging markets over 30 years.
- As the parent company of OFI and OGA, Olam International Limited (i.e. the Company) provides stewardship to the operating groups and ensures continuity of the “Olam Way”, including the Group’s unique entrepreneurial culture. It implements cross-cutting initiatives, such as AtSource; drives key enablers such as sustainability and digital transformation; and offers shared services to optimise synergies across its operating groups. The Company will nurture gestating businesses Packaged Foods, Infrastructure and Logistics and Olam Palm Gabon to full potential, incubate new engines for future growth such as the business-to-consumer initiative, Farmer Services Platform and Controlled Environment Agriculture, manage the responsible divestment of non-core assets and de-prioritised businesses identified in the Strategic Plan and redeploy the released capital for further growth.

By simplifying the businesses across two distinct and coherent groups, each with a clear vision for profitable growth, the re-organisation sharpens the Group’s focus and provides opportunities to capitalise on key market trends, while continuing to leverage the benefits of the Group. This will enable the Group to explore potential carve-outs and initial public offerings (“**IPOs**”) in a sequential manner and attract additional investors who are aligned with the vision of these two new groups in order to maximise the value of the Group’s business.

Trade Licences and Government Regulations

In all normal contracts for supply of agricultural products and food ingredients, there are no material regulations/certifications which need to be complied with. The Group generally enters into contracts in the ordinary course of business, which do not require any certification and are not subject to any regulation by a certifying body.

The Group requires some licences (which are issued by the relevant authorities in the various jurisdictions in which it conducts its business), including licences and permits for upstream, supply chain imports/exports and midstream processing activities. The Group intends to renew or procure the renewal of all expiring licences which are required for its day-to-day operations and the Group is not aware of any matter that would affect the renewal of such licences.

Intellectual Property

The Group relies on a combination of trademark, service mark and domain name regulation, copyright protection and contractual restrictions to protect its brand names and logos, marketing designs and internet domain names.

Properties and Fixed Assets

The Group owns and operates facilities across numerous countries. As at 31 December 2018 and 31 December 2019, the net carrying value of its property, plant and equipment was S\$5,809.9 million and S\$6,187.0 million respectively.

The rental (operating lease) expenses of the Group (principally for land, offices, warehouses, employees' residence and vessels) were S\$291.7 million for FY 2018. On 1 January 2019, the Group adopted the new accounting standard SFRS(I) 16 on leases. Under this new standard, at the commencement of a lease, a "right-of-use asset" and a "lease liability" for lease payments are recognised on the balance sheet. This new standard also requires separate recognition of finance charge on the lease liability and depreciation on the right-of-use asset in the profit and loss account. The adoption of SFRS(I) 16 resulted in key effects to the balance sheet of the Group and the Company and therefore key effects on the profit and loss items in FY 2019 which are detailed in the audited financial statements for FY 2019.

Research and Development

The Group carries out research and development activities in the areas of market research, crop and agricultural seed research, weather analysis, product innovation and quality research. It also looks out for and uses, where applicable, suitable new information technology applications for its businesses and operations.

In product development laboratories, food and beverage technologists and scientists develop concepts, test ingredients, and evaluate flavour, aroma, texture and appearance. This is also where the Group works with customers to collaborate on application development, food microbiology, analytical chemistry, quality assurance, technical documentation, and regulatory compliance. In total, the Group has 14 innovation centres across the world.

Insurance

As a global food and agri-business, the Company maintains various property and liability insurance policies to protect its assets and exposures in countries where it operates.

The Company's insurances are placed with security rated Lloyd's syndicates, commercial underwriters and Olam Insurance Limited, the captive insurance company and a subsidiary of the Company, incorporated in the Isle of Man and managed by Willis Towers Watson. Placement of insurance covers is handled principally by Willis Towers Watson, Marsh JLT Specialty, and Filhet-Allard Maritime who are insurance brokers.

In addition, employee related types of insurance policies are purchased to enhance the welfare of employees across the globe.

Safety, Health and Environment Regulation

The Group is subject to extensive, evolving and increasingly stringent safety, health and environmental laws and regulations governing its processes and facilities. Such laws and regulations address, among other things, air emissions, waste water discharges, the generation, handling, storage, transportation, treatment and disposal of chemicals, materials and waste, workplace conditions and employee exposure to hazardous substances. The Group has incurred, and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, the Group has made and expects to continue to make capital expenditures on an ongoing basis to comply with safety, health and environmental laws and regulations. While the Group believes it is in compliance in all material respects with all applicable safety, health and environmental laws and regulations, the Group may be required to incur costs to remedy the damage caused by any non-compliance.

Employees and Employee Relations

The Group believes that its employees are one of the key contributors to the success of its business. To achieve this, the Group focuses on hiring and retaining the best talent in the industry. The Group has established human resource processes that are necessary to maximise the performance of its employees. Its work force consists of full time, permanent employees as well as consultants, seasonal and temporary workers who are engaged by the Group on a contractual basis.

The Group conducts periodic reviews of its employees' job performance and determines salaries and discretionary bonuses based upon those reviews. In addition, the Group offers internal training programmes tailored to different job requirements in order to enhance the employees' talent and skills. The Group believes that it maintains a good working relationship with its employees and has not experienced any significant strikes, lockouts or other labour disputes.

Litigation

The Group is not engaged in any material litigation or arbitration proceedings, and no material litigation or claim is known by the Group to be pending or threatened against it.

DIRECTORS AND MANAGEMENT

Directors and Management

The Board of Directors of the Company are responsible for setting the strategic direction of the Group and the governance of it. The day-to-day operations are entrusted to the Group Chief Executive Officer (“GCEO”) and the Chief Executive Officer (“CEO”) of OFI along with a team of senior executives who are responsible for the different functions and businesses of the Group.

Board of Directors

The name and position of each of the Directors are set out below:

Name	Position
Lim Ah Doo	Non-Executive and Independent Director and Chairman
Jean-Paul Pinard	Non-Executive and Independent Director
Sanjiv Misra	Non-Executive and Independent Director
Nihal Vijaya Devadas Kaviratne, CBE	Non-Executive and Independent Director
Yap Chee Keong	Non-Executive and Independent Director
Marie Elaine Teo	Non-Executive and Independent Director
Yutaka Kyoya	Non-Executive Director
Kazuo Ito	Non-Executive Director
Sunny George Verghese	Executive Director, Co-Founder and Group CEO
Shekhar Anantharaman	Executive Director and CEO of OFI
Joerg Wolle (Dr.)	Non-Executive and Independent Director
Ajai Puri (Dr.)	Non-Executive and Independent Director
Nagi Adel Hamiyeh	Non-Executive Director

The business experience of the Board is as follows:

Lim Ah Doo

Chairman and Non-Executive and Independent Director

Mr. Lim Ah Doo was appointed to the Board as a Non-Executive and Independent Director and Chairman-designate on 1 November 2016, and succeeded as Chairman on 1 January 2017. He chairs the Company’s Steering Committee, Human Resource and Compensation Committee and Governance and Nomination Committee and is a member of the Capital and Investment Committee. Mr. Lim Ah Doo brought with him over 40 years of broad and in-depth experience of the banking and commerce world. He was a senior banker with a distinguished career who led several landmark transactions during his banking days, a top executive of a large major global leading resource-based group, and a director of several large-sized listed and private companies in and outside of Singapore. Mr. Lim Ah Doo was formerly the President and subsequently the non-executive Vice Chairman of RGE Pte Ltd (formerly known as RGM International Pte Ltd). His past working experience includes an 18-year banking career in Morgan Grenfell from 1977 to 1995, during which he held several key positions including that of Chairman of Morgan Grenfell (Asia) Limited. In 2019, Mr. Lim participated as a Commissioner to the High-Level Commission on Carbon Pricing and Competitiveness established by World Bank Group.

Mr. Lim is currently a Non-Executive and Independent Director and Audit Committee Member of Singapore Technologies Engineering Ltd. He is the Independent Director and Audit Committee Chairman of GP Industries Ltd, and a Non-Executive and Independent Director and Audit Committee Chairman of GDS Holdings Limited, STT GDC Pte Ltd and U Mobile Sdn Bhd.

Jean-Paul Pinard

Non-Executive and Independent Director

Mr. Jean-Paul Pinard is a Non-Executive and Independent Director and was appointed to the Board in 2008. He has since chaired the Company's Corporate Responsibility and Sustainability Committee and is a member of the Human Resource and Compensation Committee. Mr. Jean-Paul Pinard, prior to joining Olam, spent 17 years with the International Finance Corporation, Washington, DC ("IFC"), becoming the Director of its Agribusiness Department, responsible for managing IFC's global investment portfolio in agri-business and food sectors. He is currently Non-Executive Director of Gia Lai Electricity Joint Stock Company (Vietnam) and Hero Future Energies Global Limited (UK) and was previously a director at Yantai Changyu Pioneer Wine Company Limited and a Member of the Supervisory Board of Zalagh Holding. He holds a PhD in Economics from the University of California and a Diplome d'Ingenieur from the Ecole Polytechnique, Paris.

Sanjiv Misra

Non-Executive and Independent Director

Mr. Sanjiv Misra is a Non-Executive and Independent Director and was appointed to the Board in 2013. He chairs the Company's Capital and Investment Committee and is a member of the Risk and Human Resource and Compensation Committees. Mr. Sanjiv Misra's career in investment banking spanned mergers and acquisitions advisory, capital markets and restructuring in the US and Asia Pacific. Over this period, he held several senior roles at Goldman Sachs, Salomon Brothers/Salomon Smith Barney and Citigroup in New York, Hong Kong and Singapore. These roles included Head of Asia Pacific Corporate and Investment Banking at Citigroup and CEO of Citi's institutional business based in Singapore. He has subsequently been deeply engaged in investing in private markets; board and corporate governance roles at corporates, and at national educational institutions and healthcare institutions in Singapore. These board roles include Singapore Management University, National University Healthcare System, Edelweiss Financial Services Ltd and OUE Hospitality Trust. Mr. Misra is also an active investor in early stage growth companies globally. He holds a 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 and Master in Management, J.L. Kellogg Graduate School of Management, Northwestern University.

Nihal Vijaya Devadas Kaviratne CBE

Non-Executive and Independent Director

Mr. Nihal Kaviratne CBE is a Non-Executive and Independent Director and was appointed to the Board in 2014. He is a member of the Company's Audit and Corporate Responsibility and Sustainability Committees, and also chairs the Board of Caraway Pte Limited, a joint venture entity of the Company. 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. Mr. Kaviratne currently serves as an Independent and Non-Executive Director in GlaxoSmithKline Pharmaceuticals Ltd, India and StarHub Limited. He chairs the Nominating and Governance Committee and is a member of the Strategy Committee and Audit Committee of StarHub Limited. Mr. Kaviratne is a member of the Private Sector Portfolio Advisory Committee in India for the UK Government's Department for International Development (DFID), serves on the Advisory Board of Bain & Company for SEA/Indonesia and the Corporate Resilience Advisory Council of McKinsey & Company. He was cited in the Queen Elizabeth II's 2004 New Year Honours List in the UK and has been made the Commander of the Order of British Empire (CBE) for services to UK business interests and to sustainable development in Indonesia. He was one of "25 leaders at the forefront of change" chosen by Business Week in 2002 for the Stars of Asia Award. In its year end 2010 issue, Forbes India listed him as one of the "5 top names to have on your Board". He

was awarded for driving “Business Excellence” at the World Business Conclave 2016 in Hong Kong. Mr. Kaviratne brings with him extensive organisational, business, management, strategic planning and customer-based experience and knowledge. He holds a Bachelor of Arts, Economics (Honours) from Bombay University, India.

Yap Chee Keong

Non-Executive and Independent Director

Mr. Yap Chee Keong is a Non-Executive and Independent Director and was appointed to the Board in December 2015. He chairs the Company’s Audit Committee and is a member of the Risk, Capital and Investment and Governance and Nomination Committees. Mr. Yap is the Independent and Non-Executive Director of Sembcorp Industries Limited, Shangri-La Asia Limited, Citibank Singapore Limited, Mediacorp Pte Ltd and Certis Cisco Security Pte Ltd. His career included being the Executive Director of The Straits Trading Company Limited and the Chief Financial Officer of Singapore Power Ltd. He has also worked in various senior management roles in multinational and listed companies. He was a board member of the Accounting and Corporate Regulatory Authority and a member of the Public Accountants Oversight Committee, the MAS/SGX/ACRA Work Group to review the Guidebook for Audit Committees in Singapore and the MAS/SGX/ACRA/SID Review Panel to develop a Guide for Board Risk Committees in Singapore. He holds a Bachelor of Accountancy from the National University of Singapore and is a Fellow of the Institute of Singapore Chartered Accountants, a Fellow of CPA Australia and a Fellow of the Singapore Institute of Directors.

Marie Elaine Teo

Non-Executive and Independent Director

Ms. Marie Elaine Teo is a Non-Executive and Independent Director and was appointed to the Board in 2015. She chairs the Company’s Risk Committee and is a member of the Company’s Audit and Capital and Investment Committees. She is currently an Independent Non-Executive Director of G. K. Goh Holdings Limited and a Director of Mapletree Investments Pte Ltd, Mapletree Oakwood Holdings Pte Ltd and Chairman of The Teng Ensemble Ltd. Ms. Teo brings investment experience across a broad range of industries and markets to bear in assessing opportunities and challenges in the future. She 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, Inc. and Managing Director of Capital International Inc., Asia. Ms. Teo holds a Bachelor of Arts (Honours) in Experimental Psychology from Oxford University and a MBA from INSEAD.

Yutaka Kyoya

Non-Executive Director

Mr. Yutaka Kyoya is a Non-Executive Director and was appointed to the Board in 2015. He is a member of the Company’s Audit, Corporate Responsibility and Sustainability and Governance and Nomination Committees. Mr. Yutaka Kyoya’s strong business background and broad knowledge of the food and consumer industries were gained from his 35 years’ experience and various positions held in Mitsubishi Corporation. He is currently the Executive Vice President and Group CEO of Consumer Industry Group of Mitsubishi Corporation. He joined Mitsubishi Corporation in 1984 and has since been engaged in the food business. Mr. Kyoya has held various roles in Mitsubishi Corporation, in Tokyo as well as in its overseas offices and subsidiaries, including the USA, Malaysia and Singapore. Prior to his current position, Mr. Kyoya was the Senior Vice President of Mitsubishi Corporation and Chief Operating Officer of its Living Essential Resources Division in 2014. He is currently the Non-Executive Director of Lawson, Inc. Mr. Kyoya holds a degree in Commerce from Waseda University Tokyo and has completed the Advanced Management Program from Harvard Business School.

Kazuo Ito

Non-Executive Director

Mr. Kazuo Ito is a Non-Executive Director and was appointed to the Board in 2018. He is a member of the Company's Steering, Risk, Capital and Investment and Human Resource and Compensation Committees. He has been with Mitsubishi Corporation since 1991 and has held various managerial roles including secondment to Princes Limited, a global food and drink group involved in the manufacture, import and distribution of branded products, having been its Chairman between 2007 to March 2018 and its Director since 2001 till January 2019. With over 20 years of experience in the global food and beverage industry, in his current role as Division COO, Mr. Ito oversees Mitsubishi Corporation's supply chain from agri-products procurement, trading, to processing. Mr Ito holds a Bachelor of Arts in Economics from Keio University, Japan and completed BPSE from IMD Business School.

Sunny George Verghese

Co-Founder, Group CEO and Executive Director

Mr. Sunny Verghese is the Co-Founder and Group CEO and was appointed to the Board in 1996. With the re-organisation announced in January 2020 by the Company whereby Olam will re-organise its diverse business portfolio to create two new coherent operating groups, Mr. Sunny Verghese will hold charge as CEO of OGA and Olam International Limited, in addition to continuing as Group CEO. He is a member of the Company's Steering, Capital and Investment and Corporate Responsibility and Sustainability Committees. He has been with the KC Group for over two decades and in 1989 was mandated to start the Company with a view to building an agricultural products business for the KC Group. Before joining the KC Group, he worked for Unilever in India. Mr. Verghese is currently the Chairman of the Human Capital Leadership Institute Pte Ltd, JOil (S) Pte Ltd and WBCSD (World Business Council for Sustainable Development). He is also a board member of Caraway Pte. Ltd., a joint venture entity of the Company and a member of the Board of Trustees of Singapore Management University. He has previously chaired International Enterprise Singapore, served as a director for PureCircle Limited and has held an appointment as trustee for the National University of Singapore.

Mr. Verghese has won several awards including Ernst & Young Entrepreneur of the Year for Singapore in 2008 and Best CEO of the Year 2011 at the Singapore Corporate Awards. He was also awarded the Public Service Medal by the Government of the Republic of Singapore in 2010. He holds a postgraduate degree in Business Management from the Indian Institute of Management, Ahmedabad and has completed the Advanced Management Programme from the Harvard Business School.

Shekhar Anantharaman

Executive Director and Chief Executive Officer, OFI

Mr. Shekhar Anantharaman has been with the Group since 1992 and was appointed as an Executive Director to the Board in 1998. He is a member of the Company's Steering and Risk Committees. In January 2020, he was appointed as the CEO of OFI and relinquished his role as the Group Chief Operating Officer (GCOO) of the Company. Prior to his role as GCOO, he was the Executive Director for Finance & Business Development for the Group leading 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. He has incubated and managed various global businesses for the Group including its Edible Nuts, Spices and Vegetable Ingredients and Packaged Foods businesses. As the Global Head of these businesses, Mr. Anantharaman 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 oversight roles across Africa, Asia, Russia, South and North America. Mr. Anantharaman holds a degree in Aeronautical Engineering and a postgraduate degree in Business Management and has completed the Advanced Management Programme from Harvard Business School.

Joerg Wolle (Dr.)

Non-Executive and Independent Director

Dr. Joerg Wolle is a Non-Executive and Independent Director who was appointed to the Board in September 2019. Having been appointed CEO of Siber Hegner Ltd in 2000, Dr. Joerg Wolle was instrumental in a quick turnaround of the 130 year old Asia trading company which had fallen on hard times. Following this, he merged the company with two other Swiss-based Asia-focused distribution companies and created the leading business services and distribution group in the ASEAN Region with more than 33,000 specialised staff. He grew sales three-and profits six-fold during his tenure as CEO and took the company public on the Zurich Stock Exchange. He is presently Chairman of Kuehne + Nagel International Ltd and KlungeInberg AG. From 2002 to 2017 he was President and CEO of DKSH Holding Ltd from and became its Chairman from 2017 to 2019. Dr. Wolle was a member of the Supervisory Board of Louis Dreyfus Company B.V. between 2014 and 2018 and a member of the Board of Directors of UBS Ltd from 2006 to 2009 and Diethelm Keller Holding Ltd. from 2004 to 2019. He holds PhD in Engineering “summa cum laude”, Technical University Chemnitz, Germany and completed Executive Development Program, IMD Lausanne, Switzerland and Stanford Executive Program, GSB Stanford University, Palo Alto, CA, USA.

Ajai Puri (Dr.)

Non-Executive and Independent Director

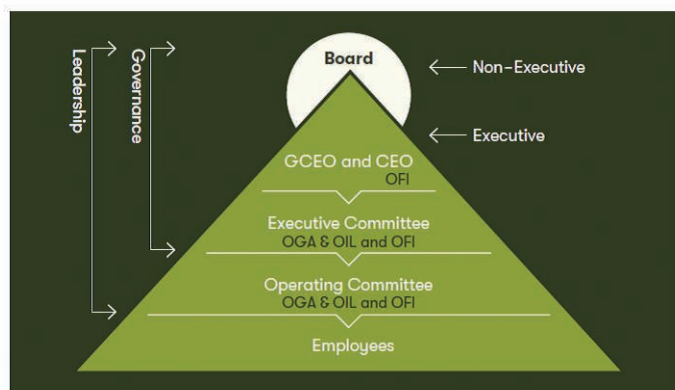
Dr. Ajai Puri is a Non-Executive and Independent Director who was appointed to the Board in September 2019. Dr. Ajai Puri brings more than three decades of global experience in various food and agri industries. His expertise spans several domains - innovation, science and technology, food safety, consumer, customer, channel insights and marketing. Dr. Puri, from 1981 to 2003 he was with The Coca-Cola Company where he held a variety of roles in Research and Development, Innovation, Consumer Marketing and General Management. When he left Coca-Cola in 2003, he was Senior Vice President – Science and Technology for Coca-Cola’s non-carbonated juice business in North America. From 2003 to 2007, he was Executive Board Member and President – Research, Development and Product Integrity at Amsterdam-based Royal Numico N.V. He has also served as an Adviser to Mead Johnson Nutrition (2008-2010) and DSM N.V. (2008-2011). He was also a Non-Executive Director with Nutreco N.V. (2009-2015) and Barry Callebaut AG (2011-2014). Dr. Puri is presently a Non-Executive Director with Firmenich S.A., Tate and Lyle PLC, Britannia Industries Ltd and the Global Alliance for Improved Nutrition (G.A.I.N.). He holds a MBA in Marketing, Crummer Business School, Rollins College, USA and PhD in Food Science, University of Maryland, USA.

Nagi Hamiyeh

Non-Executive Director

Mr. Nagi Hamiyeh is a Non-Executive Director and was appointed to the Board in September 2019. He is also a member on the Steering Committee of the Board. Mr. Nagi Hamiyeh brings 24 years of experience in strategy, corporate finance, mergers and acquisition (M&A), growth equity, private equity and public investing in multiple industries across the globe. Furthermore, he was intimately involved in companies’ consolidation and restructuring, as well as working closely with portfolio companies on value uplift opportunities. Lastly, he led the development of the various greenfield platforms by way of M&A and organic growth. He is the Joint Head of Temasek’s Investment Group, and is concurrently the Head of Portfolio Development. Since he joined Temasek in 2005, he has led the firm’s Natural Resources, Industrials, Consumer and Real Estate Investment teams and was Joint Head of the Enterprise Development Group and Head of Africa and Middle East, Australia and New Zealand. Prior to Temasek, Mr. Hamiyeh was a banker with Credit Suisse First Boston’s Energy Group. He began his career at Bain & Company. He holds a Bachelor of Science degree in Civil Engineering, University of Texas, USA and a Master of Science degree in Civil and Environmental Engineering, Massachusetts Institute of Technology, USA.

Principal Executive Officers



'OGA' denotes Olam Global Agri
'OFI' denotes Olam Food Ingredients

In January 2020, the Company announced the proposed re-organisation of the Group into two new operating groups: OFI and OGA with the stewardship of the Company. With the two new operating groups, Executive Committee for each of OIL/OGA and OFI (the “**Principal Executive Officers**”) were put in place. The particulars of the Group’s Principal Executive Officers are listed below:

OIL/OGA

Name	Title
Sunny George Verghese	Co-Founder, Group Chief Executive Officer and Executive Director
Ashok Chandra Mohan Hegde	Managing Director, CEO Cotton and Edible Oils
Keshav Chandra Suresh	Managing Director, CEO Grains and Animal Feed
Gagan Gupta	Managing Director, CEO, Infrastructure and Logistics
Venkataramani Srivathsan	Managing Director, CEO Africa and Middle East
Neelamani Muthukumar	Managing Director and Group Chief Financial Officer
Suresh Sundararajan	Managing Director and Group Head – Global Corporate Services
David Benedict (Ben) Pearcy	Group Chief Strategy Officer
Joydeep Bose	Managing Director, Group CHRO

OFI

Name	Title
Shekhar Anantharaman	Chief Executive Officer, OFI and Executive Director
Ashok Krishen	Managing Director, CEO Edible Nuts
Gerard Anthony Manley	Managing Director, CEO Cocoa
Gregory Carl Estep	Managing Director, CEO Spices and Vegetable Ingredients and USA

Name	Title
Vivek Verma	Managing Director, CEO Coffee
Prakash Chand Jhanwer	Managing Director and Global Head, Sales and New Channels
Rishi Kalra	Managing Director and CFO, Olam Food Ingredients
Sandeep Kumar Jain	Managing Director, CEO Dairy
Tejinder Singh Saraon	Managing Director, Global Head – Cocoa Processing

Information on the area of responsibility and working experience of the Executive Officers of the Group is set out below:

OIL/OGA

Ashok Chandra Mohan Hegde

Managing Director, CEO Cotton and Edible Oils

Mr. Ashok Chandra Mohan Hegde joined Olam Benin Sarl in 1994 as a Branch Coordinator in charge of procurement and sale of commodities. Mr. Hegde was transferred to the Company in 1996 where he has held various positions including Country Head of Indonesia (from 1996 to 1998), Regional Controller of South East Asia (from 1998 to 2000), Managing Director of the Group's Wood Products division (from 2000 to 2008), Global Head for Risk Management and Information Systems (from 2008 to 2013) and Global Head for Rubber (from 2011 to 2013). He currently heads the Cotton and Edible Oils businesses as Managing Director and CEO. Mr. Hegde obtained a Bachelor of Engineering in Electrical & Electronics in 1988 from the University of Mysore, India and a Masters in Business Administration in 1991 from the University of Poona, India.

Keshav Chandra Suresh

Managing Director, CEO Grains and Animal Feed

Mr. Keshav Chandra Suresh joined the Company in 1994. From 1994 to 2000, he held various positions in origination, country management and trading in East Africa and Singapore. In 2001, Mr. Suresh left the Company to pursue an MBA and worked for Honeywell in Europe from 2002 to 2008 in various roles, the last of which was as Director of Supply Chain for EMEA. In 2008, he re-joined the Company to start off the Grains platform and is currently the Managing Director, CEO of the Company's Grains and Animal Feed business. He has an engineering degree from IT BHU, Varanasi, a Master in International Business from IIFT, New Delhi and an MBA (Hons) from INSEAD, Fontainebleau, France.

Gagan Gupta

Managing Director and CEO, Infrastructure and Logistics

Mr. Gagan Gupta joined the Company in 2008 as Financial controller for Gabon before taking the role of Country Head of Gabon in July 2010. He started the infrastructure and plantation business units in Gabon. Since then, he has led the growth at Olam Gabon and fostered the public private partnerships between the Company and the government of Gabon.

Mr. Gupta is a chartered accountant by training and has accumulated more than 20 years of work experience, including his work in Reckitt Benckiser prior to joining the Company.

Venkataramani Srivathsan

Managing Director, CEO Africa and Middle East

Mr. Venkataramani Srivathsan joined Olam Nigeria Ltd in 1994. Mr. Srivathsan has held various positions in the Group including Financial Controller, Nigeria, Country Head, Ghana, Country Head, Nigeria and subsequently, Regional Head for West and Central Africa (Nigeria, Cameroon, Benin and Togo). He headed the Company's Agri Inputs business from 2010 to 2012 and is currently the Managing Director and CEO for Africa and Middle East. He obtained a Bachelor of Commerce degree from St. Xavier's College, Tamil Nadu in 1984 and qualified as a member of The Institute of Chartered Accountants in 1989.

Neelamani Muthukumar

Managing Director and Group Chief Financial Officer

Mr. Neelamani Muthukumar joined the Company in July 1997 as Finance Manager of Olam Benin. Since then he has held a number of roles including Group Head of IT and Shared Services, Global Head of Corporate Finance, and Group Chief Financial Officer.

Mr. Muthukumar obtained a Bachelor of Science degree from Madras University, India, and qualified as an Associate member of the Institute of Cost and Works Accountants of India. He has also completed the Advanced Management Programme from Wharton Business School, University of Pennsylvania.

Suresh Sundararajan

Managing Director and Group Head – Global Corporate Services

Mr. Suresh Sundararajan joined the Company in 1996 as Finance Manager in Cameroon, and moved to Singapore in 1998 as Head, Corporate Affairs. In 2009, Suresh became President of Business and Corporate Finance and of newly created Global Business Services. In 2016, he became the President and Group Head of Global Corporate Functions, which includes IT, Digital, Taxation, Legal, Global Business Services and Strategic Investments. Currently, he is Managing Director and Global Head overseeing IT, OGBS, Digital, Legal, he also leads Engine 2 initiatives Farmer Services Platform and Footprint app. He is an Executive Committee member of the Company.

Mr. Sundararajan holds a Bachelor of Commerce degree from the University of Madras, India, and is a certified Cost Accountant and qualified Company Secretary from The Institute of Cost and Works Accountants of India and The Institute of Company Secretaries of India, respectively.

David Benedict (Ben) Pearcy

Group Chief Strategy Officer

Mr. Ben Pearcy joined the Company in October 2019 in Singapore as Advisor to the CEO and was appointed Group Chief Strategy Officer in March 2020.

Before joining the Company, Mr. Pearcy spent four years as an Operating Partner at Ripplewood Advisors, a private equity firm, based in London. Prior to Ripplewood, Ben spent 20 years with Bunge Limited, a leading publicly listed food & agribusiness company. Between 2009 and 2014 he served as Managing Director of Global Sugar & Bioenergy and a member of Bunge's Executive Committee. Previous roles include Chief Development Officer and Director of Strategic Planning, responsible for global business planning, acquisitions, and investments. He also led Bunge's operations in Eastern Europe, including Russia, Ukraine, Romania, Hungary and Turkey.

Before joining Bunge, Mr. Percy worked for management consultants McKinsey & Company in London. He holds a First Class Honours in Modern History and Economics from Oxford University and an MBA from the Harvard Business School.

Joydeep Bose

Managing Director, Group CHRO

My Joydeep Bose joined the Company in 2003 with the mandate to set up the human resources function in the company. Over the last seventeen years the Human Resources function has played a key role in the expansion of the Company which has grown in this period from a privately held company with 2500 employees to a publicly listed one with more than 80,000 employees. As the global head of human resources, he is overall responsible for building an inspirational and high performing organisation. He has 30 years of experience in the field of Human Resources with expertise in areas of performance enhancement, transformational change and mergers & acquisitions. He has been a member of the HRD Workgroup of WDA, a Singapore government agency, working towards enhancing skills of Human Resource Professionals in the region. He has contributed as a member to different advisory groups – the Singapore Ministry of Manpower’s HR Alliance and the Human Capital Leadership Institute’s CHRO Advisory Panel which comprises influential HR leaders from a wide range of industries. He has a Bachelor’s degree in Engineering and an MBA from XLRI, a premier Indian business school specializing in human resources management.

OFI

Ashok Krishen

Managing Director, CEO Edible Nuts

Mr. Ashok Krishen joined Olam Nigeria Ltd in 1992 as a Branch Coordinator. From 1994 to 1996, Mr. Krishen was the country head of Olam Ghana Limited and was Regional Controller overseeing Benin, Togo and Cameroon. He was appointed the Global Head for the Rice and Sugar division from 1996 to 2002. In 2002, he was appointed as Global Head of the Group’s Cashews and Spices division. In 2007, he also assumed additional responsibility for the rest of the Edible Nuts and Spices & Vegetable Ingredients business. Since 2012, Mr. Krishen heads and is focused on growing the Company’s enlarged Edible Nuts business. Mr. Krishen holds a Bachelor of Science (Physics) degree from the University of Kerala in India and obtained a Post Graduate Diploma in Personnel Management and Industrial Relations from the Xavier Labour Relations Institute in India in 1986.

Gerard Anthony Manley

Managing Director, CEO Cocoa

Mr. Gerard Anthony Manley joined the Company in 1998. Mr. Manley is currently the Chief Executive Officer for the Cocoa business. He is a member of the Group’s Executive Committee and has oversight on the Group’s European operations. Mr. Manley has over 30 years’ Board experience in the cocoa world, joining Holco Trading Company (part of ED & F Man Cocoa Ltd in 1983. During his time at ED & F Man Cocoa Ltd, Mr. Manley held Directorships in the UK, Poland and Malaysia. He managed the product trading operations with significant responsibility for the Group’s processing operations. He is a Board member of the European Cocoa Association and the World Cocoa Foundation and a Founder member of Cocoa Action. He is a former Chairman of the Federation of Cocoa Commerce and has served on the Boards of the Cocoa Association of Asia and the London Cocoa Terminal Market. He has a Bachelor of Arts (Honours) in Geography and holds a Masters of Business Administration from the City University in London.

Gregory Carl Estep

Managing Director, CEO Spices and Vegetable Ingredients and USA

Mr. Gregory Carl Estep joined the Company in 2010 with the Gilroy Foods acquisition. He led the integration of the onion, garlic, and capsicum business. Since joining the Company, his responsibilities have expanded to include CEO for the Spices business, Country Head for the group operations in the USA. He is also a member of the Executive Committee. He has twenty years of experience in food ingredients and fourteen years in commodity trading. He serves on the boards of Community Medical Centers and the San Joaquin River Parkway & Conservation Trust. He holds a BS in agricultural economics from Virginia Tech and a MBA from the Fuqua School of Business, Duke University.

Vivek Verma

Managing Director, CEO Coffee

Mr. Vivek Verma joined the Group in India in 1992 as a Business Manager and started the Indian operations under Olam Exports (India) Limited. He was transferred to the Company in 1996, where he was appointed as the Vice President responsible for the Group's Coffee business. He was also commissioned by the Company to develop the Commodity Financial Services business. Mr. Verma was promoted to Managing Director to oversee the Coffee business. He obtained a Bachelor of Technology degree from the Indian Institute of Technology, New Delhi, India in 1985.

Prakash Chand Jhanwer

Managing Director and Global Head, Sales and New Channels

Mr. Prakash Jhanwer joined the Company in 1998, taking responsibility for coffee operations in Uganda. He moved into the risk function in 2001 and relocated to Vietnam in 2007 to take on the role of Country Head, extending to a regional role in 2010.

From 2016, he was responsible for the Company's Southeast Asia and China operations. His key markets included China, Indonesia, Vietnam, Papua New Guinea and Thailand. Currently he heads Global Sales and New Channels such as Private Label, Food Service and E-commerce for the Company.

Mr. Jhanwer is a Graduate of Commerce and holds an MBA from the Indian Institute of Management. He was recently awarded the prestigious Young Alumni Achiever Award by his alma mater for Corporate Leadership.

Rishi Kalra

Managing Director and CFO, OFI

Mr. Rishi Kalra was appointed Managing Director and CFO of Olam Food Ingredients (OFI) following the Group's re-organisation announced on 20th January 2020, transitioning from his earlier role as President and Group Head of Finance. Rishi has been with the Company since the year 2000, and has played many leadership roles in the company-CFO India, CFO West Africa, CFO Cocoa, Finance Head, and Global Head of Corporate Finance. He has led many group wide initiatives, including the US\$1.2 billion acquisition of ADM's Cocoa processing business, leading the Project Team responsible for executing the Company's recently announced re-organisation, and leading Sustainability in Finance within the Company.

Mr. Kalra is a member of OFI's Executive Committee, is a qualified Chartered Accountant from India, having twenty-five years experience in Finance and Accounts, and is also a founder member for Accounting for Sustainability (A4S), Singapore Circle of Practice.

Sandeep Kumar Jain

Managing Director, CEO Dairy

Mr. Sandeep Jain joined the Company in April 1998 and was based in Indonesia in the Edible Nuts division initially. From 1999 – 2003 he was the head of the Cocoa business in Indonesia managing the complete supply chain. Relocating to Singapore in 2003 he had a stint in the coffee business where he was responsible for the Instant coffee division, while simultaneously he also set up the dairy division for the Company.

In his current role as the CEO, Dairy he oversees a business with significant upstream, midstream and a global supply chain presence. He is also a member of the Executive Committee of Olam Food Ingredients. He has twenty-six years of experience in food ingredients and commodity trading. Mr. Jain is a board member of Open Country Dairy, which is the second largest processor of milk in New Zealand. He holds a Bachelor's degree in Commerce from Delhi University and a post graduate degree in International business from Indian Institute of foreign Trade, India.

Tejinder Singh Saraon

Managing Director, Global Head – Cocoa Processing

Mr. Tejinder Singh Saraon joined the Company in 1997 and has over twenty years of experience in Cocoa. He has managed Cocoa origination in Cote d'Ivoire, Cocoa business in Asia and our Cocoa Processing business in Europe and has excellent understanding of Cocoa and Chocolate industry. He currently runs our global Cocoa Processing business and was involved in the acquisition of ADM's Cocoa business and integrating it with the Company's Cocoa business. He is a member of our Executive Committee and has represented the Company in Federation of Cocoa Commerce Limited Contracts Committee and Cocoa Association of Asia. He holds BE (Hons) in Mechanical Engineering and MBA from Panjab University.

Board Committees

The Board has seven Committees namely the Audit Committee, Governance and Nomination Committee and Human Resource and Compensation Committee, Board Risk Committee, Capital and Investment Committee, Corporate Responsibility and Sustainability Committee and Board Steering Committee.

At the conclusion of the Annual General Meeting of the Company to be held on 20 May 2020 ("**2020 AGM**"), the Governance and Nomination Committee and the Human Resource and Compensation Committee will be merged to become the Nomination and Remuneration Committee.

A brief summary of the responsibilities of each Board Committee is provided below.

Audit Committee

The committee meets at least four times a year and oversees the process for evaluating the adequacy of internal controls, financial reporting and compliance and satisfies itself as to the adequacy of such processes. Other functions performed by the committee include the review of financial statements before public announcement, discussion with internal and external auditors on any issues of concern, review of scope, costs and effectiveness of external audit and ensure independence and objectivity of the auditors, review of internal control procedures and review and discussion with external auditors of any suspected fraud or irregularity.

Governance and Nomination Committee (until the conclusion of the 2020 AGM)

The committee meets at least once a year. Its responsibilities include recommending the appointment and reappointment of directors, reviewing the composition and size of the Board and Board Committees, conducting annual review of the independence of each director, assessing the Board's effectiveness, recommending performance criteria for evaluating Board's performance, evaluating and nominating directors to Board Committees.

Human Resource and Compensation Committee (until the conclusion of the 2020 AGM)

The committee meets at least once a year and is responsible for developing the Board and Management's compensation framework and remuneration policy as well as governing the Company's share participation scheme. The committee also reviews succession plans for the GCEO, GCOO and Senior Management of the Company.

Board Risk Committee

The committee meets at least four times a year to review the adequacy and effectiveness of the Group's risk management function including its market compliance function, risk management policies and systems, insurance, review and monitor risk events through the enterprise risk framework and risk appetite framework and detect and review any major non-compliance with risk policies. It also reviews and recommends risk limits and budgets for approval by the Board.

Capital and Investment Committee

The committee meets at least four times a year. It reviews and recommends financial strategies, policies, business risks and capital structure of the Company, recommends equity and debt capital raising plans and significant banking arrangements, reviews investment policy guidelines and capital expenditure plans, reviews and approves or recommends investments and divestments and reviews the execution of any investment projects.

Corporate Responsibility and Sustainability Committee

As supply chain managers of agricultural products, the Company's sustainability initiatives are inter-woven into its business model and are aimed at making meaningful social impact in the communities within which it operates. The committee's role includes the review and recommendation of policies with respect to corporate responsibility and sustainability issues, review of the Company's environmental policies and standards, social impact of business practices in the communities which it operates in and policies and practices on key stakeholders (suppliers, customers and employees) and regulators. The committee meets at least four times a year.

Board Steering Committee

The Board announced on 20 January 2020 that Olam will re-organise its diverse business portfolio to create two new coherent operating groups that are well-positioned for further growth in line with key consumer trends and market opportunities. Along with the aforementioned announcement on the re-organisation, the Board Steering Committee was established to oversee the implementation of the re-organisation.

Nomination and Remuneration Committee (with effect from the conclusion of the 2020 AGM)

The committee is responsible for the recommendation of the appointment and reappointment of directors, reviewing the composition and size of the Board and Board Committees, conducting annual review of the independence of each director, assessing the Board's effectiveness, recommending performance criteria for evaluating Board's performance, evaluating and nominating directors to Board Committees. The committee will also be responsible for developing the Board and Management's compensation framework and remuneration policy as well as governing the Company's share participation scheme. It reviews succession plans of the GCEO, CEO, Group Chief Financial Officer ("GCFO") and Senior Management of the Company.

TAXATION

The following summary of certain Singapore, PRC, Hong Kong and European Union tax consequences of the purchase, ownership and disposition of the Notes is based upon applicable laws, regulations, rulings and decisions in effect as of the date of this Offering Circular (including administrative guidelines issued by the MAS and the IRAS), all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or any persons acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. Prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuers, the Arrangers nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

*In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the ITA and that interest payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available to qualifying debt securities, **provided that** the other conditions for the qualifying debt securities scheme are satisfied.*

SINGAPORE

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is:
 - (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or
 - (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 22.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

Notwithstanding the above, with effect from 29 December 2009, the said deeming provisions of Section 12(6) of the ITA would not apply to payments for any arrangement, management, service or guarantee relating to any loan or indebtedness, where: (i) the arrangement, management or service is performed outside Singapore; or (ii) the guarantee is provided, for or on behalf of a person resident in Singapore or a permanent establishment in Singapore by a non-resident person who:

- (i) is not an individual, is not incorporated, formed or registered in Singapore; and
- (ii) (A) does not by himself or in association with others, carry on a business in Singapore and does not have a permanent establishment in Singapore; or
(B) carries on a business in Singapore (by himself or in association with others) or has a permanent establishment in Singapore, but (a) the arrangement, management or service is not performed through; or (b) the giving of the guarantee is not effectively connected with, that business carried on in Singapore or that permanent establishment.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (i) interest from debt securities derived on or after 1 January 2004;
- (ii) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (iii) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

The terms “**break cost**”, “**prepayment fee**” and “**redemption premium**” are defined in the ITA as follows:

“**break cost**” means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“**prepayment fee**” means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“**redemption premium**” means, in relation to debt securities and qualifying debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “**break cost**”, “**prepayment fee**” and “**redemption premium**” in this Singapore tax disclosure have their same meaning as in the ITA.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank, each of which was, at the time of establishment of the Programme, a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), and the participation of Olam Treasury as a new issuer was also arranged by DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Standard Chartered Bank and Standard Chartered Bank (Singapore) Limited, each of which was a Financial Sector Incentive (Bond

Market) Company, a Financial Sector Incentive (Capital Market) Company or a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Notes issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2023 (the “**Relevant Notes**”) would be “qualifying debt securities” for the purposes of the ITA, to which the following treatment shall apply:

- (I) subject to certain prescribed conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require to the MAS and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Specified Income**”) from the Relevant Notes, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (II) subject to certain conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the MAS), Specified Income from the Relevant Notes derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10.0 per cent.; and
- (III) subject to:
 - (a) the relevant Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (b) the relevant Issuer, or such other person as the MAS may direct, furnishing to the MAS a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

Specified Income derived from the Relevant Notes are not subject to withholding of tax by the relevant Issuer.

However, notwithstanding the foregoing:

- (1) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four (4) persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, such Relevant Notes would not qualify as “qualifying debt securities” (unless otherwise approved by the Minister of Finance or such person as he may appoint); and

(2) even though a particular tranche of Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes which are outstanding at any time during the life of their issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Specified Income derived from such Relevant Notes held by:

- (a) any related party of the relevant Issuer; or
- (b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the relevant Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the relevant Issuer is permitted to make payments of Specified Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”), subject to certain conditions having been fulfilled (including the furnishing by the issuer or such other person as the MAS may direct, of a return on debt securities in respect of the qualifying debt securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the qualifying debt securities as the MAS may require to the MAS), income tax exemption is granted on Specified Income derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where
 - (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such qualifying debt securities; and
 - (ii) the qualifying debt securities do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the qualifying debt securities at the time of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

In determining an investor’s income that is to be exempted from tax under the QDS Plus Scheme, prescribed conditions apply in relation to how the investor’s losses, expenses and capital allowances which are attributable to exempt income are to be treated.

However, even though a particular tranche of the Relevant Notes are “qualifying debt securities” which qualify under the QDS Plus Scheme, if at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes which are outstanding at any time during the life of their issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Specified Income derived by:

- (a) any related party of the relevant Issuer; or
- (b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the relevant Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 — Financial Instruments: Recognition and Measurement (“**FRS 39**”), FRS 109 — Financial Instruments (“**FRS 109**”) or Singapore Financial Reporting Standards (International) 9 — Financial Instruments (“**SFRS(I) 9**”) (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “*Adoption of FRS 39, FRS 109 and SFRS(I) 9 Treatment for Singapore Income Tax Purposes*”.

Adoption of FRS 39, FRS 109 and SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments”.

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

PRC

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of the PRC for PRC tax purposes. These beneficial owners are referred to as non-PRC Noteholders in this section. In considering whether to invest in the Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Value Added Tax

On 23 March 2016, the MOF and the SAT jointly issued the Circular 36 which provides that all business tax payers are included into the pilot programme to pay VAT from 1 May 2016. With effect from 1 May 2016, the income derived from the provision of financial services which previously attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within PRC shall be subject to VAT. The services are treated as being provided within PRC where either the service provider or the service recipient is located in PRC. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the interpretation of “loans” under the Circular 36, the issuance of Notes may be treated as the holders of the Notes providing loans to the Issuer, which thus shall be regarded as the provision of financial services that could be subject to VAT. If the holders of the Notes are regarded as providing financial services to the Issuer within PRC by the competent PRC tax authorities, the holders of the Notes shall be subject to VAT at the rate of 6 per cent. when receiving the interest payments from the Issuer under the Notes. In addition, in that case the holders of the Notes shall also be subject to the local levies at approximately 12 per cent. of the VAT payment and consequently, the combined rate of VAT and local levies would be around 6.7 per cent. Given that the Issuer pays interest income to Noteholders who are located outside of the PRC, if such interest income is subject to VAT in the future, the Issuer, acting as the obligatory withholder in accordance with applicable law, shall withhold VAT and local levies from the payment of interest income to Noteholders who are located outside of the PRC.

The Circular 36 has been issued quite recently and the above disclosure may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of the Circular 36.

Pursuant to the EIT Law and the VAT reform detailed above, if the Issuer is treated as a PRC tax resident in the future, the Issuer may need to withhold EIT, (should such tax apply) from the payments of interest in respect of the Notes for any non-PRC-resident Noteholder and the Issuer may need to withhold VAT (should such tax apply) from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC. However, in the event that the Issuer is required to make such a deduction or withholding (whether by way of EIT or VAT or otherwise), the Issuer has agreed to pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, as further set out in the Terms and Conditions of the Notes other than the Perpetual Securities.

Stamp Duty

No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of Noteholders is maintained outside the PRC) of a Note.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be subject to profits tax in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of the Notes may be subject to profits tax.

Sums derived from the sale, disposal or redemption of the Notes may be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided either:

- (i) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes **provided that** either:

- (i) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong or
- (ii) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by each of the seller and the purchaser) normally by reference to the value of the consideration. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a foreign financial institution or FFI (as defined by FATCA)) that does not become a “Participating FFI” by entering into an agreement with the U.S. Internal Revenue Service (IRS) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States Account” (a Recalcitrant Holder).

Whilst the Notes are in global form and held within Euroclear or Clearstream (together, the “**ICSDs**”), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain beginning with the Issuer and ending with the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive notes will only be printed in remote circumstances.

PRINCIPAL SHAREHOLDERS

Substantial Shareholders of the Company

The interests of the Directors and the substantial shareholders of the Company in the Shares as at the Latest Practicable Date are as follows:

Directors

	Direct		Deemed			
	Number of Shares	% of total issued Shares ⁽¹⁾	Number of Shares	% of total issued Shares ⁽¹⁾	Number of outstanding Options	No. of Restricted Share Award
Lim Ah Doo	139,300	0.004	–	–	–	–
Jean-Paul Pinard	1,143,734	0.036	–	–	–	–
Sanjiv Misra	45,799	0.001	–	–	–	–
Nihal Vijaya Devadas Kaviratne, CBE	23,842	0.001	–	–	–	–
Yap Chee Keong	65,501	0.002	–	–	–	–
Marie Elaine Teo	47,482	0.001	–	–	–	–
Yutaka Kyoya	–	–	–	–	–	–
Kazuo Ito	–	–	–	–	–	–
Sunny George Verghese	136,530,385	4.272	–	–	–	1,237,782
Shekhar Anantharaman	16,769,702	0.525	–	–	3,250,000	698,105
Joerg Wolle (Dr.)	4,586	0.000	–	–	–	–
Ajai Puri (Dr.)	4,117	0.000	–	–	–	–
Nagi Adel Hamiyeh	–	–	–	–	–	–

Substantial Shareholders

Breedens Investments Pte. Ltd. ⁽²⁾	1,394,271,494	43.63	–	–		
Aranda Investments Pte. Ltd. ⁽²⁾	312,814,360	9.79	–	–		
Seletar Investments Pte Ltd ⁽²⁾	–	–	1,707,085,854	53.42		
Temasek Capital (Private) Limited ⁽²⁾	–	–	1,707,085,854	53.42		
Temasek Holdings (Private)Limited ⁽²⁾	–	–	1,707,085,854	53.42		
Mitsubishi Corporation ⁽³⁾	554,689,829	17.36	–	–		
Allan & Gill Gray Foundation (Guernsey) ⁽⁴⁾	–	–	221,277,796	6.92		
Orbis Allan Gray Limited ⁽⁴⁾	–	–	221,277,796	6.92		
Orbis Holdings Limited ⁽⁴⁾	–	–	221,277,796	6.92		
Orbis Investment Management Limited ⁽⁴⁾	–	–	221,277,796	6.92		
Orbis Investment Management (Hong Kong) Limited ⁽⁴⁾	–	–	181,506,595	5.68		
Kewalram Singapore Limited ⁽⁵⁾	225,019,921	7.04	–	–		
Chanrai Investment Corporation Limited ⁽⁵⁾	–	–	225,019,921	7.04		
Kewalram Chanrai Holdings Limited ⁽⁵⁾	–	–	225,019,921	7.04		
GKC Trustees Limited (as trustees of Girdhar Kewalram Chanrai Settlement) ⁽⁵⁾	–	–	225,019,921	7.04		
MKC Trustees Limited (as trustees of Hariom Trust) ⁽⁵⁾	–	–	225,019,921	7.04		
DKC Trustees Limited (as trustees of DKC Settlement) ⁽⁵⁾	–	–	225,019,921	7.04		

(1) Percentages of interests are calculated based on the total number of issued ordinary Shares being 3,195,623,619 (excluding 75,395,038 treasury shares) as at the Latest Practicable Date.

(2) Temasek Holdings (Private) Limited's (" Temasek ") interest arises from the direct interest held by Breedens Investments Pte. Ltd. (" Breedens ") and Aranda Investments Pte. Ltd. (" Aranda ").	
(A) Temasek's deemed interest through Breedens	43.63%
(i) Breedens has a direct interest in 43.63% 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	9.79%
(i) Aranda has a direct interest in 9.79% 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 deemed interest of Temasek	53.42%
(3) Total interest of Mitsubishi Corporation	17.36%
(4) Orbis Holdings, Orbis Allan Gray Limited and Allan & Gill Gray Foundation (Guernsey) are substantial shareholders of the Company by virtue of their deemed interest in the shares managed by their indirect subsidiary, Orbis Investment Management Limited (" OIML "), which is the fund manager for the Orbis funds. OIML has the ability to vote and acquire/dispose of the Company's shares for and on behalf of the Orbis funds.	
OIML has also sub-delegated some of its portfolio management duties, including the authority to dispose of securities, to Orbis Investment Management (Hong Kong) Limited (" OIMHK "). By virtue of the sub-delegation, OIMHK has deemed interest in the voting shares of the Company. However, OIML still retains overall investment management oversight, including voting shares in the Company, held by the portfolios.	
OIML is a substantial shareholder of the Company as it has deemed interests in the shares of the Company held by the following Orbis funds,	
<ol style="list-style-type: none"> 1. Orbis Emerging Markets Equity Fund (Australia Registered) 2. Orbis Institutional Emerging Markets Equity LP 3. Orbis Global Equity LE Fund (Australia Registered) 4. Orbis Global Equity Fund (Australia Registered) 5. Orbis Global Balanced Fund Wholesale Class (Australia Registered) 6. Orbis SIVAC – Orbis Global Balanced Fund 7. Orbis Institutional Equity LP 8. Orbis Institutional Global Equity Fund 9. Orbis Global Equity Fund 10. Orbis Institutional Global Equity (OFO) Fund 11. Orbis Institutional Global Equity LP 12. Orbis Institutional International Equity LP 13. Orbis Optimal LP 14. Orbis Optimal SA 15. Orbis SICAV – Orbis Global Equity 16. Allan Gray Australia Balanced Fund 17. Orbis SICAV – Orbis Institutional Equity 18. Orbis OEIC Global Balanced Fund 19. Orbis OEIC Global Equity Fund 20. Orbis SICAV – Orbis Emerging Markets Fund 	
None of the above Orbis funds individually holds 5% or more of the Company's shares.	
Total deemed interest of Orbis Group	6.92%

- (5) Kewalram Singapore Limited (“**KSL**”) is a wholly-owned subsidiary of Chanrai Investment Corporation Limited (“**CICL**”), which in turn is a wholly-owned subsidiary of Kewalram Chanrai Holdings Limited (“**KCHL**”). By virtue of section 4(7)(d) of the SFA, each of CICL and KCHL are deemed to be interested in the voting shares of the Company (“**Shares**”).

GKC Trustees Limited (as trustees of Girdhar Kewalram Chanrai settlement) (“**GKC Settlement**”), MKC Trustees Limited (as trustees of Hariom Trust) (“**Hariom Trust**”) and DKC Trustees Limited (as trustees of DKC Settlement) (“**DKC Settlement**”) are shareholders of KCHL. By virtue of section 4(5) of the SFA, each of the GKC Settlement, Hariom Trust and DKC Settlement are deemed to be interested in the Shares. CICL, KCHL, GKC Settlement, Hariom Trust and DKC Settlement are deemed interested in the 225,019,921 shares held by KSL.

Total interest of the Kewalram Group

7.04%

Shareholders of Olam Treasury

The interests of the Directors and the shareholders of Olam Treasury in the Shares as at the Latest Practicable Date are as follows:

Directors

	Direct		Deemed	
	Number of Shares	% of total issued Shares ⁽¹⁾	Number of Shares	% of total issued Shares ⁽¹⁾
Shekhar Anantharaman	—	—	—	—
Jayant Shriniwas Parande	—	—	—	—
Neelamani Muthukumar	—	—	—	—

Substantial Shareholders

Substantial Shareholders	Direct		Deemed	
	Number of Shares	% of total issued Shares ⁽¹⁾	Number of Shares	% of total issued Shares ⁽¹⁾
Olam International Limited	1	100.0	—	—

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, the CMU or CDP (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers believes to be reliable, but none of the Issuers, the Guarantor, the Arrangers, any Dealer, the Trustee or the Agents takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Guarantor, the Arrangers, any Dealer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

The Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the relevant paying agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system’s rules and procedures.

Each of the persons shown in the records of Euroclear, Clearstream or an Alternative Clearing System as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream or any such Alternative Clearing System (as the case may be) for his share of each payment made by the relevant Issuer or (where applicable) the Guarantor to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the relevant Issuer or (where applicable) the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer or (where applicable) the Guarantor will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Beneficial ownership in Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes, will be responsible for establishing and maintaining accounts for their participants and customers having

interests in the book-entry interest in the Notes. The Paying Agent will be responsible for ensuring that payments received by it from the relevant Issuer or (where applicable) the Guarantor for holders of interests in the Notes holding through Euroclear and Clearstream are credited to Euroclear or Clearstream, as the case may be.

The Issuers will not impose any fees in respect of the Notes, however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

The CMU

The CMU is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service (“**CMU Members**”) of capital markets instruments (“**CMU Instruments**”) which are specified in the CMU Service Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all members of the Hong Kong Capital Markets Association and “*authorised institutions*” under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike Euroclear and Clearstream), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest, distribution or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest, distribution or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream each have with the CMU.

The Trustee and the Agents shall have no responsibility for the performance by the CMU under the rules and procedures governing its regulations.

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the “**CDP System**”) maintained by CDP. Securities that are to be listed on that SGX-ST may be cleared through CDP. CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or Global Certificate or global certificate for persons holding the Notes in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the second business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the CDP System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP under the SFA to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the CDP System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the CDP System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement. CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest, distribution and repayment of principal on behalf of issuers of debt securities. Market participants may mutually agree on a different settlement period for over-the-counter trades.

Although CDP has established procedures to facilitate transfer of interests in the Notes among Depositors while the Notes are in global form, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Guarantors, the Arrangers, any Dealer, the Trustee, the Agents or any other person (other than CDP) will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Book-Entry Ownership

Bearer Notes

The relevant Issuer may make applications to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The relevant Issuer may also apply to have Bearer Notes accepted for clearance through the CMU or CDP. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a common depository for Euroclear and/or Clearstream or a sub-custodian for the CMU or CDP or an Alternative Clearing System as agreed between the relevant Issuer and the relevant Dealer. Transfers of interests in such temporary Global Notes or permanent Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of the CMU, CDP, Euroclear and Clearstream or, if appropriate, the Alternative Clearing System.

Registered Notes

The relevant Issuer may make applications to the CMU, CDP, Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Global Certificate deposited with a common depository for, and registered in the name of, a nominee of Euroclear and/or Clearstream and/or with CDP will, where applicable, have an ISIN and/or a Common Code or, if lodged with a sub-custodian for the CMU, will have a CMU Instrument Number.

All Registered Notes will initially be in the form of a Global Certificate. Definitive Certificates will only be available, in the case of Notes initially represented by a Global Certificate, in amounts specified in the relevant Pricing Supplement.

Definitive Certificates

Registration of title to Registered Notes in a name other than a depositary or its nominee for Clearstream and/or Euroclear or a sub-custodian for the CMU or for CDP will be permitted only in the circumstances set forth in “*Summary of Provisions relating to the Notes and the Perpetual Securities while in Global Form*”. In such circumstances, the relevant Issuer will cause sufficient individual definitive Registered Notes to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the relevant Issuer and the Registrar may require to complete, execute and deliver such individual definitive Registered Notes.

Transfers of Registered Notes

In the case of Registered Notes to be cleared through the CMU, CDP, Euroclear or Clearstream, transfers may be made at any time by a holder of an interest in a Global Certificate in accordance with the relevant rules, regulations and operating procedures of the applicable clearing systems.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in amended and restated dealer agreement dated 5 May 2020 (the “**Dealer Agreement**”) between the Company, Olam Treasury, the Arrangers and the Dealers, the Notes will be offered on a continuous basis by the Company, Olam Treasury to the Permanent Dealers. However, the Company and Olam Treasury have reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Company and Olam Treasury through the Dealers, acting as its agents. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally or severally and not jointly underwritten by two or more Dealers.

In respect of Notes issued by either the Company or Olam Treasury, the relevant Issuer (as stated in the relevant Pricing Supplement) will pay each relevant Dealer (as stated in the relevant Pricing Supplement) a commission as agreed between the relevant Issuer and the relevant Dealer(s) in respect of Notes subscribed by it. The Company and Olam Treasury have agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment, and any future update, of the Programme.

The Company, the Treasury and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Company or the Treasury.

The relevant Issuer, the Guarantor (in respect of each Tranche of Guaranteed Notes) and the relevant Dealer(s) may also, in relation to any Tranche of Notes, agree that the relevant Issuer will pay private banks or other selling agents a commission in order to facilitate the offering of the Notes.

Application has been made for permission to deal in and for the listing of any Notes which are agreed at the time of issue to be so listed on the SGX-ST. In connection with the offer and sale of each Series of Notes, the relevant Pricing Supplement will indicate whether or not and, if so, on which stock exchange(s) the Notes will be listed. No assurances can be given that the Programme will qualify for listing on a stock exchange. In addition, no assurances can be given that if the Programme qualifies for listing on a stock exchange and the relevant Pricing Supplement indicates that such Series of Notes will be listed on a stock exchange, that such Series of Notes will qualify for listing on a stock exchange that such Notes will trade from their date of issuance until maturity (or early redemption) and that such listing will be maintained.

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings with, and may perform services for, in the ordinary course of business with the Company, the Treasury, the Guarantor or any of their subsidiaries, jointly controlled entities or associated companies from time to time for which it has or will receive fees and expenses. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity as investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Company, the Treasury, the Guarantor or any of their subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers,

holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

If a jurisdiction requires that an offering of Notes be made by a licensed broker or dealer and the Arrangers, the Dealers or any affiliate of theirs is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by them or such affiliate on behalf of the Company, the Treasury, the Guarantor in such jurisdiction.

Selling Restrictions

United States of America

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, the Notes may not be offered or sold within the United States. The Notes are being offered and sold outside of the United States in reliance on Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer, sell or, in the case of Bearer Notes, deliver the Notes, except as permitted by the Dealer Agreement. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Company, the for use in connection with the offer and sale of the notes outside the United States. The Company, the Treasury, the Guarantor and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any person within the United States, is unauthorised and any disclosure without the prior written consent of the Company, the Treasury, the Guarantor or of any of their contents to any such U.S. person or other person within the United States is prohibited.

Prohibition of Sales to EEA and UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not have offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or

- (ii) a customer within the meaning of Directive (EU) 2016/97 (“**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the “**Prospectus Regulation**”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed that in relation to each Member State of the European Economic Area and the United Kingdom (each a “**Relevant State**”) no offering of the Notes may be the subject of an offering contemplated by the Offering Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may be made to the public in that Relevant State:

- (a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, **provided that** any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Company, the Treasury and the Guarantor have consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Dealers; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Company, the Treasury, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Company, the Treasury or the Guarantor;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Company, the Treasury or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Notes issued by the Company or the Treasury, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”), other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the “**Companies Ordinance**”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

This Offering Circular has not been, and will not, be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum and any other document or material in connection with the offer or sale, or

invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “FIEA”) and, accordingly, each Dealer represents, warrants and undertakes that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan. For the purposes of this paragraph, “**Japanese Person**” shall mean any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)).

PRC

Each Dealer has represented and undertaken and each further Dealer appointed under the Programme will be required to represent and undertake, that the offer of the Notes is not an offer of securities within the meaning of the PRC Securities Law or other pertinent laws and regulations of the PRC and the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

SCHEDULE C
FORM OF PRICING SUPPLEMENT IN RELATION TO NOTES
OTHER THAN PERPETUAL SECURITIES

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

MiFID II product governance/target market — [*appropriate target market legend to be included*]

Option 1: Legend for issuances involving one or more MiFID Firm manufacturers

[MiFID II product governance/Professional investors and ECPs only target market — Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

Option 2: Legend for issuances where there are no MiFID Firm manufacturers

[MiFID II product governance/Professional investors and ECPs only target market — For the purposes of Directive EU 2014/65/EU (as amended, “**MiFID II**”), the target market in respect of the Notes is expected to be eligible counterparties and professional clients only, each as defined in MiFID II. Any person offering, selling or recommending the Notes (a “**distributor**”) should take into consideration such target market; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels.]

Option 3: Legend for issuances where there is a sole manager that is a MiFID Firm manufacturer (i.e. no syndicate) (and assuming that none of the Issuer, the Guarantor or other credit provider is a MiFID regulated entity)

[MiFID II product governance/Professional investors and ECPs only target market — Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

[Notification under Section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) — [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA.]]

Pricing Supplement dated [●]

**[OLAM INTERNATIONAL LIMITED/OLAM TREASURY PTE. LTD.]
Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]**

under the U.S.\$5,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes other than the Perpetual Securities (the “**Conditions**”) set forth in the Offering Circular dated [●] 2020 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular as so supplemented.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes other than the Perpetual Securities (the “**Conditions**”) set forth in the Offering Circular dated [●]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.]

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**ITA**”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

- | | | |
|-----|--|--|
| 1. | Issuer | [Olam International Limited/Olam Treasury Pte. Ltd.] ¹ |
| 2. | [Guarantor] | [Olam International Limited] |
| 3. | (i) [Series Number:] | [●] |
| | (ii) [Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)] | [●] |
| 4. | Specified Currency or Currencies: | [●] [●] |
| 5. | Aggregate Principal Amount: | |
| | (i) [Series:] | [●] |
| | (ii) [Tranche:] | [●] |
| 6. | (i) Issue Price: | [●] per cent, of the Aggregate Principal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
| | (ii) Net Proceeds: | [●] |
| 7. | (i) Specified Denominations: | [●] |
| | (ii) Calculation Amount: | [●] |
| 8. | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | [Specify/Issue date/Not Applicable] |
| 9. | Maturity Date: | [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] ² |
| 10. | Interest Basis: | [[●] per cent. Fixed Rate]
[[specify reference rate] +/- [●] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (specify)]
(further particulars specified below) |
| 11. | Redemption/Payment Basis: | [Redemption at par]
[Index Linked Interest]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (specify)] |

1 Note that for Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification, it will be necessary to use the second option.

2 Note that for Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification, it will be necessary to use the second option.

12. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
13. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
14. Status of the Notes: Senior
15. Listing and admission to trading: [[●] (*specify*)/None]
16. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17. Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. Per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Center(s) for the definition of “Relevant Business Day’s”/not adjusted*]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount¹
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360/Actual/Actual(ICMA/ISDA)/other]
- (vi) [Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
- (vii) Other terms relating to the method of [Not Applicable/give details] calculating interest for Fixed Rate Notes:
18. Floating Rate Note Provisions: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) Interest Period Date: [●]
(Not applicable unless different from Interest Payment Date)

¹ For Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong Dollar denominated Fixed Rate Notes, being rounded upwards”.

- (iv) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/other (*give details*)]
- (v) Business Centre(s) (Condition 5(k)): [●]
- (vi) Manner in which the Rate(s) of Interest
is/are to be determined: [Screen Rate Determination/ISDA
Determination/other (*give details*)]
- (vii) Party responsible for calculating the
Rate(s) of Interest and Interest Amount(s)
(if not the Calculation Agent): [●]
- (viii) Screen Rate Determination:
- Reference Rate: [●]
*(Either LIBOR, EURIBOR, HIBOR, SIBOR, SOR
or other, although additional information is
required if other)*
 - Interest Determination Date(s): [●]
*(the day falling two Business Days in London for
the Specified Currency prior to the first day of
such Interest Accrual Period if the Specified
Currency is not Sterling, euro or Hong Kong
Dollars or Renminbi or first day of each Interest
Accrual Period if the Specified Currency is
Sterling or Hong Kong Dollars or Renminbi or
the day falling two TARGET Business Days prior
to the first day of such Interest Accrual Period if
the Specified Currency is euro)*
 - Relevant Screen Page: [●]
*[(In the case of EURIBOR, if not Reuters page
EURIBOR 01 ensure it is a page which shows a
composite rate or amend the fallback provisions
appropriately)]*
- (ix) Reference Banks: [●]
- (x) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - ISDA Definitions: 2006 (if different to those set out in the
Conditions, please specify)
- (xi) Margin(s): [+/-] [●] per cent. per annum
- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [●]
- (xv) Fall back provisions, rounding provisions,
denominator and any other terms relating
to the method of calculating interest on
Floating Rate Notes, if different from
those set out in the Conditions: [●]

19. Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Any other formula/basis of determining amount payable [●]
20. Index Linked Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula: [give or annex details]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: [●]
- (iv) Interest Period(s): [●]
- (v) Specified Interest Payment Dates: [●]
- (vi) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (vii) Business Centre(s): [●]
- (viii) Minimum Rate of Interest: [●] per cent. per annum
- (ix) Maximum Rate of Interest: [●] per cent. per annum
- (x) Day Count Fraction: [●]
21. Dual Currency Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

22. Call Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]

- (ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●]
23. Put Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation amount
- (iii) Notice period: [●]
24. Final Redemption Amount of each Note: [●] per Calculation amount
25. Early Redemption Amount: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Form of Notes: [Bearer Notes/Registered Notes]
[Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note]
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] (For *this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, EUR100,000 (or its equivalent in other currencies)*)
[Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/Global Certificate]
[Definitive Notes]
27. Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 16(ii), 17(iv) and 19(vii) relate]

28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, *give details*]
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
30. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
31. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
32. Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
33. Other terms or special conditions: [Not Applicable/*give details*]
- DISTRIBUTION**
34. (i) If syndicated, names of Managers: [Not Applicable/*give name*]
(ii) Stabilising Manager (if any): [Not Applicable/*give name*]
35. If non-syndicated, name of Dealer: [Not Applicable/*give name*]
36. U.S. selling restrictions: [Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable] The Notes are being offered and sold only in accordance with Regulation S.
37. Additional selling restrictions: [Not Applicable/*give details*]
38. Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)*
39. Total commission and concession: [Not Applicable/*give details*]
40. Private banking commission: [Not Applicable/*give details*]
- OPERATIONAL INFORMATION**
41. [ISIN Code: [●]]
42. Common Code: [●]
43. [CMU Instrument Number: [●]]
44. Any clearing system(s) other than Euroclear Bank, Clearstream, CDP or the CMU and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
45. Delivery: Delivery [against/free of] payment
46. Additional Paying Agent(s) (if any): [●]

GENERAL

- 47. The aggregate principal amount of Notes in the Specified Currency issued has been translated into U.S. Dollars at the rate specified, producing a sum of: [Not applicable/Exchange rate of Specified Currency: U.S. Dollar/U.S. Dollar equivalent: [●]]
- 48. In the case of Registered Notes, specify the location of the office of the Registrar: [●]
- 49. In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London: [●]
- 50. Ratings: [The Notes to be issued are unrated]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the [specify relevant stock exchange/market] of the Notes described herein pursuant to the U.S.\$5,000,000,000 Euro Medium Term Note Programme.

[STABILISATION

In connection with this issue, [insert name(s) of Stabilising Manager(s)] (or persons acting on behalf of the Stabilising Manager(s) (the “Stabilising Manager(s)”) may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on such Stabilising Manager(s) to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.)

[INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor’s particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.]

RESPONSIBILITY

[The Issuer/Each of the Issuer and the Guarantor] accepts responsibility for the information contained in this Pricing Supplement.

SIGNED on behalf of [OLAM INTERNATIONAL LIMITED/OLAM TREASURY PTE. LTD.]:

By: _____
Duly authorised

[SIGNED on behalf of **OLAM INTERNATIONAL LIMITED:**

By: _____
Duly authorised

SCHEDULE D
FORM OF PRICING SUPPLEMENT IN RELATION TO
PERPETUAL SECURITIES

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

MiFID II product governance/target market — [*appropriate target market legend to be included*]

Option 1: Legend for issuances involving one or more MiFID Firm manufacturers

[MiFID II product governance/Professional investors and ECPs only target market — Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

Option 2: Legend for issuances where there are no MiFID Firm manufacturers

[MiFID II product governance/Professional investors and ECPs only target market — For the purposes of Directive EU 2014/65/EU (as amended, “**MiFID II**”), the target market in respect of the Notes is expected to be eligible counterparties and professional clients only, each as defined in MiFID II. Any person offering, selling or recommending the Notes (a “**distributor**”) should take into consideration such target market; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels.]

Option 3: Legend for issuances where there is a sole manager that is a MiFID Firm manufacturer (i.e. no syndicate) (and assuming that none of the Issuer, the Guarantor or other credit provider is a MiFID regulated entity)

[MiFID II product governance/Professional investors and ECPs only target market — Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

[Notification under Section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) — [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA.]]

Pricing Supplement dated [●]

**[OLAM INTERNATIONAL LIMITED/OLAM TREASURY PTE. LTD.]
Issue of [Aggregate Principal Amount of Tranche] [Title of Perpetual Securities]**

under the U.S.\$5,000,000,000 Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Perpetual Securities described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Securities (the “**Perpetual Security Conditions**”) set forth in the Offering Circular dated [●] 2020 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Perpetual Securities and must be read in conjunction with such Offering Circular as so supplemented.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Securities (the “**Perpetual Security Conditions**”) set forth in the Offering Circular dated [●]. This Pricing Supplement contains the final terms of the Perpetual Securities and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Perpetual Security Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore in which case reference to the term “interest” shall be construed to mean distribution (including Arrears of Distribution and Additional Distribution Amounts, if applicable) in relation to Perpetual Securities:]

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**ITA**”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1. Issuer [Olam International Limited/Olam Treasury Pte. Ltd.]
2. [Guarantor] [Olam International Limited]
3. (i) [Series Number:] [●]
 (ii) [Tranche Number: *(If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.)*] [●]
4. Specified Currency or Currencies:
5. Aggregate Principal Amount:
 (i) [Series:] [●]
 (ii) [Tranche:] [●]
6. (i) Issue Price: [●] per cent. of the Aggregate Principal Amount [plus accrued distribution from *[insert date]* (in the case of fungible issues only, if applicable)]
 (ii) Net Proceeds: [●]
7. (i) Specified Denominations: [●]
 (ii) Calculation Amount: [●]
8. (i) Issue Date: [●]
 (ii) Distribution Commencement Date: [●]
9. Distributions:
 (i) Distribution Rate: [[●] per cent. Fixed Rate]
 [[*specify reference rate*] +/- [●] per cent. Floating Rate]
 [Index Linked Interest]
 [Other (*specify*)]
 (further particulars specified below)
 (ii) Distribution Deferral: [●]
 (iii) Cumulative Deferral: [●]
 (iv) Additional Distribution: [●]
 (v) Dividend Stopper: [●]
10. Redemption/Payment Basis: [Call Option Redemption]
 [Redemption for Accounting Reasons]
 [Redemption for Tax Deductibility Reasons]
 [Redemption in the case of Minimal Outstanding Amount]
 [Others]

11. Early Redemption Amount: *[Applicable/Not Applicable]*
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Early Redemption Amount(s) per Calculation Amount payable on redemption and/or the method of calculating the same:
- (ii) Make-Whole Amount:
- (iii) Reference Rate(s): [U.S. Treasuries]
 [Singapore Dollar Swap Offer Rate] *[Specify in any other case]*
12. Change of Distribution or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another distribution or redemption/payment basis]*
13. Call Option: *[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) First Call Date:
- (ii) [Additional Call Dates:]
14. Status of the Perpetual Securities: Senior Perpetual Securities/Subordinated Perpetual Securities]
15. Parity Obligations: [Not Applicable/give details]
16. Junior Obligations: [Not Applicable/give details]
17. Listing and admission to trading: (specify)/None]
18. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO DISTRIBUTIONS (IF ANY) PAYABLE

19. Fixed Rate Note Provisions: *[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Distribution Rate: per cent, per annum [[subject to Condition 4(h),] payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Distribution Payment Date(s): in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Center(s) for the definition of “Relevant Business Day”]/[not adjusted]
- (iii) Fixed Coupon Amount[(s)]: per Calculation Amount¹
- (iv) Broken Amount(s): per Calculation Amount, [subject to Condition 4(h),] payable on the Distribution Payment Date falling [in/on]
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/other]

1 For Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong Dollar denominated Fixed Rate Notes, being rounded upwards”.

- (vi) [Distribution Determination Dates:] in each year (insert regular distribution payment dates, ignoring issue date in the case of a long or short first coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]
- (vii) Other terms (including step-up and reset mechanisms) relating to the method of calculating distribution for Fixed Rate Notes: [Not Applicable/give details]
20. Floating Rate Note Provisions: [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Distribution Period(s):
- (ii) Specified Distribution Payment Dates:
- (iii) Distribution Period Date:
(Not applicable unless different from Distribution Payment Date)
- (iv) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (v) Business Centre(s):
- (vi) Manner in which the Distribution Rate(s) is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vii) Party responsible for calculating the Distribution Rate(s) and Distribution Amount(s) (if not the Calculation Agent):
- (viii) Screen Rate Determination:
- Reference Rate:
(Either LIBOR, EURIBOR, HIBOR, SIBOR, SOR or other, although additional information is required if other)
 - Distribution Determination Date(s):
(the day falling two Business Days in London for the Specified Currency prior to the first day of such Distribution Accrual Period if the Specified Currency is not Sterling, euro or Hong Kong Dollars or Renminbi or first day of each Distribution Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or Renminbi or the day falling two TARGET Business Days prior to the first day of such Distribution Accrual Period if the Specified Currency is euro)
 - Relevant Screen Page:
[(In the case of EURIBOR, if not Reuters page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)]

- (ix) Reference Banks: [●]
- (x) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - ISDA Definitions: 2006 (if different to those set out in the Conditions, please specify)
- (xi) Margin(s): [+/-] [●] per cent. per annum
- (xii) Minimum Rate of Distribution: [●] per cent. per annum
- (xiii) Maximum Rate of Distribution: [●] per cent. per annum
- (xiv) Day Count Fraction: [●]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating distributions on Floating Rate Notes, if different from those set out in the Conditions: [●]
21. Index Linked Distribution Note Provisions: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula: [give or annex details]
- (ii) Party responsible for calculating the Distribution Rate(s) and/or Distribution Amount(s) (if not the Calculation Agent): [●]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: [●]
- (iv) Distribution Period(s): [●]
- (v) Specified Distribution Payment Dates: [●]
- (vi) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (vii) Business Centre(s): [●]
- (viii) Minimum Rate of [●] percent. per annum Distribution: [●]
- (ix) Maximum Rate of [●] percent. per annum Distribution: [●]
- (x) Day Count Fraction: [●]
22. Dual Currency Note Provisions: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [●]

- (ii) Party, if any, responsible for calculating the Distribution Rate(s) and Distribution Amount(s) (if not the Agent):
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:
- (iv) Person at whose option Specified Currency(ies) is/are payable:

GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL SECURITIES

- 23. Form of Perpetual Securities: [Bearer Notes/Registered Notes]
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
 [Temporary Global Note exchangeable for Definitive Notes on days' notice] (*For this option to be available, such Perpetual Securities shall only be issued in denominations that are equal to, or greater than, EUR100,000 (or its equivalent in other currencies)*)
 [Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/Global Certificate]
 [Definitive Notes]
- 24. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details] (*Note that this paragraph relates to the date and place of payment*)
- 25. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 26. Redenomination renominatisation and reconventioning provisions: [Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
- 27. Consolidation provisions: [Not Applicable/The provisions [in Perpetual Security Condition] [annexed to this Pricing Supplement] apply]
- 28. Other terms or special conditions: [Not Applicable/give name]

DISTRIBUTION

- 29. (i) If syndicated, names of Managers: [Not Applicable/give name]
(ii) Stabilising Manager (if any): [Not Applicable/give name]
- 30. If non-syndicated, name of Dealer: [Not Applicable/give name]
- 31. U.S. selling restrictions: [Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable] The Perpetual Securities are being offered and sold only in accordance with Regulation S
- 32. Additional selling restrictions: [Not Applicable/give details]

33. Prohibition of Sales to EEA and UK Retail Investors: [Applicable/Not Applicable]
- (If the Securities clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Securities may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)*
34. Total commission and concession: [Not Applicable/give details]
35. Private banking commission: [Not Applicable/give details]

OPERATIONAL INFORMATION

36. [ISIN Code:]
37. Common Code:
38. [CMU Instrument Number:]
39. Any clearing system(s) other than Euroclear Bank, Clearstream, CDP and the CMU and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
40. Delivery: Delivery [against/free of] payment
41. Additional Paying Agent(s) (if any):

GENERAL

42. The aggregate principal amount of Perpetual Securities in the Specified Currency issued has been translated into U.S. Dollars at the rate specified, producing a sum of: [Not applicable/Exchange rate of Specified Currency: U.S. Dollar/U.S. Dollar equivalent:
43. In the case of Registered Notes, specify the location of the office of the Registrar:
44. In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London:
45. Ratings: [The Perpetual Securities to be issued are unrated]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the [specify relevant stock exchange/market] of the Perpetual Securities described herein pursuant to the U.S.\$5,000,000,000 Euro Medium Term Note Programme.

[STABILISATION

In connection with this issue, [insert name(s) of Stabilising Manager(s)] (or persons acting on behalf of the Stabilising Manager(s) (the “**Stabilising Manager(s)**”) may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on such Stabilising Manager(s) to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.)

[INVESTMENT CONSIDERATIONS

There are significant risks associated with the Perpetual Securities including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Perpetual Securities, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Perpetual Securities unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Perpetual Securities.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.]

RESPONSIBILITY

[The Issuer/Each of the Issuer and the Guarantor] accepts responsibility for the information contained in this Pricing Supplement.

SIGNED on behalf of [**OLAM INTERNATIONAL LIMITED/OLAM TREASURY PTE. LTD.**]:

By: _____
Duly authorised

GENERAL INFORMATION

- (1) Application has been made to the SGX-ST for permission to deal in and the quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for permission to deal in and quotation of the Notes of any Series (as defined herein) will be approved. The approval in-principle from, and admission to the Official List of, the SGX-ST is not to be taken as an indication of the merits of the Company, Olam Treasury, their subsidiaries, its associated companies, the Programme and/or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein.
- (2) Each of the Company and Olam Treasury has obtained all necessary consents, approvals and authorisations in Singapore in connection with the establishment of the Programme. The update of the Programme was authorised by resolutions of the Board of Directors of the Company passed on 12 July 2012, 3 July 2014, 18 November 2016, 8 March 2018, 13 March 2019 and 4 May 2020. The update of the Programme was authorised by resolutions of the Board of Directors of Olam Treasury was passed on 8 March 2018 and 4 May 2020. The giving of the Guarantee was authorised by resolutions of the Board of Directors of the Guarantor passed on 8 March 2018.
- (3) Except as disclosed in this Offering Circular, each of the Company and Olam Treasury is not involved in any litigation or arbitration proceedings that may have, a material adverse effect on the financial position of the Group, nor is the Company or Olam Treasury aware that any such proceedings are pending or threatened.
- (4) Except as disclosed in this Offering Circular, there has been no significant change in the financial position of the Group since 31 December 2019 and no material adverse change in the financial position of the Group since 31 December 2019.
- (5) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (6) Notes have been accepted for clearance through Euroclear and Clearstream (which are the entities in charge of keeping the records) and CDP. The Company and Olam Treasury may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. The relevant ISIN, the Common Code and (where applicable) the identification number for any other relevant clearing system for each series of Notes will be specified in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

The address of CDP is 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of the CMU is 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. The address of any alternative clearing system will be specified in the relevant Pricing Supplement.

- (7) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Tranche, based on the prevailing market conditions.

- (8) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the Issuing and Paying Agent's office:
- (i) the Trust Deed (which includes the form of the Global Notes, the Global Certificates, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons) and the Agency Agreement;
 - (ii) the Constitution of each of the Company and Olam Treasury; and
 - (iii) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular and any documents incorporated by reference in the Offering Circular or such supplement or further Offering Circular.
- (9) Copies of the Company's latest published annual report and accounts may be obtained, and copies of the Trust Deed will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.
- (10) Ernst & Young LLP has audited, and rendered unqualified audit reports on, the consolidated financial statements of the Company for the year ended 31 December 2018 and for the year ended 31 December 2019. Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this Offering Circular for the inclusion herein of (i) its name; and (ii) the independent auditor's reports on the consolidated financial statements of the Company for the year ended 31 December 2018 and for the year ended 31 December 2019, in the form and context in which they appear in this Offering Circular, and reference to its name and such reports in the form and context which they appear in this Offering Circular.

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* *The Audited Financial Statement as of and for the year ended 31 December 2019, as included in this Offering Circular, will be tabled before the shareholders of the Company at the next Annual General Meeting of the Company, which will be held on 20 May 2020.*

Directors' Statement

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 ended 31 December 2019.

1. Opinion of the directors

In the opinion of the directors,

- (i) the financial statements set out on pages 13 to 92 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 2019, changes in equity of the Group and of the Company, the financial performance and the cash flows of the Group for the financial year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Lim Ah Doo

Sunny George Verghese

Jean-Paul Pinard

Sanjiv Misra

Nihal Vijaya Devadas Kaviratne CBE

Yap Chee Keong

Marie Elaine Teo

Yutaka Kyoya

Kazuo Ito

Shekhar Anantharaman

Joerg Wolle (Dr.) (Appointed on 1 September 2019)

Ajai Puri (Dr.) (Appointed on 1 September 2019)

Nagi Adel Hamiyeh (Appointed on 1 September 2019)

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 ended 31 December 2019 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

According to the register of the directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of directors	Held in the name of the director or nominee			Deemed interest		
	As at 1.1.2019 or date of appointment, if later	As at 31.12.2019	As at 21.1.2020	As at 1.1.2019 or date of appointment, if later	As at 31.12.2019	As at 21.1.2020
The Company						
Olam International Limited						
(a) Ordinary shares						
Sunny George Verghese	133,112,233	133,589,470	133,589,470	-	-	-
Shekhar Anantharaman	15,896,204	16,261,136	16,261,136	-	-	-
Jean-Paul Pinard	806,761	806,761	806,761	-	-	-
(b) Euro Medium Term Note Programme						
Nihal Vijaya Devadas Kaviratne CBE ¹	US\$200,000	US\$200,000	US\$200,000	-	-	-
(c) Options to subscribe for ordinary shares						
Sunny George Verghese	15,000,000	15,000,000	15,000,000	-	-	-
Shekhar Anantharaman	5,000,000	3,250,000	3,250,000	-	-	-

4. Directors' interests in shares and debentures continued

Name of directors	Held in the name of the director or nominee			Deemed interest		
	As at 1.1.2019 or date of appointment, if later	As at 31.12.2019	As at 21.1.2020	As at 1.1.2019 or date of appointment, if later	As at 31.12.2019	As at 21.1.2020
Subsidiaries of the Company's ultimate holding company						
Temasek Group of companies						
(a) Mapletree North Asia Commercial Trust Management (fka Mapletree Greater China Commercial Trust Management Ltd) (Unit holdings in Mapletree North Asia Commercial Trust (fka Mapletree Greater China Commercial Trust))						
Sunny George Verghese	510,000	510,000	510,000	–	–	–
(b) Mapletree Logistics Trust Management Ltd (Unit holdings in Mapletree Logistics Trust)						
Sunny George Verghese	505,000	505,000	505,000	–	–	–
Lim Ah Doo	185,000	185,000	185,000	–	–	–
(c) Mapletree Commercial Trust Management Ltd. (3.25% Bonds due 3 February 2023)						
Yap Chee Keong	\$250,000	–	–	–	–	–
(d) Singapore Technologies Engineering Ltd (Ordinary Shares)						
Lim Ah Doo	60,000	12,400	12,400	–	60,000	60,000
(e) Starhub Ltd (Ordinary Shares)						
Nihal Vijaya Devadas Kaviratne CBE ³	46,800	45,000	45,000	67,600	–	–
Sanjiv Misra ²	60,000	60,000	60,000	–	–	–
(f) Mapletree Industrial Trust (Ordinary Shares)						
Marie Elaine Teo	11,800	11,800	11,800	–	–	–
(g) Singapore Airlines Limited (3.035% Notes due 2025)						
Yap Chee Keong	\$250,000	–	–	–	–	–
(h) Astrea IV Pte Ltd (4.35% bonds due 2028)						
Yap Chee Keong	\$250,000	\$250,000	\$250,000	–	–	–
(i) Ascott Residence Trust (3.88% fixed rate perpetual securities)						
Yap Chee Keong	–	\$250,000	\$250,000	–	–	–
(j) Musel Private Trust (Ordinary Shares)						
Marie Elaine Teo	–	800	800	–	–	–

- This refers to the Notes issued under Series 006 of the US\$5,000,000,000 Euro Medium Term Note Programme ("EMTN") established by the Company on 6 July 2012 and subsequently updated on 14 July 2014, 21 August 2015, 23 November 2016, 16 March 2018 and 16 March 2019, comprising US\$300,000,000 in principal amount of 4.50 per cent fixed rate notes due 2020.
- Held in trust by Windsor Castle Holding Ltd for Sanjiv Misra and spouse.
- Held by DBS Nominees Pte Ltd for Green Willow Worldwide Inc., a company wholly-owned by a trust in which Mr Nihal Kaviratne is a named beneficiary.

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

The Company offers the following share plans to its employees:

- Olam Employee Share Option Scheme, and
- Olam Share Grant Plan.

These share plans are administered by the Human Resource & Compensation Committee ("HRCC"), which comprises the following directors and co-opted member:-

Lim Ah Doo
Jean-Paul Pinard
Sanjiv Misra
Kazuo Ito
Chan Wai Ching (co-opted)

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.

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 ESOS has expired on 3 January 2015. The terms of the ESOS continue to apply to outstanding options granted under the ESOS. The ESOS rules amended on 29 October 2008 may be read in the Appendix 1 of the Company's circular dated 13 October 2008.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS outstanding as at 31 December 2019 are as follows:-

	Exercise price (\$)	Number of options
17 February 2020	2.35	15,000,000
23 July 2020	2.64	2,755,000
17 December 2020	3.10	650,000
14 March 2021	2.70	895,000
30 December 2021	2.16	2,000,000
15 June 2022	1.76	15,967,000
Total		37,267,000

The details of options granted to the directors, 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 expired 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	-	-	30,000,000	15,000,000	-	15,000,000
Shekhar Anantharaman	-	-	5,800,000	800,000	1,750,000	3,250,000

The 15,000,000 options granted to Sunny George Verghese in financial year 2010 were 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 where the vesting conditions were met. The options will expire ten years after the date of grant.

The 1,750,000 options granted to Shekhar Anantharaman in financial year 2010 were exercisable in tranches of 25% and 75% at the end of the third and fourth anniversary from the date of grant (21 July 2009) at the exercise price of \$2.28 where the vesting conditions were met. These options expired on 21 July 2019. 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.

5. 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 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;
- 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.

An employee's Award under the OSGP will be determined at the absolute discretion of the HRCC. In considering an Award to be granted to an employee, the HRCC may take into account, inter alia, the employee's performance during the relevant period, and his capability, entrepreneurship, scope of responsibility and skills set. The OSGP contemplates 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. Examples of performance targets include targets based on criteria such as total shareholders' return, return on invested capital, economic value added, or on the Company meeting certain specified corporate target(s). It is also currently intended that a Retention Period, during which the Shares awarded may not be transferred or otherwise disposed of (except to the extent set out in the Award Letter or with the prior approval of the HRCC), may be imposed in respect of Shares awarded to the employees under the OSGP.

Details of the Awards granted (including to the directors), are as follows:-

Type of Grant	Performance share awards ('PSA')	Restricted share awards ('RSA')
Date of Grant	12 April 2019	12 April 2019
Number of Shares which are subject of the Awards granted	7,974,087	4,946,477
Number of employees receiving Shares Awards	661	661
Market Value of Olam Shares on the Date of Grant	\$1.98	\$1.98
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 368,687 Shekhar Anantharaman 290,500	Sunny George Verghese 367,677 Shekhar Anantharaman 176,800
Vesting Date of Shares awarded	April 2022	Tranche 1 – 25%: 1 April 2020 Tranche 2 – 25%: 1 April 2021 Tranche 3 – 25%: 1 April 2022 Tranche 4 – 25%: 1 April 2023

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

Olam Share Grant Plan continued

Type of Grant	Performance share awards ("PSA")		Restricted share awards ("RSA")	
Date of Grant	16 April 2018	12 April 2018	16 April 2018	12 April 2018
Number of Shares which are subject of the Awards granted	779,800	8,183,700	491,500	4,932,400
Number of employees receiving Shares Awards	2	712	2	712
Market Value of Olam Shares on the Date of Grant	\$2.34	\$2.36	\$2.34	\$2.36
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 478,000	-	Sunny George Verghese 286,800	-
	Shekhar Anantharaman 301,800	-	Shekhar Anantharaman 204,700	-
Vesting Date of Shares awarded	April 2021	April 2021	Tranche 1 – 25%: 1 April 2019 Tranche 2 – 25%: 1 April 2020 Tranche 3 – 25%: 1 April 2021 Tranche 4 – 25%: 1 April 2022	Tranche 1 – 25%: 1 April 2019 Tranche 2 – 25%: 1 April 2020 Tranche 3 – 25%: 1 April 2021 Tranche 4 – 25%: 1 April 2022

Type of Grant	Performance share awards ("PSA")		Restricted share awards ("RSA")	
Date of Grant	24 April 2017	5 May 2017	24 April 2017	5 May 2017
Number of Shares which are subject of the Awards granted	9,711,173	40,000	4,456,173	20,000
Number of employees receiving Shares Awards	320	1	319	1
Market Value of Olam Shares on the Date of Grant	\$1.91	\$1.90	\$1.91	\$1.90
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 392,147	-	Sunny George Verghese 392,147	-
	Shekhar Anantharaman 323,026	-	Shekhar Anantharaman 323,026	-
Vesting Date of Shares awarded	April 2020	April 2020	Tranche 1 – 25%: 1 April 2018 Tranche 2 – 25%: 1 April 2019 Tranche 3 – 25%: 1 April 2020 Tranche 4 – 25%: 1 April 2021	Tranche 1 – 25%: 1 April 2018 Tranche 2 – 25%: 1 April 2019 Tranche 3 – 25%: 1 April 2020 Tranche 4 – 25%: 1 April 2021

The actual number of shares to be delivered pursuant to the PSA granted in the table above will range from 0% to 200.0% 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.

Type of Grant	Performance share awards ("PSA")		Restricted share awards ("RSA")	
Date of Grant	7 April 2015	15 April 2016	15 April 2016	15 April 2016
Number of Shares which are subject of the Awards granted	11,817,500	10,397,000	5,423,000	5,423,000
Number of employees receiving Shares Awards	280	297	294	294
Market Value of Olam Shares on the Date of Grant	\$1.985	\$1.72	\$1.72	\$1.72
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 400,000	Sunny George Verghese 410,000	Sunny George Verghese 410,000	Sunny George Verghese 410,000
	Shekhar Anantharaman 250,000	Shekhar Anantharaman 350,000	Shekhar Anantharaman 232,000	Shekhar Anantharaman 232,000
Vesting Date of Shares awarded	April 2018	April 2019	Tranche 1 – 25%: 1 April 2017 Tranche 2 – 25%: 1 April 2018 Tranche 3 – 25%: 1 April 2019 Tranche 4 – 25%: 1 April 2020	Tranche 1 – 25%: 1 April 2017 Tranche 2 – 25%: 1 April 2018 Tranche 3 – 25%: 1 April 2019 Tranche 4 – 25%: 1 April 2020

The actual number of shares to be delivered pursuant to the PSA granted in the table above 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.

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

Olam Share Grant Plan continued

The details of awards granted to the directors, are as follows:-

Name of Participant	Share awards granted during financial year under review	Aggregate share awards granted since the commencement of the scheme to the end of financial year under review	Aggregate share awards vested since the commencement of the scheme to the end of financial year under review	Aggregate share awards cancelled since the commencement of the scheme to the end of the financial year under review	Aggregate share awards outstanding as at the end of financial year under review
Performance Share Awards:					
Sunny George Verghese	368,687	2,048,834	522,600	287,400	1,238,384
Shekhar Anantharaman	290,500	1,515,326	373,500	226,500	915,326
Restricted Share Awards:					
Sunny George Verghese	367,677	1,456,624	575,274	–	881,350
Shekhar Anantharaman	176,800	936,526	386,689	–	549,837

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.

6. Audit Committee

The Audit Committee (the "AC" or "Committee") comprises three Independent Non-Executive directors and a Non-Executive director. The members of the AC are Yap Chee Keong (Chairman), Nihal Vijaya Devadas Kaviratne CBE, Marie Elaine Teo and Yutaka Kyoya. The AC performed the functions specified in section 201B(5) of the Singapore Companies Act, Chapter 50, the Singapore Code of Corporate Governance and the Listing Manual of the SGX-ST with full access and cooperation of the management and full discretion to invite any director or executive officer to attend its meetings.

In performing its function, the AC held 5 meetings during the year and 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;
- scope of work of the external and internal auditors, the results of their examinations and their evaluation of the Company's internal accounting control systems;
- the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management systems via the integrated assurance framework, audit and reviews carried out by the internal auditors along with the reviews by the control functions;
- whistle-blowers' reports;
- 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 SGX-ST); and
- the scope and results of the audit.

Further, the Committee

- held meetings with the external auditors and internal auditors in separate executive sessions to discuss any matters that these groups believed should be discussed privately with the AC;
- made recommendations to the board of directors in relation to the external auditor's reappointment and their compensation; and
- reported actions and minutes of the AC meetings to the board of directors with such recommendations as the AC considered appropriate.

As part of the review of the independence and objectivity of the external auditors, the Committee 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. The Committee has confirmed that such services would not affect their independence.

The Committee has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as independent external 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 SGX-ST.

Please refer to the additional disclosures on the AC provided in the Corporate Governance Report in the Company's Annual Report to shareholders.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as independent external auditor.

On behalf of the board of directors,

Lim Ah Doo
Director

Sunny George Verghese
Director

24 March 2020

Independent Auditor's Report

For the financial year ended 31 December 2019
To the Members of Olam International Limited

Report on the financial statements

We have audited the accompanying financial statements of Olam International Limited (the 'Company') and its subsidiaries (collectively, the 'Group') set out on pages 13 to 92, which comprise the balance sheets of the Group and the Company as at 31 December 2019, 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 then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) in Singapore (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1 Valuation of goodwill, intangible assets and tangible assets/liabilities through business combinations

During the year, the Group completed various acquisitions as disclosed in Note 12. The Group has determined these acquisitions to be business combinations for which the purchase price is to be allocated between acquired assets and liabilities, identified intangible assets and contingent liabilities, and leading to the resultant recognition of goodwill at their respective fair values. As a policy, for significant acquisitions, independent professional valuers were engaged by the Group to perform purchase price allocation exercise, fair valuation of acquired assets and liabilities and/or identification and valuation of intangible assets. The identification of such assets and liabilities, including contingent assets and liabilities and their measurement at fair value is inherently judgemental, thus we considered this area to be a key audit matter.

We have obtained the valuations prepared by independent valuers engaged by the Group. We, together with our valuation specialists, assessed the competence and capabilities of the valuers and objectivity of the valuers, and assessed the reasonableness of their conclusions having regard to the key assumptions including forecast cash flows focusing on revenues and earnings before interest, tax, depreciation and amortisation ('EBITDA'), appropriateness of discount and growth rates and cross-checking valuation calculations against comparable companies, whilst considering the risk of management bias and also the reasonableness of the useful lives of the intangible and tangible assets and the consideration given.

We have also assessed the Group's determination of the fair value of the remaining assets and liabilities having regard to the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations. We also considered the adequacy of disclosures on contingent liabilities and assets in relation to the acquisitions.

Key audit matters continued

2 Impairment assessment of property, plant and equipment, goodwill and indefinite life intangible assets

The Group has significant property, plant and equipment, goodwill and indefinite life intangible assets as disclosed in Notes 11 and 12. Management performs periodic and annual impairment reviews of goodwill, intangible assets with indefinite life and impairment assessments for identified property, plant and equipment where there are indications of impairment. Recoverable values of the property, plant and equipment, goodwill and indefinite life intangible assets are determined based on fair value less costs to sell or value-in-use assessment where relevant, and are performed by management with the help of independent professional valuers where applicable. As these assessments involves judgement exercised in fair value less costs to sell, forecasting and discounting future cash flows, we have considered this to be a key audit matter.

For fair value less costs to sell calculation where independent professional valuers are involved, we have reviewed, with the assistance of our internal valuation specialist where required, the competence, capabilities and objectivity and evaluating the appropriateness of the fair value model prepared by independent professional valuers.

For the value-in-use assessment, we have obtained the business units' cash flow forecasts assessment prepared by management and evaluated the reasonableness of management's conclusions on key assumptions including forecast cash flows focusing on revenues and earnings before interest, tax, depreciation and amortisation ('EBITDA'). We also assessed the appropriateness of discount rates with the assistance of our internal valuation specialist where required and growth rates to historical and market trends to assess the reliability of management's forecast.

We have also reviewed the adequacy of the Group's disclosures in relation to property, plant and equipment, goodwill and indefinite life intangible assets as disclosed in Note 11 and 12.

3 Valuation of biological assets

The Group operates various farms and plantations for which the dairy cows, poultry, agricultural produce ('fruits on trees') and annual crops are subject to fair valuation. These significant biological assets across the Edible Nuts, Spices and Vegetable Ingredients and Food Staples and Packaged Foods segments, are fair valued by management and/or independent professional valuers engaged by the Group using industry/market accepted valuation methodology and approaches. As the measurement of fair value involves judgement on the assumptions and estimates used, we have considered this to be a key audit matter.

We had obtained the valuations of biological assets prepared by management and/or independent professional valuers engaged by the Group. The fair value reports are reviewed by us, together with our internal valuation specialists where required for appropriateness of the fair value methodology used and reasonableness of the assumptions used, including forecast cash flows, discount rates and yield rates for the plantations and market prices of the fruits or nuts/crop and livestock. To the extent where independent professional valuers are involved, we have reviewed the competence, capabilities and objectivity and evaluating the appropriateness of the valuation models prepared by independent professional valuers.

We have also reviewed the adequacy of the Group's disclosures in relation to biological assets as disclosed in Note 13.

Key audit matters continued

4 Valuation of financial instruments

The Group enters into various financial instruments which are required to be carried at fair value as disclosed in Notes 35 and 36. This include fair value of financial assets and financial liabilities relating to Level 3 financial instruments. Estimation uncertainty is high for these financial instruments where significant valuation inputs are unobservable as it involves judgement on the assumptions and estimates used and therefore, considered a key audit matter.

We have reviewed and assessed the controls over identification, measurement and management of valuation risk, and evaluating the methodologies, inputs and assumptions used by the Group in determining fair values. We have also evaluated the assumptions and models used or performed an independent valuation to assess the reasonableness of the computed fair value with the help of our internal valuation specialist where required. The review also included testing of the evidence supporting significant unobservable inputs utilised in Level 3 measurements in the fair value hierarchy as outlined in Notes 35 and 36 to the financial statements, which included assessing management's valuation assumptions against independent price quotes, recent transactions and other verifiable supporting documentation.

Additionally, we reviewed the adequacy of disclosures of fair value risks and sensitivities in Notes 35 and 36 to the financial statement to reflect the Group's exposure to valuation risk.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information in the Annual Report 2019 comprises the information included in (i) Strategy Report, (ii) Governance Report and (iii) Directors' Statement (within the Financial Report) sections, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and SFRS(I)s, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Financial Report

Independent Auditor's Report continued
For the financial year ended 31 December 2019
To the Members of Olam International Limited

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner on the audit resulting in this independent auditor's report is Christopher Wong.

Ernst & Young LLP

Public Accountants and Chartered Accountants
Singapore
24 March 2020

Consolidated Profit and Loss Account

For the financial year ended 31 December 2019

	Note	Group	
		2019 \$'000	2018 \$'000
Sale of goods and services	4	32,992,722	30,479,056
Other income	5	531,537	87,742
Cost of goods sold	6	(30,055,135)	(27,985,803)
Net gain from changes in fair value of biological assets	13	1,857	61,270
Depreciation and amortisation	10, 11, 12	(500,334)	(392,836)
Other expenses	7	(1,822,637)	(1,462,564)
Finance income		88,649	79,689
Finance costs	8	(628,381)	(548,464)
Share of results from joint ventures and associates		67,872	62,525
Profit before taxation		676,150	380,615
Income tax expense	9	(150,988)	(57,422)
Profit for the financial year		525,162	323,193
Attributable to:			
Owners of the Company		564,157	347,870
Non-controlling interests		(38,995)	(24,677)
		525,162	323,193
Earnings per share attributable to owners of the Company (cents)			
Basic	26	15.98	9.20
Diluted	26	15.79	9.08

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2019

	Group	
	2019 \$'000	2018 \$'000
Profit for the financial year	525,162	323,193
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net gain/(loss) on fair value changes during the financial year	93,243	(72,544)
Recognised in the profit and loss account on occurrence of hedged transactions	(105,532)	(2,474)
Foreign currency translation adjustments	(87,369)	(43,473)
Share of other comprehensive income of joint ventures and associates	(5,948)	(33,940)
	(105,606)	(152,431)
Items that will not be reclassified subsequently to profit or loss:		
Net fair value loss on equity instrument at fair value through other comprehensive income	(64,274)	(121,742)
Other comprehensive income for the year, net of tax	(169,880)	(274,173)
Total comprehensive income for the year	355,282	49,020
Attributable to:		
Owners of the Company	402,344	87,778
Non-controlling interests	(47,062)	(38,758)
	355,282	49,020

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

Balance Sheets

As at 31 December 2019

	Note	Group		Company	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-current assets					
Property, plant and equipment	11	6,186,963	5,809,948	8,898	10,722
Right-of-use assets	10	577,589	–	53,524	–
Intangible assets	12	1,165,231	1,199,912	292,103	290,058
Biological assets	13	531,178	511,931	–	–
Subsidiary companies	14	–	–	9,004,517	7,001,031
Deferred tax assets	9	183,273	166,785	–	–
Investments in joint ventures and associates	15	661,105	691,692	403,708	439,099
Long-term investment	16	71,503	135,777	71,503	135,777
Other non-current assets	22	44,956	27,786	2,019	–
		9,421,798	8,543,831	9,836,272	7,876,687
Current assets					
Amounts due from subsidiary companies	17	–	–	2,435,290	3,988,713
Trade receivables	18	2,316,519	2,435,168	991,427	1,307,958
Inventories	20	7,211,465	6,468,157	1,985,021	1,608,225
Advance payments to suppliers	21	563,537	805,472	92,669	44,457
Advance payments to subsidiary companies	21	–	–	358,804	1,816,605
Cash and short-term deposits	34	3,179,584	2,480,374	1,200,479	891,379
Derivative financial instruments	35	1,847,715	1,835,043	1,374,556	1,317,899
Other current assets	22	1,129,743	878,772	313,603	205,968
		16,248,563	14,902,986	8,751,849	11,181,204
Current liabilities					
Trade payables and accruals	23	(3,983,485)	(3,633,860)	(2,174,563)	(2,352,435)
Margin accounts with brokers	19	(12,961)	(121,017)	(110,918)	(168,499)
Borrowings	25	(6,675,458)	(4,766,411)	(3,597,553)	(2,891,457)
Lease liabilities	25	(82,032)	(10,710)	(18,513)	–
Derivative financial instruments	35	(1,162,135)	(928,631)	(959,691)	(688,823)
Provision for taxation		(259,077)	(151,994)	(26,037)	(26,954)
Other current liabilities	24	(596,936)	(456,399)	(88,214)	(100,003)
		(12,772,084)	(10,069,022)	(6,975,489)	(6,228,171)
Net current assets		3,476,479	4,833,964	1,776,360	4,953,033
Non-current liabilities					
Deferred tax liabilities	9	(502,031)	(422,625)	(1,893)	(2,957)
Borrowings	25	(5,403,423)	(6,407,718)	(3,082,230)	(4,478,115)
Lease liabilities	25	(435,068)	(83,396)	(35,308)	–
Other non-current liabilities	24	(17,695)	–	–	–
		(6,358,217)	(6,913,739)	(3,119,431)	(4,481,072)
Net assets		6,540,060	6,464,056	8,493,201	8,348,648
Equity attributable to owners of the Company					
Share capital	27	3,748,994	3,748,994	3,748,994	3,748,994
Treasury shares	27	(158,807)	(166,280)	(158,807)	(166,280)
Capital securities	27	1,045,867	1,046,406	1,045,867	1,046,406
Reserves		1,795,934	1,696,246	3,857,147	3,719,528
		6,431,988	6,325,366	8,493,201	8,348,648
Non-controlling interests		108,072	138,690	–	–
Total equity		6,540,060	6,464,056	8,493,201	8,348,648

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

Statements of Changes in Equity

For the financial year ended 31 December 2019

31 December 2019 Group	Attributable to owners of the Company											Total non- controlling interests \$'000	Total equity \$'000
	Share capital (Note 27) \$'000	Treasury shares (Note 27) \$'000	Capital securities (Note 27) \$'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		
At 1 January 2019	3,748,994	(166,280)	1,046,406	295,563	(1,069,917)	(327,545)	127,315	2,670,830	1,696,246	6,325,366	138,690	6,464,056	
Profit for the financial year	-	-	-	-	-	-	-	564,157	564,157	564,157	(38,995)	525,162	
Other comprehensive income													
Net gain on fair value changes during the financial year	-	-	-	-	-	28,969	-	-	28,969	28,969	-	28,969	
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(105,532)	-	-	(105,532)	(105,532)	-	(105,532)	
Foreign currency translation adjustments	-	-	-	-	(79,302)	-	-	-	(79,302)	(79,302)	(8,067)	(87,369)	
Share of other comprehensive income of joint ventures and associates	-	-	-	1,541	(7,489)	-	-	-	(5,948)	(5,948)	-	(5,948)	
Other comprehensive income for the financial year, net of tax	-	-	-	1,541	(86,791)	(76,563)	-	-	(161,813)	(161,813)	(8,067)	(169,880)	
Total comprehensive income for the year	-	-	-	1,541	(86,791)	(76,563)	-	564,157	402,344	402,344	(47,062)	355,282	
Contributions by and distributions to owners													
Buy back of treasury shares (Note 27)	-	(8,274)	-	-	-	-	-	-	-	(8,274)	-	(8,274)	
Issue of treasury shares for Restricted Share Award (Note 27)	-	15,747	-	-	-	-	(15,747)	-	(15,747)	-	-	-	
Share-based expense	-	-	-	-	-	-	23,687	-	23,687	23,687	-	23,687	
Dividends on ordinary shares (Note 28)	-	-	-	-	-	-	-	(238,606)	(238,606)	(238,606)	-	(238,606)	
Accrued capital securities distribution	-	-	55,054	-	-	-	-	(55,054)	(55,054)	-	-	-	
Payment of capital securities distribution	-	-	(55,593)	-	-	-	-	-	-	(55,593)	-	(55,593)	
Total contributions by and distributions to owners	-	7,473	(539)	-	-	-	7,940	(293,660)	(285,720)	(278,786)	-	(278,786)	
Changes in ownership interests in subsidiaries													
Acquisition of non-controlling interests without a change in control	-	-	-	(16,936)	-	-	-	-	(16,936)	(16,936)	(10,005)	(26,941)	
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	26,449	26,449	
Total transactions with owners in subsidiaries	-	-	-	(16,936)	-	-	-	-	(16,936)	(16,936)	16,444	(492)	
Total transactions with owners in their capacity as owners	-	7,473	(539)	(16,936)	-	-	7,940	(293,660)	(302,656)	(295,722)	16,444	(279,278)	
At 31 December 2019	3,748,994	(158,807)	1,045,867	280,168	(1,156,708)	(404,108)	135,255	2,941,327	1,795,934	6,431,988	108,072	6,540,060	

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

31 December 2018 Group	Attributable to owners of the Company											
	Share capital (Note 27) \$'000	Treasury shares (Note 27) \$'000	Capital securities (Note 27) \$'000	Capital reserves \$'000	Foreign currency translation reserves ² \$'000	Fair value adjustment reserves ¹ \$'000	Share-based compensation reserves ³ \$'000	Revenue reserves \$'000	Total reserves \$'000	Total \$'000	Total non-controlling interests \$'000	Total equity \$'000
At 1 January 2018	3,674,206	(187,276)	1,045,773	295,563	(1,006,585)	(130,785)	136,515	2,616,170	1,910,878	6,443,581	177,448	6,621,029
Profit for the financial year	-	-	-	-	-	-	-	347,870	347,870	347,870	(24,677)	323,193
Other comprehensive income												
Net loss on fair value changes during the financial year	-	-	-	-	-	(194,286)	-	-	(194,286)	(194,286)	-	(194,286)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(2,474)	-	-	(2,474)	(2,474)	-	(2,474)
Foreign currency translation adjustments	-	-	-	-	(29,392)	-	-	-	(29,392)	(29,392)	(14,081)	(43,473)
Share of other comprehensive income of joint ventures and associates	-	-	-	-	(33,940)	-	-	-	(33,940)	(33,940)	-	(33,940)
Other comprehensive income for the financial year, net of tax	-	-	-	-	(63,332)	(196,760)	-	-	(260,092)	(260,092)	(14,081)	(274,173)
Total comprehensive income for the year	-	-	-	-	(63,332)	(196,760)	-	347,870	87,778	87,778	(38,758)	49,020
Contributions by and distributions to owners												
Buy back of treasury shares (Note 27)	-	(2,636)	-	-	-	-	-	-	-	(2,636)	-	(2,636)
Issue of shares on exercise of warrants (Note 27)	71,782	-	-	-	-	-	-	-	-	71,782	-	71,782
Issue of shares on exercise of share options (Note 27)	3,006	2,887	-	-	-	-	(2,887)	-	(2,887)	3,006	-	3,006
Issue of treasury shares for Restricted Share Award (Note 27)	-	20,745	-	-	-	-	(20,745)	-	(20,745)	-	-	-
Share-based expense	-	-	-	-	-	-	14,432	-	14,432	14,432	-	14,432
Dividends on ordinary shares (Note 28)	-	-	-	-	-	-	-	(237,728)	(237,728)	(237,728)	-	(237,728)
Accrued capital securities distribution	-	-	55,482	-	-	-	-	(55,482)	(55,482)	-	-	-
Payment of capital securities distribution	-	-	(54,849)	-	-	-	-	-	-	(54,849)	-	(54,849)
Total contributions by and distributions to owners	74,788	20,996	633	-	-	-	(9,200)	(293,210)	(302,410)	(205,993)	-	(205,993)
Total transactions with owners in their capacity as owners	74,788	20,996	633	-	-	-	(9,200)	(293,210)	(302,410)	(205,993)	-	(205,993)
At 31 December 2018	3,748,994	(166,280)	1,046,406	295,563	(1,069,917)	(327,545)	127,315	2,670,830	1,696,246	6,325,366	138,690	6,464,056

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

Financial Report
Statements of Changes in Equity continued
For the financial year ended 31 December 2019

31 December 2019 Company	Attributable to owners of the Company									
	Share capital (Note 27) \$'000	Treasury shares (Note 27) \$'000	Capital securities (Note 27) \$'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 January 2019	3,748,994	(166,280)	1,046,406	140,486	(2,053)	(327,539)	127,315	3,781,319	3,719,528	8,348,648
Profit for the financial year	-	-	-	-	-	-	-	612,599	612,599	612,599
Other comprehensive income										
Net gain on fair value changes during the financial year	-	-	-	-	-	23,300	-	-	23,300	23,300
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(105,532)	-	-	(105,532)	(105,532)
Foreign currency translation adjustments	-	-	-	-	(107,028)	-	-	-	(107,028)	(107,028)
Other comprehensive income for the financial year, net of tax	-	-	-	-	(107,028)	(82,232)	-	-	(189,260)	(189,260)
Total comprehensive income for the year	-	-	-	-	(107,028)	(82,232)	-	612,599	423,339	423,339
Contributions by and distributions to owners										
Buy back of treasury shares (Note 27)	-	(8,274)	-	-	-	-	-	-	-	(8,274)
Issue of treasury shares for Restricted Share Awards (Note 27)	-	15,747	-	-	-	-	(15,747)	-	(15,747)	-
Share-based expense	-	-	-	-	-	-	23,687	-	23,687	23,687
Dividends on ordinary shares (Note 28)	-	-	-	-	-	-	-	(238,606)	(238,606)	(238,606)
Accrued capital securities distribution	-	-	55,054	-	-	-	-	(55,054)	(55,054)	-
Payment of capital securities distribution	-	-	(55,593)	-	-	-	-	-	-	(55,593)
Total contributions by and distributions to owners	-	7,473	(539)	-	-	-	7,940	(293,660)	(285,720)	(278,786)
Total transactions with owners in their capacity as owners	-	7,473	(539)	-	-	-	7,940	(293,660)	(285,720)	(278,786)
At 31 December 2019	3,748,994	(158,807)	1,045,867	140,486	(109,081)	(409,771)	135,255	4,100,258	3,857,147	8,493,201

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

	Attributable to owners of the Company									
31 December 2018 Company	Share capital (Note 27) \$'000	Treasury shares (Note 27) \$'000	Capital securities (Note 27) \$'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 January 2018	3,674,206	(187,276)	1,045,773	140,486	(141,027)	(130,779)	136,515	1,544,396	1,549,591	6,082,294
Profit for the financial year	-	-	-	-	-	-	-	2,530,133	2,530,133	2,530,133
Other comprehensive income										
Net loss on fair value changes during the financial year	-	-	-	-	-	(194,286)	-	-	(194,286)	(194,286)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(2,474)	-	-	(2,474)	(2,474)
Foreign currency translation adjustments	-	-	-	-	138,974	-	-	-	138,974	138,974
Other comprehensive income for the financial year, net of tax	-	-	-	-	138,974	(196,760)	-	-	(57,786)	(57,786)
Total comprehensive income for the year	-	-	-	-	138,974	(196,760)	-	2,530,133	2,472,347	2,472,347
Contributions by and distributions to owners										
Buy back of treasury shares (Note 27)	-	(2,636)	-	-	-	-	-	-	-	(2,636)
Issue of shares on exercise of warrants (Note 27)	71,782	-	-	-	-	-	-	-	-	71,782
Issue of shares on exercise of share options (Note 27)	3,006	2,887	-	-	-	-	(2,887)	-	(2,887)	3,006
Issue of treasury shares for Restricted Share Awards (Note 27)	-	20,745	-	-	-	-	(20,745)	-	(20,745)	-
Share-based expense	-	-	-	-	-	-	14,432	-	14,432	14,432
Dividends on ordinary shares (Note 28)	-	-	-	-	-	-	-	(237,728)	(237,728)	(237,728)
Accrued capital securities distribution	-	-	55,482	-	-	-	-	(55,482)	(55,482)	-
Payment of capital securities distribution	-	-	(54,849)	-	-	-	-	-	-	(54,849)
Total contributions by and distributions to owners	74,788	20,996	633	-	-	-	(9,200)	(293,210)	(302,410)	(205,993)
Total transactions with owners in their capacity as owners	74,788	20,996	633	-	-	-	(9,200)	(293,210)	(302,410)	(205,993)
At 31 December 2018	3,748,994	(166,280)	1,046,406	140,486	(2,053)	(327,539)	127,315	3,781,319	3,719,528	8,348,648

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 and the share of capital reserve of a joint venture.

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 joint ventures 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 long term investment.

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 ended 31 December 2019

	2019 \$'000	2018 \$'000
Cash flows from operating activities		
Profit before taxation	676,150	380,615
Adjustments for:-		
Allowance for doubtful debts	14,474	32,699
Amortisation of intangible assets, depreciation of property, plant and equipment and depreciation of right-of-use assets	500,334	392,836
Share-based expense	23,687	14,432
Negative goodwill arising from acquisition of subsidiary	(7,857)	-
Fair value of biological assets (Note 13)	(1,857)	(61,270)
Gain on disposal of subsidiary	(593)	(5,831)
(Gain)/loss on disposal/partial divestment of joint venture and associate	(39,214)	25,930
Gain on disposal of property, plant and equipment and intangible assets	(429,259)	(28,718)
Impairment of goodwill, property, plant and equipment and intangible assets	206,452	-
Interest income	(88,649)	(79,689)
Interest expense	628,381	548,464
Inventories written down/(written back), net	40,271	(2,265)
Share of results from joint ventures and associates	(67,872)	(62,525)
Operating cash flows before reinvestment in working capital	1,454,448	1,154,678
Increase in inventories	(514,572)	(339,985)
Decrease/(increase) in receivables and other current assets	222,290	(508,939)
Decrease/(increase) in advance payments to suppliers	282,489	(49,597)
(Increase)/decrease in margin account with brokers	(112,060)	502,716
Increase in payables and other current liabilities	26,211	1,326,433
Cash flows from operations	1,358,806	2,085,306
Interest income received	88,649	79,689
Interest expense paid	(643,362)	(543,811)
Tax paid	(106,835)	(137,929)
Net cash flows generated from operating activities	697,258	1,483,255
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	12,925	77,323
Purchase of property, plant and equipment	(601,324)	(804,180)
Purchase of intangible assets (Note 12)	(18,385)	(16,956)
Acquisition of subsidiaries, net of cash acquired (Note 12)	(445,895)	(10,359)
Advance for acquisition of subsidiary	-	(21,329)
Net proceeds from associates and joint ventures	6	142,470
Dividends received from associate and joint venture	4,617	1,009
Proceeds on disposal of intangible asset	463,270	2,642
Proceeds from disposal/partial divestment of joint venture and associate	20,281	195,162
Proceeds from divestment of subsidiary	1,817	17,228
Net cash flows used in investing activities	(562,688)	(416,990)

	2019 \$'000	2018 \$'000
Cash flows from financing activities		
Dividends paid on ordinary shares by the Company	(238,606)	(237,728)
Proceeds from/(Repayment of) borrowings, net	877,130	(308,265)
Repayment of lease liabilities	(79,521)	-
Proceeds from issuance of shares on exercise of share options	-	3,006
Proceeds from exercise of warrants	-	71,782
Payment of capital securities, net of distribution	(55,593)	(54,849)
Purchase of treasury shares	(8,274)	(2,636)
Net cash flows generated from/(used in) financing activities	495,136	(528,690)
Net effect of exchange rate changes on cash and cash equivalents	(45,936)	(26,236)
Net increase in cash and cash equivalents	583,770	511,339
Cash and cash equivalents at beginning of period	2,393,146	1,881,807
Cash and cash equivalents at end of period (Note 34)	2,976,916	2,393,146

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

Notes to the Financial Statements

For the financial year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements for the financial year ended 31 December 2019 were authorised for issue by the Board of Directors on 24 March 2020.

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 immediate holding company is Temasek Capital (Private) Limited and its ultimate holding company is Temasek Holdings (Private) Limited, both companies are 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 14 to the financial statements.

The registered office and principal place of business of the Company is at 7 Straits View, #20-01 Marina One East Tower, Singapore 018936.

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 (International) (SFRS(I)).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements are presented in Singapore Dollars (\$) or SGD and all values in the tables are rounded to the nearest thousand (\$'000) as indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted SFRS(I) 16 Leases and SFRS(I) INT 23 Uncertainty over Income Tax Treatment, as described below. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year.

SFRS(I) 16 Leases

The Group applied SFRS(I) 16 using the modified retrospective approach, under which right-of-use asset is measured on a lease-by-lease basis as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019. Under this approach the prior year comparative information presented for 2018 is not restated.

In addition, the Group has elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

2. Summary of significant accounting policies continued

2.2 Changes in accounting policies continued

SFRS(I) 16 Leases continued

As at 1 January 2019, the adoption of SFRS(I) 16 resulted in the following key effects to the balance sheet of the Group and Company:

	Group 1 January 2019 \$'000	Company 1 January 2019 \$'000
Assets		
Finance lease assets reclass from property, plant and equipment, net (Note 10)	(76,819)	–
Right-of-use assets (Note 10)	706,818	32,565
	629,999	32,565
Other current assets	(24,200)	–
Effect of adoption of SFRS(I) 16	605,799	32,565
Liabilities		
Lease liabilities (Note 25)	699,905	32,565
Borrowings (Note 25)	(94,106)	–
Effect of adoption of SFRS(I) 16	605,799	32,565

For all other details on SFRS(I) 16 post 1 January 2019, please refer to Notes 10 and 25.

SFRS(I) INT 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of SFRS(I) 1-12 Income Taxes. It does not apply to taxes or levies outside the scope of SFRS(I) 1-12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Group applies judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements and concluded that the Interpretation did not have a material impact on the financial statements of the Group.

2.3 Standards issued but not yet effective

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

Description	Effective for financial year beginning on
Amendments to SFRS(I) 3: Definition of a Business	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material	1 January 2020
Insurance Contracts	1 January 2021
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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.

2. Summary of significant accounting policies continued

2.4 Functional and foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars as the Company is domiciled in Singapore.

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 as most of the Company's transactions are denominated in USD. 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.

(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 joint ventures that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(c) Translation to the presentation currency

The financial statements are presented in Singapore Dollar ("SGD") as the Company's principal place of business is in Singapore.

The financial statements are translated from USD to SGD as follows:-

- Assets and liabilities for each balance sheet presented are translated at the closing rate ruling at that balance sheet date;
- Income and expenses for each profit and loss account are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

All exchange differences arising on the translation are included in the foreign currency translation reserves.

2. Summary of significant accounting policies continued

2.5 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 14.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- 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.

2. Summary of significant accounting policies continued

2.5 Subsidiary companies, basis of consolidation and business combinations continued

(c) Business combinations and goodwill

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.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date. The accounting policy for goodwill is set out in Note 2.10(a).

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.

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated profit and loss 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.

2.7 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.8.

2. Summary of significant accounting policies continued

2.8 Joint ventures and 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 account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.16. 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. Buildings and improvements are depreciable over the shorter of the estimated useful life of the asset or the lease period, where applicable.

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 Pty Ltd., which are depreciated using the units of use method. The estimated useful life of the assets is as follows:-

Bearer plants	• 15 to 30 years
Buildings and improvements	• 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

2. Summary of significant accounting policies continued

2.9 Property, plant and equipment continued

Bearer plants - Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, farming inputs 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 hectareage.

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.

2.10 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit and loss account. Impairment losses recognised for goodwill are not reversed in subsequent periods.

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 on 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.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. 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.

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.

2. Summary of significant accounting policies continued

2.11 Biological assets

(a) Agricultural produce ('Fruits on trees') and annual crops

The agricultural produce ('fruits on trees') are valued at fair value less costs to sell, with any changes recognised in the profit or loss. The fair value amount is an aggregate of the fair valuation of the current financial year and the reversal of the prior year's fair valuation. The fair value takes into account current selling prices and related costs. The calculated value is then discounted by a suitable factor to take into account the agricultural risk until maturity.

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 costs to sell, with any resultant gain or loss recognised in the profit or loss. Costs to sell 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 valuer using the market prices of livestock of similar age, breed and generic merit.

(c) Poultry

Poultry are stated at fair value less estimated costs to sell, with any resultant gain or loss recognised in the profit or loss. Costs to sell include all costs that would be necessary to sell the assets. The fair value of poultry is determined based on estimated market price of livestock of similar age, breed and generic merit.

Breeding chickens are carried at fair value, which approximates cost and are amortised over the economic egg-laying lives of the breeding chickens after it starts producing eggs.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. The Group makes an estimate of the asset's recoverable amount with the help of independent professional valuers where applicable.

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. 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 are recognised in profit or loss. 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 profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2. Summary of significant accounting policies continued

2.13 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 instruments. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments – amortised costs

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Equity instruments

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at FVOCI are recognised in OCI and are not reclassified to profit or loss. Consequently, there is no need to review such instruments for impairment.

On derecognition of the equity instrument 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 may however be transferred to another component of equity.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Impairment

For trade receivables, the Group applies a simplified approach in calculating expected credit losses ('ECLs'). The Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. This is similar for other financial assets on the balance sheet. Impairment losses are reflected in the allowance account of the respective financial asset class on the balance sheet:

- Trade receivables (Note 18)
- Loans to joint ventures and associates (Note 15)
- Other current assets – Sundry receivables, export incentives and subsidies receivable, deposits, staff advances, insurance receivables, amount due from joint venture, associates and a shareholder related company (Note 22)
- Amount due from subsidiary companies (Note 17)

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 for debt instruments, is recognised in profit or loss.

2. Summary of significant accounting policies continued

2.13 Financial instruments continued

(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

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss. 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.

(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.

2.14 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 as measured at amortised cost under SFRS(I) 9. The accounting policy for this category of financial assets is stated in Note 2.13.

2.15 Inventories

Inventories for commodity trading businesses are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in the profit or loss in the period of the change.

Other inventories are stated at the lower of cost and net realisable value and are valued on a first-in-first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for damages and slow-moving items.

For fruits on trees that are harvested, are stated at fair value less estimated point-of-sale costs at the time of harvest (the 'initial cost'). Thereafter these inventories are 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.

2.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Summary of significant accounting policies continued

2.17 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.

2.18 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 options or shares as consideration 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. Summary of significant accounting policies continued

2.19 Leases

Lease contracts, as defined by SFRS(I) 16 Leases, are recorded in the balance sheet, which leads to the recognition of:

- an asset representing a right of use of the asset leased during the lease term of the contract;
- a liability related to the payment obligation

Right-of-use assets

Right-of-use assets are measured at cost, which comprise the following - lease liability, lease payments made at or prior to delivery, less lease incentives received, initial direct costs; and restoration obligations.

Following initial recognition, right-of-use assets are subsequently measured at amortised cost and depreciated over the term of the lease using the straight-line method.

Lease liability

The lease liability at commencement date is recognised for an amount equal to the present value of the lease payments over the lease term.

The lease liability is subsequently measured based on a process similar to the amortised cost method using the discount rate: where the liability is increased by the accrued interests resulting from the discounting of the lease liability, at the beginning of the lease period; and less payments made. The interest cost for the period as well as variable payments, not taken into account in the initial measurement of the lease liability and incurred over the relevant period are recognised as costs.

Variable lease payments

The Group enters into 'Revenue Tiered Sharing Arrangements' for certain leases of land, buildings, plant and machinery and other assets. Arising from such arrangements are variable lease payments that do not depend on an index or rate and are based on production volumes or revenues of the underlying performance of the respective business units. Such variable lease payments are recognised in profit or loss in the period in which the event that triggers the occurrence of payments.

To the extent that the lease contract is a variable lease arrangement arising from a sale-leaseback transaction, which does not result in a right-of-use asset, the gain on sale is recognised in the profit or loss in the accounting period in which the sale is concluded.

Short term leases and low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of land, buildings, plant and machinery and other assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to other assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Summary of significant accounting policies continued

2.20 Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods as performance obligation is judged to have been satisfied and revenue is therefore recognised.

Revenue is measured at the consideration promised in the contract with a customer, less discounts and rebates.

(b) Sale of services

Revenue from services rendered is recognised in the accounting period in which services are rendered.

2.21 Interest income

Interest income is recognised using the effective interest method.

2.22 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.

2.23 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.

2. Summary of significant accounting policies continued

2.23 Taxes continued

(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.

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.

2. Summary of significant accounting policies continued

2.23 Taxes continued

(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.

2.24 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 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issue expenses

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

2.26 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.

2.27 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 terms and conditions of the securities issue. The Company is considered to have no contractual obligation to make principal repayments or distributions in respect of its perpetual capital securities issue. Accordingly, the perpetual capital securities do not meet the definition for classification as financial liability and 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

2.28 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.

2.29 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, interest rate swap contracts and power purchase agreements. 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.

Hedge accounting

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:-

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

2. Summary of significant accounting policies continued

2.29 Derivative financial instruments and hedging activities continued

Hedge accounting continued

(a) Fair value hedges

Fair value hedge accounting is applied to hedge the Group's exposure to changes in the fair value portion of such an asset or liability or an identified portion of such an asset or liability that is attributable to a particular risk – commodity price risk that could affect the profit and loss account. For fair value hedges, the carrying amount of the hedged item (inventories) is adjusted for gains and losses attributable to the risk being hedged, the derivative (hedging instrument) is remeasured at fair value, gains and losses from both are taken to the profit and loss account.

When inventories are designated as a hedged item, the subsequent cumulative change in the fair value of these inventories attributable to the hedged commodity price risk is recognised as part of inventories with a corresponding gain or loss in the profit and loss account. The hedging instrument is recorded at fair value as an asset or liability and the changes in the fair value of the hedging instrument are also recognised in the profit and loss account.

The application of hedge accounting is discontinued in cases where the Group revokes the hedging relationship. Effective from SFRS(I) 9, hedging relationships may not be voluntarily revoked unless there is a change in risk management objective. Accordingly, in cases where a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective remains unchanged, the Group adjusts the hedging ratio to re-establish the effectiveness of the hedging relationship. Furthermore, the Group discontinues the application of hedge accounting in cases where there is a change in the risk management objective for the hedging relationship.

(b) Cash flow hedges

For each cash flow hedge relationship, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the profit and loss account at the time hedge effectiveness is tested.

When a cash flow hedge is discontinued, any cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur. If the hedged future cash flows no longer expected to occur, the net cumulative gain or loss is immediately reclassified to profit and loss account.

2. Summary of significant accounting policies continued

2.30 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.

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) Valuation of goodwill, intangible and tangible assets/liabilities through 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. The fair value of such assets and liabilities are estimated by independent professional valuers where significant, or using the discounted cash flow model, which requires the Group to make an estimate of the expected future cash flows of the acquired business and choosing a suitable discount rate. The business combinations completed during the current financial year are disclosed in Note 12 to the financial statements.

3. Significant accounting judgements and estimates continued

Key sources of estimation uncertainty continued

(b) Impairment of goodwill and intangible assets with indefinite useful life

Management performs periodic reviews of goodwill, intangible assets with indefinite life for 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, with the help of independent professional valuers where applicable, 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 forecasted EBITDA, growth rates and discount rates. Changes in these assumptions may result in changes in recoverable values. The carrying amount of the Group's goodwill and indefinite life intangible assets at the balance sheet date is disclosed in Note 12 to the financial statements.

(c) 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 Group had engaged independent professional valuers, where relevant to assess the fair values for certain assets using recognised valuation techniques.

The value in use calculation is based on a discounted cash flow model and requires the Group, with the help of independent professional valuers where applicable, 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 value in use calculations are sensitive to forecasted EBITDA, growth rates and discount rates.

Changes in these above assumptions may result in changes in recoverable values. The carrying amount of the Group's property, plant and equipment at the balance sheet date is disclosed in Note 11 to the financial statements.

(d) Biological assets

The fair value of biological assets (other than livestock and poultry) 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 or fair valued by independent professional valuers where significant. The valuation of these biological assets is particularly sensitive to discount rates and they are disclosed in Note 13.

(e) 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 (Level 3). 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 36.

(f) Taxation

The Group establishes provisions, based on reasonable estimates, 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 2019 is disclosed in Note 9 to the financial statements.

4. Revenue from contracts with customers – disaggregation of revenue

	Group	
	2019 \$'000	2018 \$'000
Types of goods or services		
Sale of goods	32,773,684	30,221,716
Sale of services	219,038	257,340
Total revenue from contracts with customers	32,992,722	30,479,056
Timing of revenue recognition		
Goods transferred at point in time	32,773,684	30,221,716
Services transferred at point in time	212,610	253,153
Others	6,428	4,187
Total revenue from contracts with customers	32,992,722	30,479,056

Revenue from sale of services mainly represents ginning and toll processing income and freight charter income.

For further disaggregation disclosure of revenue from contracts with customers by business and geographical segments – refer to Note 39.

5. Other income

Other income included the following:-

	Group	
	2019 \$'000	2018 \$'000
Gain on disposal of subsidiary (Note 14)	593	5,831
Gain on disposal of property, plant and equipment and intangible assets, net ¹	429,259	28,718
Gain on partial divestment of associate (Note 15(b))	40,371	–
Negative goodwill arising from business combination (Note 12)	7,857	–
Commissions and claims, sale of packaging materials, sales of scrap and others	53,457	53,193
	531,537	87,742

1. Net gain on disposal of property, plant and equipment and intangible asset includes gain on sale of real estate assets of onion and garlic processing facility ("Facility") in USA amounting to \$132,285,000 and gain on sale of permanent water rights in Australia amounting to \$294,057,000 in a Revenue Tier Sharing Arrangement where the Group will pay the buyer a share of the annual revenue from sale of goods and harvests respectively, while the Group continues to operate both the Facility and water rights for the next 25 years. In the previous financial year, net gain on disposal of property, plant and equipment includes gain on sale of spices, vegetable & dehydrates facility and almonds farmland in USA amounting to \$23,772,000.

6. Cost of goods sold

The significant portion of the cost of goods sold pertains to the purchase costs of inventories sold (Note 20).

There are other directly attributable costs associated with cost of goods sold and these include:-

	Group	
	2019 \$'000	2018 \$'000
Shipping, logistics, commission and claims	(3,233,710)	(3,025,881)
Foreign exchange on cost of goods sold ¹	(76,894)	(157,466)
Gains on derivatives net of fair value changes	465,438	203,480
Inventories (written down)/written back, net (Note 20)	(40,271)	2,265
Export incentives, subsidies and grant income received ²	41,943	21,276

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.

Financial Report

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For the financial year ended 31 December 2019

7. Other expenses

Other expenses are stated after (charging)/crediting:-

	Group	
	2019 \$'000	2018 \$'000
Loss on disposal of joint venture and associate	(1,157)	(25,930)
Employee benefits expenses (Note 31)	(914,758)	(753,660)
Loss on foreign exchange, net	(73,881)	(30,470)
Bank charges	(68,617)	(88,608)
Travelling expenses	(71,360)	(66,452)
Transaction costs incurred in business combinations (Note 12)	(4,043)	(192)
Impairment loss on financial assets – Trade receivables (Note 18)	(7,190)	(27,087)
Allowance for doubtful debts – Advance payments to suppliers (Note 21)	(7,284)	(5,612)
Impairment of intangible assets (Note 12)	(40,885)	–
Impairment of property, plant and equipment (Note 11)	(165,567)	–
Auditor's remuneration:		
• Ernst & Young LLP, Singapore	(2,174)	(1,772)
• Other member firms of Ernst & Young Global	(6,560)	(5,858)
Non-audit fees:		
• Ernst & Young LLP, Singapore	(956)	(1,901)
• Other member firms of Ernst & Young Global	(649)	(781)

8. Finance costs

Finance costs include the following:-

	Group	
	2019 \$'000	2018 \$'000
Interest expense:		
• On bank overdrafts	26,099	17,108
• On bank loans	451,236	372,380
• On medium-term notes	161,044	167,790
• On bonds	25,468	24,705
• On lease liabilities (Note 10, 25)	28,380	3,324
• Others	27,031	35,134
	719,258	620,441
Less: interest expense capitalised in:		
• Property, plant and equipment and biological assets	(90,877)	(71,977)
	628,381	548,464

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 3.50% to 7.50% (2018: from 3.50% to 7.50%) per annum.

9. Income tax

(a) Major components of income tax expense

	Group	
	2019 \$'000	2018 \$'000
Profit and loss account		
Current income tax:		
• Singapore	29,480	27,841
• Foreign	140,616	82,940
(Over)/under provision in respect of prior years	(8,407)	1,965
	161,689	112,746
Deferred income tax:		
• Singapore	816	1,296
• Foreign	(11,517)	(56,620)
Income tax expense	150,988	57,422

	Group	
	2019 \$'000	2018 \$'000
Statement of comprehensive income:		
Deferred income tax related to items charged directly to other comprehensive income:		
Net change in fair value adjustment reserves for derivative financial instruments designated as hedging instruments in cash flow hedges	979	3,324
Deferred tax recorded in other comprehensive income	979	3,324

(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	
	2019 %	2018 %
Tax using Singapore tax rate 17% (2018: 17%)	17.0	17.0
Tax effect of non-deductible expenses	10.1	4.3
Higher statutory tax rates of other countries ¹	8.3	9.9
Tax effect on (over)/under provision in respect of prior years	(1.3)	0.5
Tax effect of income taxed at concessionary rate ²	(10.8)	(3.2)
Tax effect on non-taxable/exempt income ³	(2.9)	(12.5)
Tax effect of joint ventures/associates	(1.7)	(2.7)
Tax effect of deferred tax assets not recognised	2.1	3.3
Tax effect of others, net	1.5	(1.5)
	22.3	15.1

- The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.
- The Company is an approved company under the Global Trader Programme ('GTP') of 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% and 5.5% respectively for a period of 5 years from 1 July 2018 until and including 31 December 2022 on qualifying activities, products and income.
- There are seven (2018: six) 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 0.5 to 4 years (2018: 1 to 5 years), except one subsidiary which does not have an expiry date on preferential tax rate.

9. Income tax continued

(c) **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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Deferred tax assets	183,273	166,785	–	–
Deferred tax liabilities	(502,031)	(422,625)	(1,893)	(2,957)
Net deferred tax liabilities	(318,758)	(255,840)	(1,893)	(2,957)

Details of deferred tax assets and liabilities before offsetting is as follows:-

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Deferred tax liabilities on:				
Property, plant and equipment	287,289	221,717	494	509
Intangible assets	8,165	6,073	–	–
Fair value adjustment on business combinations	169,680	125,203	2,471	1,974
Biological assets	85,079	75,132	–	–
Revaluation of financial instruments to fair value	15,973	16,014	86	1,079
Others	17,790	25,314	–	–
	583,976	469,453	3,051	3,562
Amount offset against deferred tax assets	(81,945)	(46,828)	(1,158)	(605)
	502,031	422,625	1,893	2,957
Deferred tax assets on:				
Property, plant and equipment	36,507	46,971	–	–
Intangible assets	77,293	83,777	–	–
Allowance for impairment	1,939	2,462	–	–
Inventories written down	6,103	3,120	1,143	605
Revaluation of financial instruments to fair value	860	8,706	–	–
Unabsorbed losses	54,421	6,738	–	–
Others	88,095	61,839	15	–
	265,218	213,613	1,158	605
Amount offset against deferred tax liabilities	(81,945)	(46,828)	(1,158)	(605)
	183,273	166,785	–	–
Net deferred tax liabilities	(318,758)	(255,840)	(1,893)	(2,957)

9. Income tax continued

(c) Deferred income tax continued

Movements in deferred tax during the financial year is as follows:-

	Group	
	2019 \$'000	2018 \$'000
As at beginning of year	(255,840)	(321,120)
Business combinations (Note 12)	(81,375)	(2,530)
Tax income recognised in profit and loss	10,701	55,324
Tax income recognised in equity	979	3,324
Foreign currency translation adjustments	6,777	9,162
	(318,758)	(255,840)

Unrecognised tax losses and capital allowances for which no deferred tax assets have been recognised

The Group has tax losses of approximately \$456,667,000 (2018: \$464,116,000) and capital allowances of \$46,958,000 (2018: \$63,031,000) 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 \$365,180,000 (2018: \$326,929,000) which will expire over financial years 2020 to 2039.

Unrecognised temporary differences relating to investments in subsidiaries and joint ventures

At the end of the financial years ended 31 December 2018 and 31 December 2019, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries and joint ventures as:-

- The Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future; and
- The joint ventures of the Group cannot distribute its earnings until it obtains the consent of both parties. At the end of the reporting period, the Group does not foresee giving such consent.

Such temporary differences for which no deferred tax liability has been recognised aggregate to \$184,087,000 (2018: \$173,110,000). The deferred tax liability is estimated to be \$31,295,000 (2018: \$29,429,000).

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 28).

10. Right-of-use assets

Group	Leasehold land \$'000	Leasehold buildings \$'000	Other assets ¹ \$'000	Total \$'000
Cost				
As at 1 January 2019 – effects of adoption of SFRS(I) 16	381,352	202,149	46,498	629,999
Finance lease assets reclass from property, plant and equipment (Note 2.2, 11)	63,561	–	13,258	76,819
As at 1 January 2019 – as adjusted	444,913	202,149	59,756	706,818
Additions in relation to business combinations (Note 12)	26,713	–	8,059	34,772
Additions/(disposals), net	(143,373)	38,522	51,341	(53,510)
Charge for the year	(21,100)	(52,555)	(26,217)	(99,872)
Foreign currency translation adjustments	(6,198)	(3,529)	(892)	(10,619)
As at 31 December 2019	300,955	184,587	92,047	577,589

Average remaining amortisation period (years) – 31 December 2019

1-41 1-39 1-5

1. Other assets comprise of vessel charter contracts, motor vehicles, office equipment and computers.

Company	Leasehold buildings \$'000	Other assets ¹ \$'000	Total \$'000
Cost			
As at 1 January 2019 – effects of adoption of SFRS(I) 16	18,437	14,128	32,565
Additions	567	35,034	35,601
Charge for the year	(4,743)	(9,216)	(13,959)
Foreign currency translation adjustments	(177)	(506)	(683)
As at 31 December 2019	14,084	39,440	53,524

Average remaining amortisation period (years) – 31 December 2019

1-3 1-4

Amount recognised in profit and loss

	Group 2019 \$'000
Interest expense on lease liabilities (Note 8)	28,380
Expenses relating to variable leases (included in Cost of Goods Sold)	10,789
Expenses relating to short-term leases (included in Other Operating Expenses)	66,782
Expenses relating to leases of low value assets (included in Other Operating Expenses)	2,077

These leases have no 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. The Group had total cash outflows for leases of \$184,688,000 in 2019 since the adoption of SFRS(I) 16 Leases in the current financial year.

11. Property, plant and equipment

Group	Freehold land \$'000	Buildings and improvements \$'000	Plant and machinery \$'000	Other assets ¹ \$'000	Capital work- in-progress \$'000	Bearer plants \$'000	Total \$'000
Cost							
As at 1 January 2018	292,978	2,050,265	2,224,203	288,986	653,815	1,530,477	7,040,724
Additions in relation to business combinations	–	3,739	2,947	267	610	–	7,563
Additions	8,712	130,732	131,305	44,235	148,620	340,576	804,180
Disposals	(8,204)	(24,543)	(43,179)	(34,059)	(6,950)	–	(116,935)
Reclassification	59,522	96,490	204,966	2,148	(380,988)	17,862	–
Sale of subsidiary	–	(12,292)	–	–	–	–	(12,292)
Foreign currency translation adjustments	(3,300)	(72,113)	(58,495)	(2,597)	(18,585)	(60,560)	(215,650)
As at 31 December 2018 and 1 January 2019	349,708	2,172,278	2,461,747	298,980	396,522	1,828,355	7,507,590
Additions in relation to business combinations (Note 12)	50,225	147,636	343,571	57,644	7,573	–	606,649
Additions	1,057	42,405	103,129	37,935	184,989	240,806	610,321
Disposals	(11,556)	(80,826)	(136,437)	(21,407)	(3,037)	(23,726)	(276,989)
Reclassification	12,357	38,070	94,406	(1,212)	(156,037)	12,416	–
Finance Lease Assets reclass to Right-of-use assets (Note 10)	–	–	(17,138)	(524)	–	(63,561)	(81,223)
Sale of subsidiary	(824)	(6,343)	(1,838)	(390)	–	–	(9,395)
Foreign currency translation adjustments	(3,867)	(30,573)	(46,650)	(4,519)	(10,551)	(52,472)	(148,632)
As at 31 December 2019	397,100	2,282,647	2,800,790	366,507	419,459	1,941,818	8,208,321
Accumulated depreciation and impairment loss							
As at 1 January 2018	–	323,905	761,523	173,234	–	156,225	1,414,887
Charge for the year	–	80,353	175,873	43,180	–	61,008	360,414
Disposals	–	(6,117)	(19,185)	(29,163)	–	–	(54,465)
Reclassification	–	1,038	(205)	(892)	–	59	–
Sale of subsidiary	–	(872)	–	–	–	–	(872)
Foreign currency translation adjustments	–	(7,246)	(14,249)	1,804	–	(2,631)	(22,322)
As at 31 December 2018 and 1 January 2019	–	391,061	903,757	188,163	–	214,661	1,697,642
Charge for the year	–	91,989	189,590	43,142	–	42,609	367,330
Disposals	(2,469)	(33,643)	(127,782)	(19,750)	–	(688)	(184,332)
Reclassification	–	1,456	414	(1,870)	–	–	–
Finance Lease Assets reclass to Right-of-use assets (Note 10)	–	–	(4,206)	(198)	–	–	(4,404)
Impairment	52,947	14,350	45,935	158	–	52,177	165,567
Sale of subsidiary	–	–	(499)	(450)	–	–	(949)
Foreign currency translation adjustments	(644)	(2,006)	(11,310)	(547)	–	(4,989)	(19,496)
As at 31 December 2019	49,834	463,207	995,899	208,648	–	303,770	2,021,358
Net carrying value							
As at 31 December 2019	347,266	1,819,440	1,804,891	157,859	419,459	1,638,048	6,186,963
As at 31 December 2018	349,708	1,781,217	1,557,990	110,817	396,522	1,613,694	5,809,948

1. Other assets comprise of motor vehicles, furniture and fittings, office equipment and computers.

11. Property, plant and equipment continued

Company	Buildings and improvements \$'000	Plant and machinery \$'000	Motor vehicles \$'000	Furniture and fittings \$'000	Office equipment \$'000	Computers \$'000	Total \$'000
Cost							
As at 1 January 2018	552	879	1,178	9,123	1,751	28,091	41,574
Additions	–	–	878	1,868	3	2,263	5,012
Disposals	–	–	(476)	(1,756)	(651)	(5,422)	(8,305)
Foreign currency translation adjustments	11	18	27	185	30	541	812
As at 31 December 2018 and 1 January 2019	563	897	1,607	9,420	1,133	25,473	39,093
Additions	–	–	–	5	18	2,497	2,520
Disposals	–	(384)	(582)	(271)	(292)	(3,140)	(4,669)
Foreign currency translation adjustments	(7)	(6)	(13)	(114)	(10)	(309)	(459)
As at 31 December 2019	556	507	1,012	9,040	849	24,521	36,485
Accumulated depreciation							
As at 1 January 2018	375	499	955	2,713	1,093	22,654	28,289
Charge for the year	48	76	155	2,000	133	5,283	7,695
Disposals	–	–	(371)	(1,756)	(630)	(5,422)	(8,179)
Foreign currency translation adjustments	8	11	18	56	18	455	566
As at 31 December 2018 and 1 January 2019	431	586	757	3,013	614	22,970	28,371
Charge for the year	43	90	170	1,839	157	1,812	4,111
Disposals	–	(313)	(572)	(274)	(278)	(3,110)	(4,547)
Foreign currency translation adjustments	(6)	(4)	(4)	(58)	(6)	(270)	(348)
As at 31 December 2019	468	359	351	4,520	487	21,402	27,587
Net carrying value							
As at 31 December 2019	88	148	661	4,520	362	3,119	8,898
As at 31 December 2018	132	311	850	6,407	519	2,503	10,722

The Group's land, buildings, plant and machinery with a carrying amount of \$169,092,000 (2018: \$150,356,000) have been pledged to secure the Group's borrowings as set out in Note 25 to the financial statements.

Bearer plants consist of mature and immature almond orchards, coffee, cocoa, palm and rubber plantations.

The almond orchards and coffee plantations presently consist of trees aged between 1 and 30 years and 1 and 15 years respectively (2018: 1 and 29 years and 1 and 17 respectively). The cocoa plantations presently consist of trees aged between 1 and 18 years (2018: 1 and 18 years).

Immature plantations mainly consist of almond, palm and rubber trees aged between 1 and 6 years (2018: 1 and 6 years) amounting to \$858,360,000 (2018: \$878,649,000).

At the end of the financial year, the Group's total planted area of plantations is approximately 109,393 (2018: 105,467) hectares, excluding hectares for those commodities whose plantations are not managed by the Group.

12. 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 January 2018	642,781	126,513	144,632	79,212	185,877	80,113	130,900	1,390,028
Additions in relation to business combinations	-	5,681	-	23	-	-	-	5,704
Additions	-	-	183	12,327	-	4,214	232	16,956
Disposals	-	-	-	(21)	-	-	(2,316)	(2,337)
Reclassification	-	-	34	178	-	-	(212)	-
Foreign currency translation adjustments	11,416	2,496	2,914	376	(14,704)	288	968	3,754
As at 31 December 2018 and 1 January 2019	654,197	134,690	147,763	92,095	171,173	84,615	129,572	1,414,105
Additions in relation to business combinations (Note 12)	196,200	5,044	-	-	-	-	6,020	207,264
Additions	-	-	-	16,605	-	-	1,780	18,385
Disposals	-	-	-	(5,685)	(168,447)	-	(377)	(174,509)
Reclassification	-	-	(9)	42	-	-	(33)	-
Foreign currency translation adjustments	(10,690)	(1,790)	(1,843)	(1,517)	(2,726)	577	(1,757)	(19,746)
As at 31 December 2019	839,707	137,944	145,911	101,540	-	85,192	135,205	1,445,499
Accumulated amortisation and impairment								
As at 1 January 2018	3,921	55,996	-	39,730	-	42,673	40,425	182,745
Amortisation	-	11,620	-	7,759	-	4,527	8,516	32,422
Disposals	-	-	-	(19)	-	-	(2,316)	(2,335)
Reclassification	-	(889)	-	1	-	-	888	-
Foreign currency translation adjustments	(204)	1,065	-	(197)	-	619	78	1,361
As at 31 December 2018 and 1 January 2019	3,717	67,792	-	47,274	-	47,819	47,591	214,193
Amortisation	-	11,384	-	9,560	-	4,553	7,635	33,132
Impairment	11,837	4,918	24,130	-	-	-	-	40,885
Disposals	-	-	-	(3,617)	-	-	(376)	(3,993)
Reclassification	-	-	-	(12)	-	-	12	-
Foreign currency translation adjustments	(199)	(1,100)	(308)	(830)	-	(785)	(727)	(3,949)
As at 31 December 2019	15,355	82,994	23,822	52,375	-	51,587	54,135	280,268
Net carrying value								
As at 31 December 2019	824,352	54,950	122,089	49,165	-	33,605	81,070	1,165,231
As at 31 December 2018	650,480	66,898	147,763	44,821	171,173	36,796	81,981	1,199,912
Average remaining amortisation period (years)								
- 31 December 2019	-	1-12	-	1-14	-	7-17	1-46	
- 31 December 2018	-	1-13	-	1-14	-	8-18	1-47	

12. Intangible assets continued

Company	Goodwill \$'000	Brands and trademarks \$'000	Software \$'000	Others ⁴ \$'000	Total \$'000
Cost					
As at 1 January 2018	194,368	845	46,199	65,831	307,243
Additions	–	–	10,880	–	10,880
Foreign currency translation adjustments	3,914	17	1,013	1,325	6,269
As at 31 December 2018 and 1 January 2019	198,282	862	58,092	67,156	324,392
Additions	–	–	15,402	1,369	16,771
Disposals	–	–	(2,750)	–	(2,750)
Foreign currency translation adjustments	(2,473)	(11)	(887)	(855)	(4,226)
As at 31 December 2019	195,809	851	69,857	67,670	334,187
Accumulated amortisation					
As at 1 January 2018	–	–	15,394	11,302	26,696
Amortisation	–	–	4,836	2,211	7,047
Foreign currency translation adjustments	–	–	347	244	591
As at 31 December 2018 and 1 January 2019	–	–	20,577	13,757	34,334
Amortisation	–	–	6,780	2,229	9,009
Disposals	–	–	(726)	–	(726)
Foreign currency translation adjustments	–	–	(333)	(200)	(533)
As at 31 December 2019	–	–	26,298	15,786	42,084
Net carrying amount					
As at 31 December 2019	195,809	851	43,559	51,884	292,103
As at 31 December 2018	198,282	862	37,515	53,399	290,058
Average remaining amortisation period (years)					
– 31 December 2019	–	–	1–9	1–46	
– 31 December 2018	–	–	2–10	1–47	

- Brands and trademarks include 'Dona', '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.
- Water rights relate to perpetual access to share of water from a specified consumptive pool, for which was disposed in the current year in a Revenue Tier Sharing Arrangement (Note 5).
- Concession rights consist of rights to harvest trees in designated areas. Amortisation is charged over the estimated useful life of the concession rights.
- 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.

12. 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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Olam Orchards Australia Pty Ltd ¹	-	-	-	-	-	171,173
Cocoa Processing Business	233,553	236,503	-	-	-	-
Dangote Flour Mills Limited	193,696	-	-	-	-	-
Olam Peanut Shelling Company Inc ²	124,243	125,813	-	-	-	-
Quintessential Foods Nigeria Limited	75,302	76,253	-	-	-	-
Universal Blanchers	66,684	67,526	-	-	-	-
Packaged Foods brands	31,727	32,128	121,236	122,768	-	-
Caraway Africa Nigeria Limited (Formerly known as 'Ranona Limited')	43,350	43,898	-	-	-	-
Progida Group	12,591	12,750	-	-	-	-
Acacia Investments Limited ³	-	11,834	-	24,132	-	-
Olam Spices & Vegetables Ingredients	9,233	9,316	853	863	-	-
Olam Food Ingredients Holdings UK Limited	7,741	7,789	-	-	-	-
Others	26,232	26,670	-	-	-	-
	824,352	650,480	122,089	147,763	-	171,173

1. In the current financial year, the permanent water rights owned by subsidiary Olam Orchards Australia Pty Ltd was sold and please refer to details on sale at Note 5.
2. In the current financial year, both McCleskey Mills Inc and Brooks Peanuts Company were merged together as both are in the business of peanut shelling and are situated near one another; and has been renamed as 'Olam Peanuts Shelling Company Inc.'. As a result of the merger, the goodwill of both entities \$75,224,000 and \$49,019,000 (2018: \$76,174,000 and \$49,638,000) respectively have been combined and assessed as one CGU for goodwill impairment testing as at year end and going forward.
3. The recoverable amount of the Acacia Investment Limited as at 31 December 2019 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period. As a result of this analysis, management has recognised a full impairment charge in the current financial year against both goodwill and indefinite life brand as at 31 December 2019. The impairment charge is recorded within Other Expenses in the profit or loss account.

12. Intangible assets continued

Impairment testing of goodwill and other intangible assets continued

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	
	2019 %	2018 %	2019 %	2018 %
Olam Orchards Australia Pty Ltd	–	–	–	13.00
Cocoa Processing Business	2.00	2.00	10.00	10.00
Dangote Flour Mills Limited	–	–	11.50	–
Olam Peanut Shelling Company Inc	1.50	1.50	8.00	8.00
Quintessential Foods Nigeria Limited	–	–	11.40	11.40
Universal Blanchers	2.00	2.00	8.00	8.00
Packaged Foods brands	3.00	3.00	13.50	12.50
Caraway Africa Nigeria Limited (Formerly known as "Ranona Limited")	3.00	3.00	14.00	12.50
Progida Group	2.00	2.00	12.50	12.50
Acacia Investment Limited	3.00	3.00	17.70	17.70
Olam Spices & Vegetables Ingredients	2.00	2.00	12.00	12.00
Olam Food Ingredients Holdings UK Limited	–	–	12.50	12.50
Others	Range from 0.00 – 2.00		Range from 11.50 – 13.00	

The calculations of value in use for the CGUs are most sensitive to the following assumptions:-

Forecasted EBITDA – Forecasted EBITDA 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.

12. Intangible assets continued

Business combinations

During the current financial year, the Group entered into the following business combinations:-

	YTS Holdings \$'000	Cotonchad \$'000	Hughson Nut Inc. \$'000	Dangote Flour Mills Ltd \$'000	Total \$'000
Fair value of assets and liabilities					
Property, plant and equipment (Note 11)	52,119	75,067	57,924	421,539	606,649
Right of use assets (Note 10)	20,885	–	8,059	5,828	34,772
Intangible assets (Note 12)	21	–	11,043	–	11,064
Deferred tax assets	5,147	–	–	2,400	7,547
Inventories	44,534	6,432	137,837	72,347	261,150
Trade and other receivables	15,711	2,137	39,435	25,933	83,216
Other current assets	1,492	9,608	872	27,046	39,018
Other non-current assets	1,005	–	2,870	–	3,875
Cash and bank balances	5,303	–	3	84,212	89,518
Advance payment to suppliers	930	1,756	–	8,910	11,596
Fair value of derivative financial instruments	3,787	–	–	–	3,787
	150,934	95,000	258,043	648,215	1,152,192
Trade and other payables	6,784	27,775	143,107	282,259	459,925
Lease liabilities	–	–	8,059	6,786	14,845
Borrowings	111,372	17,625	24,487	1,597	155,081
Provision for taxation	9	–	–	1,573	1,582
Deferred tax liabilities	3,315	–	–	85,607	88,922
Other current liabilities	34	5,080	893	21,682	27,689
Fair value of derivative financial instruments	1,193	–	–	–	1,193
Other non-current liabilities	2,400	11,144	–	–	13,544
	125,107	61,624	176,546	399,504	762,781
Total identifiable net assets at fair value	25,827	33,376	81,497	248,711	389,411
Non-controlling interest measured based on proportionate share of net identifiable assets	(3,874)	(13,351)	–	–	(17,225)
Foreign currency translation reserve	–	(52)	–	–	(52)
Net identifiable assets	21,953	19,973	81,497	248,711	372,134
Negative goodwill (Note 5)	–	–	(7,857)	–	(7,857)
Goodwill arising from acquisitions (Note 12)	–	–	–	196,200	196,200
	21,953	19,973	73,640	444,911	560,477
Consideration transferred for the acquisitions:					
Cash paid	10,136	21,329	73,640	451,637	556,742
Deemed consideration ¹	9,224	–	–	–	9,224
Settlement of pre-existing intercompany balance	5,244	–	–	(6,726)	(1,482)
Option to purchase	(2,651)	(1,356)	–	–	(4,007)
Total consideration	21,953	19,973	73,640	444,911	560,477
Less: Cash and cash equivalents acquired	(5,303)	–	(3)	(84,212)	(89,518)
Less: Non-cash items	(11,817)	1,356	–	6,726	(3,735)
Less: Consideration paid in advance	–	(21,329)	–	–	(21,329)
Net cash outflow on acquisition of subsidiaries	4,833	–	73,637	367,425	445,895

1. Deemed consideration relates to the proportion of \$61,493,000 injected by the Group into YTS Holdings Pte Ltd ("YTS") in respect of the subscription of new shares in YTS, attributable to non-controlling interests.

12. Intangible assets continued

Business combinations continued

Acquisitions of subsidiaries

(i) Cotonchad SN (“Cotonchad”)

On 14 January 2019, the Group completed the acquisition of 60.0% interest in Cotonchad SN, the state-owned company with exclusive rights to procure, process and sell Chadian cotton and by-products.

(ii) YTS Holdings Pte Ltd (“YTS”)

On 26 February 2019, the Group completed acquisition of 85% equity stake in YTS Holdings Pte Ltd, a company incorporated in Singapore, which owns 100% of PT Bumitangerang Mesindotama (“BT Cocod”) Indonesia’s largest cocoa processor. The transaction is part of the Group’s Strategic Plan to grow its cocoa ingredients business by expanding its platform in Asia and enhancing its product offering in the region.

(iii) Hughson Nut Inc. (“HNI”)

On 22 October 2019, the Group completed acquisition of 100% equity stake in leading Californian almond processor and ingredient manufacturer Hughson Nut Inc (HNI). The acquisition of HNI is consistent with the Group’s Strategic Plan to offer differentiated solutions, such as ingredients and product innovation, and to target new customer segments in co-manufacturing, food service and e-commerce. Given HNI’s extensive processing capabilities, the Group can now offer a fully integrated solution across the almond value chain from the U.S., including processed whole nuts and value-added ingredients, complementing similar capabilities in Australia and Vietnam.

(iv) Dangote Flour Mills (“DFM”)

On 1 November 2019, the Group completed acquisition of 100% equity stake in DFM, a leading flour and pasta manufacturer, a company incorporated in Nigeria. The acquisition of DFM supports the Group’s strategy of the Grain and Animal Feed business to expand its wheat milling capacity in high-growth markets, such as Nigeria. The Group and DFM combined would provide enhanced manufacturing capacity and create synergies with the Group’s existing business.

Trade and other receivables acquired

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$83,216,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

Transaction costs

Total transaction costs related to all acquisitions of \$4,043,000 have been recognised in the ‘Other operating expenses’ line item in the Group’s profit and loss account for the financial year from 1 January 2019 to 31 December 2019.

Goodwill arising from acquisitions

Goodwill of \$196,200,000 represents the synergies expected to be achieved from integrating the value-added midstream processing business of the subsidiaries into the Group’s existing supply chain business.

Impact of the acquisitions on profit and loss

From acquisition date, subsidiaries acquired during the financial year have increased the Group’s sales of goods by 0.6% and increased the Group’s profits for the financial year, net of tax by 2.1%. Had the acquisitions taken place at the beginning of the financial year, the sales of goods for the financial year would have increased by 1.4% and the Group’s profit for the financial year, net of tax would have increased by 12.7%.

13. Biological assets

Group	Fruits on trees and annual crops \$'000	Livestock \$'000	Poultry \$'000	Total \$'000
As at 1 January 2018	328,415	143,241	–	471,656
Net (reductions)/additions	(55,406)	(43,203)	11,192	(87,417)
Capitalisation of expenses	51,619	61,371	–	112,990
Net change in fair value less estimated costs to sell	52,759	8,511	–	61,270
Foreign currency translation adjustments	(36,941)	(9,549)	(78)	(46,568)
As at 31 December 2018 and 1 January 2019	340,446	160,371	11,114	511,931
Net (reductions)/additions	(43,408)	(70,662)	7,326	(106,744)
Capitalisation of expenses	42,488	83,339	–	125,827
Net change in fair value less estimated costs to sell	24,138	(22,281)	–	1,857
Foreign currency translation adjustments	(8,171)	6,778	(300)	(1,693)
As at 31 December 2019	355,493	157,545	18,140	531,178

Fruits on trees

During the financial year, the Group harvested approximately 50,662 metric tonnes (2018: 41,165 metric tonnes) of almonds, which had a fair value less estimated point-of-sale costs of approximately \$427,798,000 (2018: \$361,031,000). The fair value of almonds was determined with reference to the market prices at the date of harvest.

The fair value of fruits on trees (almonds) is estimated 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
Discount rates of 8.5% (2018: 14.6%) per annum	The estimated fair value increases as the estimated discount rate per annum decreases, and vice versa. The decrease in discount rate by 6.1% is mainly due to management's having established a systemic process in count of fruits on trees before harvest to estimate the expected yields; as a result reducing the risk that was previously included in the discount rate.
Market prices approximating \$9,553 (2018: \$10,158) per metric tonne	The estimated fair value increases as the respective inputs increase, and vice versa.

Annual crops

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 annual crops is approximately 115,794 (2018: 114,838) hectares, excluding for those commodities where farms are not managed by the Group.

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.

13. Biological assets continued

Livestock

Livestock relates mainly to dairy cattle in Uruguay and Russia. At the end of the financial year, the Group held approximately 42,000 (2018: 45,000) cows, which are able to produce milk (mature assets) and approximately 45,000 (2018: 42,000) heifers and calves, being raised to produce milk in the future (immature assets). The cows produced approximately 275 million litres (2018: 291 million litres) of milk with a fair value less estimated point-of-sale costs of \$166,382,000 (2018: \$169,776,000) during the financial year.

The fair value of livestock is determined based on valuations by an independent professional valuer using market prices ranging from \$87 to \$4,304 (2018: \$81 to \$4,526) of livestock of similar age, breed and generic merit.

Poultry

Poultry relates mainly to breeding chickens for meat and laying eggs in Nigeria. At the end of the financial year, the Group held approximately 1,703,000 (2018: 2,425,000) chickens.

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.

14. Subsidiary companies

	Company	
	2019 \$'000	2018 \$'000
Unquoted equity shares at cost	5,869,079	5,491,404
Less: Impairment loss	(17,981)	(76,131)
Foreign currency translation adjustments	(5,060)	110,982
	5,846,038	5,526,255
Loans to subsidiary companies	3,158,479	1,474,776
	9,004,517	7,001,031

Loans to subsidiary companies denominated in currencies other than functional currency of the Company are as follows:-

	2019 \$'000	2018 \$'000
Euro	1,619,645	226,234

In the current financial year, no impairment was recognised as the recoverable value is more than carrying value of the investment cost (2018: impairment loss of \$560,001,000 recognised).

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 \$1,439,018,000 (2018: \$126,337,000) which bear interest ranging from 5.0% to 7.5% (2018: 0.1% to 7.0%) per annum.

The Group did not have any material non-controlling interests as at the balance sheet dates.

Disposal of subsidiary

In the current financial year, the Group sold its 100% equity interest in wholly owned subsidiary, Olam Alimentos S.A., a company incorporated in Argentina with principal activity in peanut shelling and blanching. Net assets amounting to \$11,313,000 were disposed against cash consideration of \$11,906,000, resulting in a gain on disposal of \$593,000 that has been recognised in 'Other income' in the profit and loss account (Note 5).

14. 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	
			2019 %	2018 %
Olam Ghana Limited ¹	Ghana	(a)	100	100
Olam Ivoire SA ¹	Ivory Coast	(a)	100	100
Olam Nigeria Limited ¹	Nigeria	(a)	100	100
Outspan Ivoire SA ¹	Ivory Coast	(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
PT Olam Indonesia ¹	Indonesia	(a)	100	100
Olam Agricola Ltda. ¹	Brazil	(a)	100	100
Café Outspan Vietnam Limited ¹	Vietnam	(a)	100	100
LLC Outspan International ¹	Russia	(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
NZ Farming Systems Uruguay Limited ¹	New Zealand	(a), (b) & (c)	100	100
Caraway Pte Ltd ¹	Singapore	(a)	75	75
OK Foods Limited ¹	Nigeria	(a) & (b)	75	75
Caraway Africa Nigeria Limited ¹ (Formerly known as 'Ranona Limited')	Nigeria	(a)	75	75
Nutrifoods Ghana Limited ¹	Ghana	(a)	75	75
Olam Sanyo Foods Limited ¹	Nigeria	(a)	75	75
Olam Cocoa Processing Cote d'Ivoire ¹	Ivory Coast	(a)	100	100
Seda Outspan Iberia S.L. ¹	Spain	(a)	100	100
Dehydro Foods S.A.E. ¹	Egypt	(a)	100	100
Queensland Cotton Holdings Pty Ltd ¹	Australia	(a) & (b)	100	100
Olam Holdings Inc ³	The United States of America	(a), (b) & (c)	100	100
Progida Tarım Ürünleri Sanayi ve Ticaret A.Ş. ¹	Turkey	(a)	100	100
Progida Pazarlama A.Ş. ¹	Turkey	(a)	100	100
LLC Russian Dairy Company ¹	Russia	(c)	100	93
Gabon Fertilizer Company SA ¹	Gabon	(a)	80	80
Olam Palm Gabon SA ¹	Gabon	(a) & (c)	60	60
Olam Rubber Gabon SA ¹	Gabon	(a) & (c)	60	60
Olam Cam SA ¹	Cameroon	(a)	100	100
Olam Cocoa Processing Ghana Limited ¹	Ghana	(a)	100	100
Olam Cocoa B.V. ²	Netherlands	(a)	100	100
Olam Cocoa Pte Limited ¹	Singapore	(a)	100	100
Acacia Investment Limited ³	United Arab Emirates	(b)	100	100
Quintessential Foods Nigeria Limited ¹	Nigeria	(a)	100	100
Dangote Flour Mills Limited ²	Nigeria	(a)	100	-
Olam Holdings B.V. ²	Netherlands	(b)	100	100
Olam Agro India Private Limited ¹	India	(a)	100	100
Olam Treasury Pte Ltd ¹	Singapore	(d)	100	100

(a) Sourcing, processing, packaging and merchandising of agricultural products and inputs.

(b) Investment holding.

(c) Agricultural operations.

(d) Treasury activities.

1. Audited by member firms of Ernst & Young Global.

2. Audited by other Certified Public Accounting ('CPA') firms.

3. No statutory audit required.

15. Investments in joint ventures and associates

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Joint ventures (Note 15(a))	122,936	129,507	110,017	116,010
Associates (Note 15(b))	538,169	562,185	293,691	323,089
	661,105	691,692	403,708	439,099

(a) Investments in joint ventures

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Unquoted equity shares at cost ^{1,2}	87,782	90,864	75,305	75,305
Share of post-acquisition reserves	2,406	(8,245)	–	–
Loans to joint ventures ³	35,666	40,720	35,666	40,720
Foreign currency translation adjustments	(2,918)	6,168	(954)	(15)
	122,936	129,507	110,017	116,010

- In the current financial year, the Group divested the 50% stake in Collymogle Ginning Pty Ltd for sales consideration of \$3,922,000 and net loss of \$1,157,000 was recorded in 'Other expenses' in the profit and loss account.
- In the previous financial year, the Group made the following investments and divestment:
 - Acquired a 30% stake in Long Son Joint Stock Company, cashew processing facility in Vietnam for purchase consideration of \$22,851,000 and a 29% stake in Guzman Coffee & Nuts, SL. in Spain for a purchase consideration of \$3,136,000; and
 - Divested the 50% stake in Nauvu Investment Pte Ltd for sales consideration of \$195,049,000 and net loss of \$24,597,000 was recorded in 'Other expenses' in the profit and loss account.
- Loans to joint ventures are unsecured, not expected to be repayable within the next 12 months and bears interest ranging from 3.25% to 4.00% (2018: 3.25% to 4.00%).

List of key joint ventures of the Group are as follows:-

Name of company	Country of incorporation	Principal activities	Percentage of equity held	
			2019 %	2018 %
Held by the Company				
Far East Agri Pte Ltd ¹	Singapore	Processing and trading of agricultural commodities	50	50
Long Son Joint Stock Company ²	Indonesia	Sourcing, processing and trading of agricultural commodities and technical services	30	30

- Audited by Ernst & Young LLP, Singapore.
- Audited by other Certified Public Accounting ('CPA') firms.

15. Investments in joint ventures and associates continued

(a) Investments in joint ventures continued

As of 31 December 2019 and 31 December 2018, no joint venture was individually material to the Group. The summarised financial information in respect of the joint ventures, based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investments in the combined financial statements are as follows:-

	Group	
	2019	2018
	\$'000	\$'000
Summarised balance sheet		
Non-current assets	130,669	122,900
Current assets	213,347	270,117
Total assets	344,016	393,017
Non-current liabilities	17,648	13,417
Current liabilities	183,352	232,851
Total liabilities	201,000	246,268
Net assets	143,016	146,749
Proportion of the Group's ownership:		
Group's share of net assets	58,819	60,336
Goodwill on acquisition	28,451	28,451
Loan to joint ventures	35,666	40,720
Carrying amount of the investments	122,936	129,507
Summarised statement of comprehensive income		
Revenue	459,519	534,734
Profit after tax	6,503	2,608
Other comprehensive income	1,158	-
Total comprehensive income	7,661	2,608

15. Investments in joint ventures and associates continued

(b) Investments in associates

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Unquoted equity shares at cost	330,615	333,780	346,919	372,615
Share of post-acquisition reserves	229,004	242,417	–	–
Loans to associates ¹	18,447	18,965	–	–
Less: Impairment loss	(35,596)	(35,596)	(35,596)	(35,596)
Foreign currency translation adjustments	(4,301)	2,619	(17,632)	(13,930)
	538,169	562,185	293,691	323,089

1. Loans to associates are unsecured, not expected to be repayable within the next 12 months and are interest-free.

List of key associates of the Group are as follows:-

Name of company	Country of incorporation	Principal activities	Percentage of equity held	
			2019 %	2018 %
Held by the Company through Gabon Special Economic Zone SA ¹				
ARISE Port & Logistics ¹	Gabon	Managing port and logistics infrastructure	40.49	40.49
ARISE Integrated Industrial Platforms ¹	Gabon	Infrastructure management and development services	40.49	40.49
ARISE Infrastructure Services ¹	Gabon	Managing special economic zones	30.44	40.49
Held by the Company				
Open Country Dairy Limited ²	New Zealand	Processing and trading of agricultural commodities	15.19	15.19

1. Audited by member firms of Ernst & Young Global.

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.

Partial divestment of associate

In the current financial year, the Group announced that Gabon Special Economic Zone (“GSEZ”), an associate of the Group, is reorganising its infrastructure and logistics business into three verticals - ARISE Port & Logistics (“ARISE P&L”), ARISE Integrated Industrial Platforms (“ARISE IIP”) and ARISE Infrastructure Services (“ARISE IS”). On 24 December 2019, as part of this re-organisation, the Company sold an effective equity interest of 10% in ARISE IIP business. The divestment was against cash consideration of \$80,435,000, resulting in a gain on disposal of \$40,371,000 that has been recognised in ‘Other income’ in the profit and loss account (Note 5).

15. Investments in joint ventures and associates continued

(b) Investments in associates continued

As of 31 December 2019 and 31 December 2018, no associate was individually material to the Group. The summarised financial information in respect of the associates based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investment in the combined financial statements are as follows:-

	Group	
	2019 \$'000	2018 \$'000
Summarised balance sheet		
Non-current assets	1,920,653	1,692,364
Current assets	1,397,588	1,395,487
Total assets	3,318,241	3,087,851
Non-current liabilities	702,610	902,220
Current liabilities	864,871	553,942
Total liabilities	1,567,481	1,456,162
Net assets	1,750,760	1,631,689
Proportion of the Group's ownership:		
Group's share of net assets	523,708	547,724
Goodwill on acquisition	14,461	14,461
Carrying amount of the investments	538,169	562,185
Summarised statement of comprehensive income		
Revenue	2,308,727	2,103,253
Profit after tax	188,865	163,616
Other comprehensive income	(11,061)	(99,375)
Total comprehensive income	177,804	64,241

16. Long-term investment

The Group and Company's long-term investment in quoted equity shares relates to a 18.56% (2018: 18.56%) investment in PureCircle Limited ("PureCircle"). Management has assessed and is of the view that the Group does not retain significant influence over PureCircle and is accounted for as fair value through other comprehensive income. The fair value of PureCircle is determined based on Level 3 inputs for the current financial year (Note 36(a)).

17. Amounts due from subsidiary companies

	Company	
	2019 \$'000	2018 \$'000
Trade receivables	2,398,173	2,150,769
Loans to subsidiaries, net	96,717	1,822,058
Non-trade (payables)/receivables	(59,600)	15,886
	2,435,290	3,988,713

Loans to subsidiaries, net include loans to subsidiaries amounting to \$202,110,000 (2018: \$1,426,305,000) and loans from subsidiaries amounting to \$349,934,000 (2018: Nil) which are unsecured and bear interest ranging from 3.00% to 7.50% (2018: 3.80% to 7.50%) 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	
	2019 \$'000	2018 \$'000
Euro	263,733	1,384,079
Indian Rupee	360,874	(493,869)
Great Britain Pounds	29,383	(37,604)
Australian Dollar	1,340	(809)

The movement in the allowance accounts for amounts due from subsidiary companies is as follows:-

	Company	
	2019 \$'000	2018 \$'000
Movement in allowance accounts:-		
As at beginning of year	13,331	30,422
Written off	(90)	(1,340)
Written back	-	(16,230)
Foreign currency translation adjustments	(166)	479
As at end of year	13,075	13,331

18. Trade receivables

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Trade receivables	2,024,819	2,148,087	989,332	1,307,349
Indirect tax receivables	291,700	287,081	2,095	609
	2,316,519	2,435,168	991,427	1,307,958

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. Indirect tax receivables comprise goods and services, value-added taxes and other indirect forms of taxes.

Trade receivables denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Euro	280,771	220,732	233,837	181,417
United States Dollar	160,076	186,022	-	-
Great Britain Pounds	66,094	30,919	56,000	14,416

Trade receivables include amounts due from associates of \$16,099,000 (2018: \$13,944,000), and due from joint ventures of \$975,000 (2018: \$13,136,000).

The expected credit loss provision as at 31 December 2019 is determined as follows:-

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Trade receivables measured at amortised cost	2,114,434	2,247,884	1,043,169	1,369,573
Less: Lifetime expected credit loss for trade receivables	(89,615)	(99,797)	(53,837)	(62,224)
Total trade receivables measured at amortised cost	2,024,819	2,148,087	989,332	1,307,349

Movement in allowance accounts:-

As at beginning of year	99,797	81,211	62,224	50,228
Charge for the year	7,190	27,087	-	12,141
Written off	(6,789)	(4,392)	-	(1,241)
Written back	(8,955)	(4,155)	(7,710)	-
Foreign currency translation adjustments	(1,628)	46	(677)	1,096
As at end of year	89,615	99,797	53,837	62,224

Receivables that are past due but not impaired

The analysis of the Group and Company's ageing for receivables that are past due but not impaired is as follows:-

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Trade receivables past due but not impaired:-				
Less than 30 days	697,839	488,334	191,326	187,402
30 to 60 days	201,625	232,124	44,062	14,451
61 to 90 days	54,994	78,597	14,318	32,042
91 to 120 days	31,125	27,802	4,447	12,427
121 to 180 days	13,342	20,714	3,882	3,679
More than 180 days	40,666	42,296	4,749	8,688

19. 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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Margin deposits with brokers	335,282	260,704	237,199	212,756
Amounts due to brokers	(348,243)	(381,721)	(348,117)	(381,255)
	(12,961)	(121,017)	(110,918)	(168,499)

20. Inventories

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Balance sheets:				
Commodity inventories at fair value	5,196,333	4,318,954	1,905,995	1,438,660
Commodity inventories at the lower of cost and net realisable value	2,015,132	2,149,203	79,026	169,565
	7,211,465	6,468,157	1,985,021	1,608,225
Profit and loss account:				
Inventories recognised as an expense in cost of goods sold inclusive of the following (charge)/credit	(27,340,735)	(24,951,944)	(23,833,685)	(21,639,076)
• Inventories written down	(79,752)	(49,410)	(27,183)	(19,877)
• Reversal of write-down of inventories ¹	39,481	51,675	20,036	25,071

1. The reversal of write-down of inventories is made when the related inventories are sold above their carrying amounts.

21. Advance payments to suppliers/subsidiary companies

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Third parties	563,537	805,472	92,669	44,457
Subsidiary companies	–	–	358,804	1,816,605
	563,537	805,472	451,473	1,861,062

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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
United States Dollar	20,422	19,616	–	–
Euro	22,444	10,550	741,412	917,787
Great Britain Pounds	20	186	(65,505)	(71,809)

21. Advance payments to suppliers/subsidiary companies continued

Advance payments to subsidiary companies are stated after deducting allowance for doubtful debts of \$48,549,000 (2018: \$42,655,000).

Advance payments to suppliers (third parties) for the Group and Company are stated after deducting allowance for doubtful debts of \$11,715,000 and \$886,000 (2018: \$13,474,000 and \$852,000) respectively.

The movement in the allowance accounts for advance payment to suppliers is as follows:-

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Movement in allowance accounts:-				
As at beginning of year	13,474	11,423	852	769
Charge for the year	7,284	5,612	45	67
Written off	(5,273)	(1,252)	-	-
Written back	(3,464)	(1,537)	-	-
Foreign currency translation adjustments	(306)	(772)	(11)	16
As at end of year	11,715	13,474	886	852

22. Other current/non-current assets

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current:				
Sundry receivables	424,750	253,076	87,238	21,264
Export incentives and subsidies receivable ¹	118,814	72,873	-	-
Amounts due from joint venture, associates and a shareholder related company ²	27,822	3,373	27,281	1,275
Deposits	38,578	42,211	1,845	1,870
Option premium receivable	867	5,907	867	5,907
Staff advances ³	10,236	9,941	292	161
Insurance receivables ⁴	33,244	23,808	29,935	8,077
Short-term investment	4,219	6,056	-	-
	658,530	417,245	147,458	38,554
Prepayments ⁵	343,171	377,291	166,145	167,414
Advance corporate tax paid	126,621	80,325	-	-
Taxes recoverable	1,421	3,911	-	-
	1,129,743	878,772	313,603	205,968
Non-current:				
Other non-current assets	44,956	27,786	2,019	-

- 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.
- Amounts due from joint venture, associates and a shareholder related company are non-interest bearing, unsecured, repayable on demand and are to be settled in cash.
- Staff advances are interest-free, unsecured, repayable within the next 12 months and are to be settled in cash.
- Insurance receivables pertain to pending marine and inventories insurance claims. The outstanding claims are currently being processed by the insurance companies for final settlement.
- Prepayments mainly pertain to prepaid shipping and logistics related expenses incurred for sourcing, processing, packaging and merchandising of agricultural products and inputs.

23. Trade payables and accruals

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Trade payables	3,198,701	3,017,911	1,948,054	2,211,402
Accruals	630,400	517,459	217,530	138,383
Advances received from customers	102,133	56,986	1,333	-
GST payable and equivalent	52,251	41,504	7,646	2,650
	3,983,485	3,633,860	2,174,563	2,352,435

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	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Euro	621,198	431,343	579,482	424,226
Great Britain Pounds	205,262	163,250	204,288	150,181
Australian Dollar	58,684	179,846	58,684	179,846
United States Dollar	39,108	98,010	-	-

Trade payables include amounts of \$35,059,000 (2018: \$33,560,000) and \$1,048,000 (2018: \$5,218,000) due to an associate and a joint venture respectively.

Accruals mainly relate to operating costs such as logistics, insurance premiums and employee benefits.

24. Other current/non-current liabilities

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current:				
Interest payable on bank loans	69,761	87,604	55,939	74,814
Sundry payables	496,480	332,664	17,050	3,215
Option premium payable	15,226	19,587	15,225	19,587
Amount due to joint ventures ¹	658	6,210	-	2,387
	582,125	446,065	88,214	100,003
Withholding tax payable	14,811	10,334	-	-
	596,936	456,399	88,214	100,003
Non-current:				
Other non-current liabilities	17,695	-	-	-

1. Amount due to joint ventures are non-interest bearing, unsecured, repayable on demand and are to be settled in cash.

25. Borrowings and lease liabilities

Borrowings

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current:				
Bank overdrafts (Note 34)	198,826	84,161	-	-
Bank loans	3,813,276	2,220,091	995,966	1,064,933
Term loans from banks	1,610,472	1,712,692	1,548,704	1,077,057
Medium-term notes	717,798	749,467	717,798	749,467
Other bonds	335,086	-	335,085	-
	6,675,458	4,766,411	3,597,553	2,891,457
Non-current:				
Term loans from banks	2,773,071	2,848,187	1,212,313	1,525,075
Medium-term notes	2,630,352	3,220,467	1,869,917	2,613,976
Other bonds	-	339,064	-	339,064
	5,403,423	6,407,718	3,082,230	4,478,115
Total borrowings	12,078,881	11,174,129	6,679,783	7,369,572
Lease liabilities – Current	82,032	10,710	18,513	-
Lease liabilities – Non-current	435,068	83,396	35,308	-
Total lease liabilities	517,100	94,106	53,821	-
Total borrowings and lease liabilities	12,595,981	11,268,235	6,733,604	7,369,572

Borrowings denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Japanese Yen	1,068,238	1,053,187	388,765	378,941
Singapore Dollar	484,046	1,233,174	484,046	1,233,174
United States Dollar	293,648	296,746	-	-
Australian Dollar	170,052	189,023	170,052	189,023
Euro	20,408	32,267	-	-
Chinese Yuan	-	204,319	-	204,319

Bank overdrafts and bank loans

The bank loans to the Company are repayable within 12 months and bear interest of 2.39% to 2.44% (2018: 2.74% to 2.85%) per annum.

The bank loans and bank overdrafts of the subsidiary companies are repayable within 12 months and bear interest in a range from 0.90% to 27.00% (2018: 0.70% to 27.00%) per annum.

Bank loans include an amount of \$78,086,000 (2018: \$74,627,000) 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 2.54% to 3.48% (2018: 3.16% to 4.16%) per annum. Term loans to the Company are unsecured and are repayable within five years.

Term loans from banks to the subsidiary companies bear interest at floating interest rates ranging from 2.09% to 10.00% (2018: 0.91% to 12.00%) per annum. Term loans from banks to the subsidiary companies are repayable between one to nine years (2018: two to ten years).

Term loans from banks include an amount of \$107,587,000 (2018: \$88,632,000) secured by the assets of subsidiaries. The remaining amounts of term loans from banks are unsecured.

25. Borrowings and lease liabilities continued

Medium-term notes

The Company has a US\$5,000,000,000 Euro medium-term notes ('EMTN') programme. The drawdowns from the EMTN is unsecured. The EMTN are as follows:-

Maturity	Group		Company		
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	
Current:					
Euro medium-term note programme:					
• 4.25% fixed rate notes	2019	-	399,670	-	399,670
• 5.80% fixed rate notes	2019	-	349,797	-	349,797
• 4.50% fixed rate notes	2020	403,673	-	403,673	-
• 4.875% fixed rate notes	2020	170,052	-	170,052	-
• 1.375% fixed rate notes	2020	76,782	-	76,782	-
• 4.00% fixed rate notes	2020	67,291	-	67,291	-
		717,798	749,467	717,798	749,467
Non-current:					
Euro medium-term note programme:					
• 4.50% fixed rate notes	2020	-	407,770	-	407,770
• 4.875% fixed rate notes	2020	-	189,022	-	189,022
• 1.375% fixed rate notes	2020	-	69,716	-	69,716
• 4.00% fixed rate notes	2020	-	68,073	-	68,073
• 6.00% fixed rate notes	2022	484,046	483,707	484,046	483,707
• 4.50% fixed rate notes	2021	605,562	613,137	605,562	613,137
• 1.427% fixed rate notes	2021	67,988	68,600	67,988	68,600
• 0.47% fixed rate notes	2022	70,557	69,248	70,557	69,248
• 0.9725% fixed rate notes	2022	74,300	73,562	74,300	73,562
• 3.65% fixed rate notes	2022	67,241	68,073	67,241	68,073
• 0.9825% fixed rate notes	2022	99,136	97,812	99,136	97,812
• 4.375% fixed rate notes	2023	401,087	405,256	401,087	405,256
Other medium-term notes:					
• 3.90% fixed rate notes	2022	235,534	238,508	-	-
• 3.73% fixed rate notes	2022	228,803	231,693	-	-
• 4.35% fixed rate notes	2023	134,590	136,290	-	-
• 3.89% fixed rate notes	2024	161,508	-	-	-
		2,630,352	3,220,467	1,869,917	2,613,976

Other bonds

	Group and Company	
	2019 \$'000	2018 \$'000
Current:		
7.50% unsecured senior bonds ¹	335,086	-
Non-current:		
7.50% unsecured senior bonds ¹	-	339,064

1. On 7 August 2010, the Company issued 7.50% interest bearing unsecured senior bonds of US\$250,000,000 due in 2020. The interest is payable semi-annually. On 9 July 2014, the Company repurchased US\$917,000 of the senior bonds. Upon settlement, the repurchased portion was cancelled and the aggregate outstanding principal amount following such cancellation is US\$249,083,000.

25. Borrowings and lease liabilities continued

Lease liabilities

Reconciliation of operating lease commitments as at 31 December 2018 to lease liabilities recognised as at 1 January 2019 upon adoption of SFRS(I) 16 Leases is as follows:-

	Group		Company	
	1 January 2019 \$'000	31 December 2018 \$'000	1 January 2019 \$'000	31 December 2018 \$'000
Operating lease commitments as at 31 December 2018 as previously disclosed	964,935		63,369	
Discounted using the weighted average incremental borrowing rate (7.17%) as at 1 January 2019	659,893		61,862	
Recognition exemptions:				
Short term leases	(46,742)		(29,297)	
Leases of low value	(159)		-	
Leases commencing after 1 January 2019	(7,193)		-	
Effects of adoption of SFRS(I) 16	605,799		32,565	
Add: Finance lease liabilities recognised as at 31 December 2018	94,106		-	
Lease liabilities upon adoption of SFRS(I) 16 (Note 2.2)	699,905		32,565	

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
As at 1 January (Note 2.2)	699,905		32,565	
(Derecognition)/additions, net	(96,245)		35,600	
Accretion of interest (Note 8)	28,380		1,025	
Payments	(105,040)		(14,684)	
Foreign currency translation adjustment	(9,900)		(685)	
As at 31 December	517,100		53,821	
Current	82,032		18,513	
Non-current	435,068		35,308	

Leases amounting to \$20,245,000 (2018: \$12,127,000) are guaranteed by a subsidiary company.

Lease liabilities bear interest ranging from 1.60% to 10.60% (2018: 3.49% to 9.50%) per annum and are repayable between 1 and 41 years (2018: 1 and 20 years).

Change in liabilities arising from financing activities

A reconciliation of liabilities arising from financing activities is as follows:-

	2018 \$'000	Group					2019 \$'000
		Cash flows \$'000	Non-cash changes			Foreign exchange movement \$'000	
			Adoption of SFRS(I) 16 on 1 January 2019 \$'000	Net movement in lease liabilities \$'000	Acquisition of subsidiary (Note 12) \$'000		
Bank borrowings (excluding bank overdrafts and lease liabilities)	6,780,970	1,460,535	-	-	155,081	(199,767)	8,196,819
Lease liabilities	94,106	(79,521)	605,799	(108,229)	14,845	(9,900)	517,100
Medium-term notes	3,969,934	(583,405)	-	-	-	(38,379)	3,348,150
Other bonds	339,064	-	-	-	-	(3,978)	335,086

26. 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 adjusted 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:-

	Group	
	2019 \$'000	2018 \$'000
Net profit attributable to owners of the Company	564,157	347,870
Less: Accrued capital securities distribution	(55,054)	(55,482)
Adjusted net profit attributable to owners of the Company for basic and diluted earnings per share	509,103	292,388
	No. of shares	No. of shares
Weighted average number of ordinary shares on issue applicable to basic earnings per share	3,186,355,548	3,178,664,663
Dilutive effect of share options	1,021,998	2,458,849
Dilutive effect of performance share plan	37,425,900	39,009,951
Dilutive effect of warrants	–	669,719
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	3,224,803,446	3,220,803,182

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and the date of these financial statements.

27. Share capital, treasury shares, perpetual capital securities and warrants

(a) Share capital

	Group and Company			
	31 December 2019		31 December 2018	
	No. of shares	\$'000	No. of shares	\$'000
Ordinary shares issued and fully paid ¹				
Balance at beginning of year	3,271,018,657	3,748,994	3,221,044,910	3,674,206
Issue of shares on exercise of warrants	–	–	49,973,747	71,782
Issue of shares on exercise of share options	–	–	–	3,006
Balance at end of year	3,271,018,657	3,748,994	3,271,018,657	3,748,994

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.

(b) Treasury shares

	Group and Company			
	31 December 2019		31 December 2018	
	No. of shares	\$'000	No. of shares	\$'000
Ordinary shares issued and fully paid ¹				
Balance at beginning of year	88,589,323	166,280	99,533,600	187,276
Use of treasury shares for share awards/options ²	(8,142,544)	(15,747)	(12,564,277)	(23,632)
Share buyback during the year	4,255,100	8,274	1,620,000	2,636
Balance at end of year	84,701,879	158,807	88,589,323	166,280

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.
 2. The Company used 8,142,544 treasury shares during the current financial period towards the release of the performance share awards and restricted share awards.

(c) Capital securities

US\$500,000,000 5.35% Perpetual Capital Securities

On 20 July 2016, the Company issued subordinated perpetual capital securities (the 'capital securities') with an aggregate principal amount of US\$500,000,000 under the US\$5,000,000,000 EMTN Programme. Issuance costs incurred amounting to \$6,126,000 were recognised in equity as a deduction from proceeds.

The capital securities were priced at par and bear a distribution rate of 5.35% for the first five years. The distribution rate will then be reset at the end of five years from the issue date of the capital securities and each date falling every 5 years thereafter. Additionally, Olam may choose to redeem in whole the capital securities on or after the fifth anniversary of the issuance of the capital securities.

Combined S\$350,000,000 5.50% Perpetual Capital Securities

On 11 July 2017 and 4 August 2017, the Company issued subordinated perpetual capital securities (the 'capital securities') with an aggregate combined principal amount of S\$350,000,000 (S\$300,000,000 and S\$50,000,000 respectively) under the US\$5,000,000,000 EMTN Programme. Issuance costs incurred amounting to \$2,273,000 were recognised in equity as a deduction from proceeds.

The capital securities were priced at par and bear a distribution rate of 5.50% for the first five years. The distribution rate will then be reset at the end of five years from the issue date of the capital securities and each date falling every 5 years thereafter. Additionally, Olam may choose to redeem in whole the capital securities on or after the fifth anniversary of the issuance of the capital securities.

(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 were exercisable from 29 January 2016 to 29 January 2018. The Warrants have been presented as capital reserves under equity.

As at 29 January 2018, a total of 49,973,747 Warrants were exercised at a price of US\$1.09 and new ordinary shares were issued. Post 29 January 2018, all remaining subscription rights under the Warrants which have not been exercised have lapsed and ceased to be valid.

There are no such warrants exercised in current financial year.

28. Dividends

	Group and Company	
	2019 \$'000	2018 \$'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 2019: \$0.035 (2018: \$0.035) per share	110,427	111,061
• One tier tax exempted second and final dividend for financial year ended 31 December 2018: \$0.040 (2017: \$0.040) per share	128,179	126,667
	238,606	237,728
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 2019: \$0.045 (2018: \$0.040) per share	143,384	127,297

29. Capital commitments

Capital expenditure contracted for as at the balance sheet date but not recognised in the financial statements is as follows:-

	Group	
	2019 \$'000	2018 \$'000
Capital commitments in respect of property, plant and equipment	82,253	71,214

30. Contingent liabilities

	Company	
	2019 \$'000	2018 \$'000
Contingent liabilities not provided for in the accounts:		
Financial guarantee contracts given on behalf of subsidiary companies that were drawn-down at 31 December ¹	16,576,483	15,259,742

1. Amounts utilised by subsidiary companies on the bank facilities secured by corporate guarantees amounted to \$2,111,311,000 (2018: \$3,794,986,000).

The Company has agreed to provide continuing financial support to certain subsidiary companies.

31. Employee benefits expenses

Employee benefits expenses (including executive directors):-

	Group	
	2019 \$'000	2018 \$'000
Salaries and employee benefits	841,682	706,149
Central Provident Fund contributions and equivalents	38,594	32,067
Retrenchment benefits	10,795	1,012
Share-based expense (relates to OSGP only)	23,687	14,432
	914,758	753,660

(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 ESOS has expired on 3 January 2015. The terms of the ESOS continue to apply to outstanding options granted under the ESOS. The ESOS rules amended on 29 October 2008 may be read in the Appendix 1 of the Company's circular dated 13 October 2008.

31. Employee benefits expenses continued

(a) Employee share option scheme continued

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:-

	2019		2018	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	68,952,000	2.20	71,267,000	2.20
Forfeited during the year	(31,685,000)	2.29	(790,000)	2.38
Exercised during the year ¹	–	–	(1,525,000)	2.09
Outstanding at the end of the year ²	37,267,000	2.13	68,952,000	2.20
Exercisable at end of year	37,267,000	2.13	68,952,000	2.20

- No options were exercised in the current financial year. The weighted average share price when the options were exercised in the previous financial year was \$2.09.
- The range of exercise prices for options outstanding at the end of the financial year was \$1.76 to \$3.10 (2018: \$1.76 to \$3.10). The weighted average remaining contractual life for these options is 1.30 years (2018: 1.50 years).

(b) Olam Share Plans

Olam Share Grant Plan ('OSGP')

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% and 200% 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') – Performance and Restricted Share Awards ('PSA' and 'RSA')

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	<ul style="list-style-type: none"> Absolute Total Shareholder Return ('TSR') Relative Total Shareholder Return Return on Equity ('ROE') Profit after Tax and Minority Interest ('PATMI') Growth
Vesting Condition	Vesting based on meeting stated performance conditions over a three-year performance period
Payout	0% – 192.5% and 200% depending on the achievement of pre-set performance targets over the performance period.

31. Employee benefits expenses continued

(b) Olam Share Plans continued

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 are shown below:-

Plan:	RSA and PSA	RSA and PSA	RSA and PSA	RSA and PSA	PSA
Grant date:	12 April 2019	12 April 2018	24 April 2017	15 April 2016	7 April 2015
Dividend yield (%)	4.387	2.507	2.333	2.753	2.87
Expected volatility (%)	21.023	22.015	22.035	22.747	7.82
Risk-free interest rate (%)	1.873	1.980	1.394	1.197	1.33
Expected term (years)	2.97	2.97	2.94	2.72	2.74
Index (for Relative TSR)	Not applicable	Not applicable	Not applicable	FTSE Straits Times Index	FTSE Straits Times Index
Index volatility (%)	Not applicable	Not applicable	Not applicable	14.081	7.82
Correlation with Index (%)	Not applicable	Not applicable	Not applicable	35.4	38.8
Share price at date of grant (\$)	1.980	2.360	1.910	1.720	1.985
Fair value at date of grant - PSA (\$)	1.844	2.221	1.594	1.400	1.848
Fair value at date of grant - RSA (\$)	1.781	2.218	1.739	1.620	-

The number of contingent shares granted but not released for both PSA and RSA awards as at 31 December 2019 was 36,802,122 (2018: 37,601,452).

Based on the achievement factor, the actual release of the PSA awards could range from zero to maximum of 49,861,920 (2018: 52,957,796) fully-paid ordinary shares of the Company.

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32. 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 Group and Company in the ordinary course of business on terms agreed between the parties:-

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Subsidiary companies:				
• Sales of goods	–	–	3,870,488	3,112,460
• Sales of services, net	–	–	113,691	418,245
• Purchases	–	–	16,338,577	12,261,889
• Insurance premiums paid	–	–	21,251	17,961
• Commissions paid	–	–	29,040	48,237
• Interest received on loans, net	–	–	117,549	88,287
• Consultancy fee paid	–	–	155,636	81,333
• Management fee received	–	–	63,287	57,387
• Trademark income	–	–	248,530	449,502
• Dividend income	–	–	–	1,875,603
• Toll processing charges paid	–	–	293,065	565,347
• Warehouse rental paid	–	–	–	129
• Corporate guarantee received	–	–	–	21,889
Joint ventures:				
• Sales of goods	116,770	897	115,441	–
• Purchases	–	1,339	–	–
• Management fee received	3,399	402	2,999	–
• Dividend income	1,091	–	1,091	–
• Interest received on loans	284	–	284	–
• Finance cost	243	–	–	–
• Toll processing fee paid	841	–	–	–
• Purchase of plant & machinery	20	–	–	–
Associates:				
• Sales of goods	199,669	133,217	192,018	130,324
• Purchases	214,764	271,449	214,764	271,449
• Finance income	791	17,415	791	17,415
• Dividend income	30,593	738	30,593	738
• Management fee received	3,340	2,799	3,340	2,799
• Director fees received	–	36	–	36
Shareholder related companies:				
• Sale of goods	111	44,958	111	427
• Finance cost	–	2	–	–

33. Compensation of directors and key management personnel

The remuneration of directors and key management personnel during the years is as follows:-

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Directors' fees	2,354	1,855	2,279	1,780
Salaries and employee benefits	20,503	22,524	16,071	19,982
Central Provident Fund contributions and equivalents	579	406	140	117
Share-based expense	5,228	4,924	4,317	4,366
	28,664	29,709	22,807	26,245
Comprising amounts paid to:-				
Directors of the Company	13,240	14,049	13,165	13,974
Key management personnel	15,424	15,660	9,642	12,271
	28,664	29,709	22,807	26,245

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:-

	2019 Options/shares	2018 Options/shares
Employee Share Option Scheme:		
Directors	18,250,000	20,000,000
Key management personnel	6,900,000	16,800,000
Olam Share Grant Plan:		
Directors	3,585,247	3,603,852
Key management personnel	4,091,025	4,795,800

34. Cash and short-term deposits

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash and bank balances	2,310,648	1,582,654	1,114,958	796,792
Deposits	868,936	897,720	85,521	94,587
	3,179,584	2,480,374	1,200,479	891,379

Cash at banks earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 16.87% (2018: 0.01% to 20.90%) per annum.

Deposits include short-term and capital guaranteed deposits. Short-term deposits are made for varying periods between 1 and 90 days (2018: 1 and 90 days) depending on the immediate cash requirements of the Group, and interest earned at floating rates ranging from 0.25% to 17% (2018: 0.50% to 16%) per annum and may be withdrawn on demand.

Deposits include capital guaranteed, non-interest bearing, index-linked structured deposits of \$3,842,000 (2018: \$3,067,000) and may be withdrawn on demand.

Cash and bank balances and deposits denominated in currencies other than functional currencies of Group companies are as follows:-

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Euro	300,293	367,485	276,764	265,825
United States Dollar	75,766	191,872	-	-
Great Britain Pounds	97,021	42,274	96,082	42,079
Singapore Dollar	46,173	17,604	45,720	16,558
Swiss Franc	4,383	13,725	4,369	13,703
Japanese Yen	14,800	11,808	14,800	11,802
Australian Dollar	5,439	4,773	5,400	4,772

34. Cash and short-term deposits continued

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:-

	Group	
	2019 \$'000	2018 \$'000
Cash and bank balances	2,310,648	1,582,654
Deposits	868,936	897,720
Structured deposits	(3,842)	(3,067)
Bank overdrafts (Note 25)	(198,826)	(84,161)
	2,976,916	2,393,146

Bank overdrafts are included in the determination of cash and cash equivalents because they form an integral part of the Group's cash management.

35. Financial risk management policies and objectives

The Group and the Company are exposed to financial risks from its operations and the use of financial instruments. The Board of Directors and Board Risk Committee reviews and agrees on policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and Head of Risk. The Board Risk Committee provides independent oversight to the effectiveness of the risk management process.

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 increased by 1.0% with all other variables held constant, the Group's profit net of tax would have increased by \$10,338,000 (2018: \$16,851,000) given its net long commodity positions, 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.

35. Financial risk management policies and objectives continued

(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.

For computation of impairment losses on financial assets, the Group uses a provision matrix as presented below:-

Balance Sheet	Expected credit loss
Trade receivables (Note 18)	
Loans to joint ventures and associates (Note 15)	
Other current assets – Sundry receivables, export incentives and subsidies receivable, deposits, staff advances, insurance receivables, amount due from joint venture, associates and a shareholder related company (Note 22)	Expected credit loss is calculated by applying the default sovereign risk rating of the counterparties' country of domicile based on external benchmarks
Amount due from subsidiary companies (Note 17)	

The carrying amounts of trade receivables, other non-current and current assets, 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. Cash and bank balances and deposits are placed with reputable banks.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the operating segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:-

	Group		Company	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
By operating segments:				
Edible nuts and spices	238,596	329,558	44,805	207,732
Confectionery and beverage ingredients	544,598	566,697	206,076	243,984
Industrial raw materials, infrastructure and logistics	205,861	213,564	116,020	158,761
Food staples and packaged food business	1,035,764	1,038,262	622,431	696,872
Commodity financial services	-	6	-	-
	2,024,819	2,148,087	989,332	1,307,349

The Group has no significant concentration of credit risk with any single customer.

35. Financial risk management policies and objectives continued

(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 and cross currency interest rate swap to hedge firm commitments.

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), Singapore Dollar (SGD) and Japanese Yen (YEN).

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, SGD and YEN exchange rates, with all other variables held constant.

	Group			
	2019		2018	
	Profit net of tax \$'000	Equity \$'000	Profit net of tax \$'000	Equity \$'000
	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)
SGD – strengthened 0.5%	(2,327)	3,159	(5,892)	5,234
GBP – strengthened 0.5%	(1,346)	(6,298)	(1,371)	(4,212)
USD – strengthened 0.5%	(305)	–	(63)	–
AUD – strengthened 0.5%	(253)	1,166	(820)	3,012
EUR – strengthened 0.5%	(390)	(7,671)	378	(8,233)
YEN – strengthened 0.5%	(2,378)	–	(2,326)	–

35. 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.

	2019 \$'000				2018 \$'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:								
Margin accounts with brokers (Note 19)	12,961	-	-	12,961	121,017	-	-	121,017
Trade payables and accruals (Note 23)	3,829,101	-	-	3,829,101	3,535,370	-	-	3,535,370
Other current liabilities (Note 24)	512,364	-	-	512,364	358,461	-	-	358,461
Other non-current liabilities	-	17,695	-	17,695	-	-	-	-
Borrowings	6,977,281	5,660,225	82,733	12,720,239	5,167,607	6,781,122	31,350	11,980,079
Lease liabilities	99,705	309,296	277,346	686,347	11,543	46,054	96,759	154,356
Derivative financial instruments (Note 35(f))	1,162,135	-	-	1,162,135	928,631	-	-	928,631
Total undiscounted financial liabilities	12,593,547	5,987,216	360,079	18,940,842	10,122,629	6,827,176	128,109	17,077,914
Company								
Financial liabilities:								
Margin accounts with brokers (Note 19)	110,918	-	-	110,918	168,499	-	-	168,499
Trade payables and accruals (Note 23)	2,165,584	-	-	2,165,584	2,349,785	-	-	2,349,785
Other current liabilities (Note 24)	32,275	-	-	32,275	25,189	-	-	25,189
Borrowings	3,816,631	3,234,180	-	7,050,811	3,205,998	4,793,310	-	7,999,308
Lease liabilities	20,422	37,258	-	57,680	-	-	-	-
Derivative financial instruments (Note 35(f))	959,691	-	-	959,691	688,823	-	-	688,823
Total undiscounted financial liabilities	7,105,521	3,271,438	-	10,376,959	6,438,294	4,793,310	-	11,231,604

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts drawn/undrawn are allocated to the earliest period in which the guarantee could be called.

	2019 \$'000				2018 \$'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
Company								
Financial guarantees	2,111,311	-	-	2,111,311	3,794,986	-	-	3,794,986

(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 \$23,169,000 (2018: \$24,260,000).

35. Financial risk management policies and objectives continued

(f) Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage the Group's exposure to risks associated with foreign currency and commodity price. Certain derivatives are also used for trading purposes. The Group and Company have master netting arrangements with certain dealers and brokers to settle the net amount due to or from each other.

As at 31 December 2019, the settlement dates on open foreign exchange derivatives and commodity derivatives ranged between 1 and 24 months (2018: 1 and 24 months), except for power purchase agreement (10 years).

The Group's and Company's derivative financial instruments that are offset are as follows:-

	2019				2018			
	Fair value				Fair value			
	Group		Company		Group		Company	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
Derivatives held for hedging:								
Foreign exchange contracts	360,778	(354,224)	316,287	(337,803)	260,197	(251,156)	213,363	(189,569)
Commodity contracts	2,973,170	(2,323,287)	2,534,673	(2,105,938)	3,200,199	(2,372,951)	2,711,387	(2,165,790)
Power purchase agreement	-	(13,459)	-	-	10,438	-	-	-
Cross currency interest rate swap	29,668	(12,891)	8,025	(12,891)	-	-	-	-
Interest rate swaps	-	(2,762)	-	(2,762)	-	(135)	-	(135)
Fair value hedge	3,363,616	(2,706,623)	2,858,985	(2,459,394)	3,470,834	(2,624,242)	2,924,750	(2,355,494)
Foreign exchange contracts –								
Cash flow hedge	-	(1,951)	-	(1,951)	4,965	-	4,965	-
Cross currency interest rate swap –	Cash flow hedge							
Cash flow hedge	5,597	-	-	-	-	-	-	-
Interest rate swaps –	Cash flow hedge							
Cash flow hedge	18,821	(980)	11,105	(980)	-	-	-	-
Cash flow hedge	24,418	(2,931)	11,105	(2,931)	4,965	-	4,965	-
Total derivatives held for hedging	3,388,034	(2,709,554)	2,870,090	(2,462,325)	3,475,799	(2,624,242)	2,929,715	(2,355,494)
Derivatives held for trading:								
Foreign exchange contracts	22,342	(16,394)	22,342	(16,394)	10,506	(6,765)	10,506	(6,765)
Commodity contracts	48,755	(47,603)	48,755	(47,603)	103,574	(52,460)	103,574	(52,460)
Total derivatives held for trading	71,097	(63,997)	71,097	(63,997)	114,080	(59,225)	114,080	(59,225)
Total derivatives, gross	3,459,131	(2,773,551)	2,941,187	(2,526,322)	3,589,879	(2,683,467)	3,043,795	(2,414,719)
Gross amounts offset in the balance sheet								
	(1,611,416)	1,611,416	(1,566,631)	1,566,631	(1,754,836)	1,754,836	(1,725,896)	1,725,896
Net amounts in the balance sheet	1,847,715	(1,162,135)	1,374,556	(959,691)	1,835,043	(928,631)	1,317,899	(688,823)

35. Financial risk management policies and objectives continued

(f) Derivative financial instruments and hedge accounting continued

The Group applies hedge accounting in accordance with SFRS(I) 9 for certain hedging relationships which qualify for hedge accounting. The effects of applying hedge accounting for expected future sales and purchases on the Group's balance sheet and profit or loss are as follows:-

Line item in the Balance Sheets where the hedging instrument is reported:	Group 2019		Group 2018	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
Fair value hedge – Commodity contracts				
Hedged item:				
Inventories	1,613,278	–	1,070,045	–
Sales and purchase contracts	93,337	–	190,151	–
Hedging instruments:				
Commodity contracts	10,864	–	5,328	(4,747)
Fair value hedge – Cross currency interest rate swap				
Hedged item:				
Forecasted transactions relating to borrowings denominated in foreign currency	–	(847,012)	–	–
Hedging instruments:				
Cross currency interest rate swap	29,668	(12,891)	–	–
Cash flow hedge – Foreign exchange contracts				
Hedged item:				
Forecasted transactions denominated in foreign currency	–	(86,634)	–	(72,544)
Hedging instruments:				
Foreign exchange contracts	–	(1,951)	4,965	–
Cash flow hedge – Cross currency interest rate swap				
Hedged item:				
Forecasted transactions relating to borrowings denominated in foreign currency	–	(5,597)	–	–
Hedging instruments:				
Cross currency interest rate swap	5,597	–	–	–
Cash flow hedge – Interest rate swap				
Hedged item:				
Forecasted transactions denominated in foreign currency	–	(940)	–	–
Hedging instruments:				
Interest rate swap	18,821	(980)	–	–

Fair value hedge – Commodity contracts

The Group is exposed to price risk on the purchase side due to increase in commodity prices, on the sales sides and inventory held to decrease in commodity prices. Therefore, the Group applies fair value hedge accounting to hedge its commodity prices embedded in its inventories, sales and purchase contracts and uses commodity derivatives to manage its exposure. The Group determines its hedge effectiveness based on the volume of both hedged item and hedging instruments.

For the relevant commodity derivatives used for above hedging accounting purposes, the forecasted transactions are expected to occur within 3 to 24 months (2018: 3 to 24 months). These commodity derivatives held for hedging accounting are used to hedge the commodity price risk related to inventories, sales and purchases contracts. The accumulated amount of fair value hedge adjustments included in the carrying amount of the inventories for the current financial year amounts to \$241,895,000 (2018: \$361,001,000).

Fair value hedge – Cross currency interest rate swaps

The Group entered into cross-currency interest rate swap contracts in order to hedge the currency and interest rate exposures of the (i) JPY Term Loans and (ii) AUD and JPY EMTNs issued under the EMTN programme of the Group. The hedge on the exposure linked to future interest payments on these EMTNs and term loans are booked at fair value through profit or loss as a fair value hedge. The hedge on currency and interest rate exposure are booked at fair value through profit and loss, and is recorded in "Other expenses" and "Finance costs" respectively in the profit and loss account. At 31 December 2019, the AUD cross-currency swap is effective until 2020 while the JPY cross currency swap is effective until 2020 and 2021 and is linked to the payment due date of the EMTNs or term loan. The critical terms of these swap contracts and their corresponding hedged items are matched, and the Group expects a highly effective hedging relationship with the swap contracts and the value of the corresponding hedged items to change systematically in opposite direction in response to movements in the underlying interest rate and exchange rates.

35. Financial risk management policies and objectives continued

(f) Derivative financial instruments and hedge accounting continued

Cash flow hedge – Foreign exchange contracts

For the relevant foreign exchange derivatives used for above hedging accounting purposes, the forecasted transactions are expected to occur within 24 months (2018: 24 months). The fair value of these derivatives recorded in the 'Other Comprehensive Income' are reclassified through the profit and loss account upon occurrence of the forecasted transactions and this amounts to \$105,532,000 (2018: \$2,474,000) for the current financial year. The net hedging gain recognised in the 'Other Comprehensive Income' in relation to such transactions amounts to \$1,951,000 (2018: \$4,965,000) in the current financial year.

Cash flow hedge – Cross currency interest rate swaps

The Group entered into cross-currency swap contracts in order to hedge the currency and interest rate exposures of two JPY term loans draw down by the Group. The hedge on the interest exposure linked to future interest payments on these term loans is booked at fair value through OCI as a cash flow hedge.

The hedge on currency exposure is booked at fair value through profit and loss, and is recorded in "Other expenses" in the profit and loss account. At 31 December 2019, the remaining cross-currency swap will expire in 2021 and 2023, which is the repayment date of the two JPY term loans. The critical terms of these swap contracts and their corresponding hedged items are matched, and the Group expects a highly effective hedging relationship with the swap contracts and the value of the corresponding hedged items to change systematically in opposite direction in response to movements in the underlying interest rate and exchange rates.

Cash flow hedge – Interest rate swaps

The Group entered into interest rate swap contracts to hedge against fluctuation in the international rates (LIBOR) on the floating rate exposure of its Structured Letter of Credit ("SLC"). All interest rate derivative financial instruments are in a cash flow hedge relationship resulting in changes in fair value are recognised in other comprehensive income. As at 31 December 2019, these hedges are effective until 2020 and 2021 with 1-month to 3-month LIBOR rate ranging from 1.5% to 3.0% per year.

36. 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 than 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.

Transfer into Level 3

During the financial year ended 31 December 2019, the fair value basis of the long-term investment in PureCircle (Note 16) was transferred from Level 1 to Level 3 of the fair value hierarchy. The carrying amount of the total financial assets transferred was \$71,503,000. The long-term investment PureCircle is a quoted investment and prior to transfer, it was fair valued based on its own quoted closing share prices. This was no longer available as PureCircle shares were suspended for trading during the current financial year. Hence, the long-term investment has been valued using valuation model incorporating significant non market-observable inputs.

36. Fair values of assets and liabilities continued

(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 2019				Group 2018			
	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	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 16)	-	-	71,503	71,503	135,777	-	-	135,777
Derivative financial instruments:-								
Commodity contracts	105,516	1,238,066	66,927	1,410,509	328,582	1,156,237	64,118	1,548,937
Foreign exchange contracts – fair value hedge	-	383,120	-	383,120	-	270,703	-	270,703
Foreign exchange contracts – cash flow hedge	-	-	-	-	-	4,965	-	4,965
Cross currency interest-rate swap – fair value hedge	-	29,668	-	29,668	-	-	-	-
Cross currency interest rate swap – cash flow hedge	-	5,597	-	5,597	-	-	-	-
Interest rate swap – cash flow hedge	-	18,821	-	18,821	-	-	-	-
Power purchase agreement	-	-	-	-	-	-	10,438	10,438
	105,516	1,675,272	138,430	1,919,218	464,359	1,431,905	74,556	1,970,820
Financial liabilities:								
Derivative financial instruments:-								
Commodity contracts	120,510	633,565	5,399	759,474	39,874	625,386	5,316	670,576
Foreign exchange contracts – fair value hedge	-	370,618	-	370,618	-	257,920	-	257,920
Foreign exchange contracts – cash flow hedge	-	1,951	-	1,951	-	-	-	-
Cross currency interest-rate swap – fair value hedge	-	12,891	-	12,891	-	-	-	-
Interest rate swap – cash flow hedge	-	980	-	980	-	-	-	-
Interest rate swaps	-	2,762	-	2,762	-	135	-	135
Power purchase agreement	-	-	13,459	13,459	-	-	-	-
	120,510	1,022,767	18,858	1,162,135	39,874	883,441	5,316	928,631
Non-financial assets:								
Biological assets (Note 13)	-	-	531,178	531,178	-	-	511,931	511,931
Inventories (Note 20)	-	4,969,977	226,356	5,196,333	-	4,027,034	291,920	4,318,954
	-	4,969,977	757,534	5,727,511	-	4,027,034	803,851	4,830,885

Determination of fair value

Long-term investment (Note 16) is fair valued based on adjusted enterprise valuation model using comparable companies price/book multiples as a basis in computing the fair value per share.

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, inventories, interest rate swaps and cross currency interest rate swaps and power purchase agreement 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 has been determined through various methods and assumptions. Please refer to Note 13 for more details.

36. 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 13.

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	Comparable market approach	Price/book multiples	0.5% (2018: Not applicable as fair value at Level 1)
Commodity contracts	Comparable market approach	Premium on quality per metric tonne	0% to 31% (2018: 0% to 35%)
Commodity contracts	Comparable market approach	Discount on quality per metric tonne	0% to 16% (2018: 0% to 37%)
Power purchase agreement	Discounted Cash Flow	Electricity Pricing per megawatt hour	0% to 14% (2018: 0% to 8%)
Non-financial assets:			
Inventories	Comparable market approach	Premium on quality per metric tonne	0% to 25% (2018: 0% to 29%)
Inventories	Comparable market approach	Discount on quality per metric tonne	0% to 25% (2018: 0% to 29%)

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.

	2019			2018		
	Effect of reasonably possible alternative assumptions			Effect of reasonably possible alternative assumptions		
	Carrying amount \$'000	Profit/(loss) \$'000	Other comprehensive income \$'000	Carrying amount \$'000	Profit/(loss) \$'000	Other comprehensive income \$'000
Recurring fair value measurements						
Financial assets:						
Long-term investment – increased by 0.5%	71,503	–	358	–	–	–
Long-term investment – decreased by 0.5%	71,503	–	(358)	–	–	–
Commodity contracts	66,927	(717)	–	64,118	(1,377)	–
Financial liabilities:						
Commodity contracts	(5,399)	177	–	(5,316)	603	–
Power purchase agreement	(13,459)	(505)	–	10,438	355	–
Non-financial assets:						
Biological assets – increased by 0.5%	531,178	(2,317)	–	511,931	(2,184)	–
Biological assets – decreased by 0.5%	531,178	2,331	–	511,931	2,195	–
Inventories	226,356	(6,913)	–	291,920	2,897	–

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 long-term investment, the Group adjusted the share price of the valuation model by 0.5%.
- For certain commodity contracts and inventories, the Group adjusted the market prices of the valuation model by 1%.
- For biological assets, the Group adjusted the key assumptions (discount rate/pricing) applied to fair values by 0.5%.

36. Fair values of assets and liabilities continued

(c) Level 3 fair value measurements continued

(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 13), based on significant unobservable inputs (Level 3):-

	Commodity contracts – assets \$'000	Commodity contracts – liabilities \$'000	Power purchase agreement – assets \$'000	Inventories \$'000	Long-term investment \$'000
At 1 January 2018	70,579	(1,662)	13,801	389,687	-
Total gain/(loss) for the year					
• Included in profit or loss	(6,461)	(3,654)	(3,363)	33,167	-
Purchases and sales, net	-	-	-	(130,934)	-
At 31 December 2018 and 1 January 2019	64,118	(5,316)	10,438	291,920	-
Transfer into Level 3	-	-	-	-	135,777
Total gain/(loss) for the year					
• Included in profit or loss	2,809	(83)	(23,897)	(13,164)	-
• Included in other comprehensive income	-	-	-	-	(64,274)
Purchases and sales, net	-	-	-	(52,400)	-
At 31 December 2019	66,927	(5,399)	(13,459)	226,356	71,503

(d) 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, other current assets, margin accounts with brokers, amounts due from subsidiary companies, trade payables and accruals, other current liabilities and bank overdrafts.

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short-term maturity.

- (ii) Loans to joint ventures, bank loans and term loans from banks

The carrying amount of loans to joint ventures, bank loans and term loans from banks are an approximation of fair values as they are subjected to frequent repricing (floating rates) and/or because of their short-term maturity.

36. Fair values of assets and liabilities continued

(e) 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 subsidiary companies 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) 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 2019				
Financial liabilities:				
Medium-term notes	3,348,150	3,411,532	2,587,715	2,651,099
Other bonds	335,086	344,031	335,086	344,031
31 December 2018				
Financial liabilities:				
Medium-term notes	3,969,934	3,973,148	3,363,443	3,366,658
Other bonds	339,064	353,309	339,064	353,309

The fair value of medium-term notes and all bonds is determined directly by reference to their published market bid price (Level 1) or valued using valuation techniques with market observable inputs (Level 2), where relevant at the end of the respective financial years.

37. 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 2018 and 31 December 2019.

The Group calculates the level of debt capital required to finance the working capital requirements using leverage/gearing ratio and the Group's policy is to maintain the leverage ratio within 2 times.

As at balance sheet date, leverage ratios are as follows:-

	Group	
	2019	2018
Gross debt to equity:		
• Before fair value adjustment reserve	1.84 times	1.69 times
Net debt to equity:		
• Before fair value adjustment reserve	1.38 times	1.32 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.

38. Classification of financial assets and financial liabilities

	Group 2019			Group 2018		
	Amortised cost \$'000	Fair value through Other Comprehensive Income \$'000	Fair value through Profit or Loss \$'000	Amortised cost \$'000	Fair value through Other Comprehensive Income \$'000	Fair value through Profit or Loss \$'000
Financial assets:						
Loans to joint ventures (Note 15(a))	35,666	-	-	40,720	-	-
Loans to associates (Note 15(b))	18,447	-	-	18,965	-	-
Long-term investment (Note 16)	-	71,503	-	-	135,777	-
Trade receivables (Note 18)	2,024,819	-	-	2,148,087	-	-
Other current assets (Note 22)	658,530	-	-	417,245	-	-
Cash and short-term deposits (Note 34)	3,179,584	-	-	2,480,374	-	-
Derivative financial instruments (Note 35(f))	-	24,418	1,823,297	-	4,965	1,830,078
Other non-current assets (Note 22)	44,956	-	-	27,786	-	-
	5,962,002	95,921	1,823,297	5,133,177	140,742	1,830,078
Financial liabilities:						
Trade payables and accruals (Note 23)	3,829,101	-	-	3,535,370	-	-
Margin accounts with brokers (Note 19)	12,961	-	-	121,017	-	-
Other current liabilities (Note 24)	582,125	-	-	446,065	-	-
Other non-current liabilities (Note 24)	17,695	-	-	-	-	-
Borrowings (Note 25)	12,078,881	-	-	11,174,129	-	-
Lease liabilities (Note 25)	517,100	-	-	94,106	-	-
Derivative financial instruments (Note 35(f))	-	2,931	1,159,204	-	-	928,631
	17,037,863	2,931	1,159,204	15,370,687	-	923,631

	Company 2019			Company 2018		
	Amortised cost \$'000	Fair value through Other Comprehensive Income \$'000	Fair value through Profit or Loss \$'000	Amortised cost \$'000	Fair value through Other Comprehensive Income \$'000	Fair value through Profit or Loss \$'000
Financial assets:						
Loans to joint ventures (Note 15(a))	35,666	-	-	40,720	-	-
Long-term investment (Note 16)	-	71,503	-	-	135,777	-
Amounts due from subsidiary companies (Note 17)	2,435,290	-	-	3,988,713	-	-
Trade receivables (Note 18)	989,332	-	-	1,307,349	-	-
Other current assets (Note 22)	147,458	-	-	38,554	-	-
Cash and short-term deposits (Note 34)	1,200,479	-	-	891,379	-	-
Derivative financial instruments (Note 35(f))	-	11,105	1,363,451	-	4,965	1,312,934
Other non-current assets (Note 22)	2,019	-	-	-	-	-
	4,810,244	82,608	1,363,451	6,266,715	140,742	1,312,934
Financial liabilities:						
Trade payables and accruals (Note 23)	2,165,584	-	-	2,349,785	-	-
Margin accounts with brokers (Note 19)	110,918	-	-	168,499	-	-
Other current liabilities (Note 24)	88,214	-	-	100,003	-	-
Borrowings (Note 25)	6,679,783	-	-	7,369,572	-	-
Lease liabilities (Note 25)	53,821	-	-	-	-	-
Derivative financial instruments (Note 35(f))	-	2,931	956,760	-	-	688,823
	9,098,320	2,931	956,760	9,987,859	-	688,823

39. 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 and Spices – Edible Nuts (cashew, peanuts, almonds, hazelnuts, pistachios, walnuts, sesame and beans including pulses, lentils and peas), spices and vegetable ingredients (including pepper, onion, garlic, capsicums and tomato).
- Confectionery and Beverage Ingredients – cocoa and coffee.
- Industrial Raw Materials, Infrastructure and Logistics – cotton, wood products, rubber, fertiliser and Gabon Special Economic Zone (GSEZ including ports and infrastructure).
- Food Staples and Packaged Foods – rice, sugar and sweeteners, grains and animal feed, edible oils, dairy and packaged foods.
- Commodity Financial Services – risk management solutions, market-making, volatility and asset management, and trade and structured finance.

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 and borrowings. 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 in Note 39(a).

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.

39. Segmental information continued

(a) Business segments

	Edible Nuts and Spices		Confectionery and Beverage Ingredients		Industrial Raw Materials, Infrastructure and Logistics		Food Staples and Packaged Foods		Commodity Financial Services		Consolidated	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Segment revenue:												
Sales to external customers	4,436,382	4,312,017	6,686,184	7,129,800	4,246,737	4,530,960	17,623,419	14,506,279	-	-	32,992,722	30,479,056
Segment result (EBITDA)	342,415	339,898	562,100	443,997	173,672	176,226	454,597	288,822	18,979	(13,076)	1,551,763	1,235,867
Depreciation and amortisation	(148,065)	(128,720)	(120,764)	(104,113)	(39,886)	(28,178)	(190,841)	(131,261)	(778)	(564)	(500,334)	(392,836)
Finance costs	-	-	-	-	-	-	-	-	-	-	(628,381)	(548,464)
Finance income	-	-	-	-	-	-	-	-	-	-	88,649	79,689
Exceptional items ¹	327,817	23,772	(56,183)	5,831	34,042	(8,219)	(138,383)	(15,025)	(2,840)	-	164,453	6,359
Profit before taxation											676,150	380,615
Taxation expense											(150,988)	(57,422)
Profit for the financial year											525,162	323,193
Segment assets	4,099,003	4,170,409	7,094,756	6,416,675	2,886,606	2,655,133	6,803,944	6,414,580	178,623	109,806	21,062,932	19,766,603
Unallocated assets ²											4,607,429	3,680,214
											25,670,361	23,446,817
Segment liabilities	754,229	560,547	2,003,165	1,481,448	790,663	838,108	1,576,828	1,837,022	49,580	(7,820)	5,174,465	4,709,305
Unallocated liabilities ³											13,955,836	12,273,456
											19,130,301	16,982,761
Other segmental information:												
Share of results from joint ventures and associates	2,832	(590)	2,584	797	53,196	53,210	9,260	9,108	-	-	67,872	62,525
Investments in joint ventures and associates	24,524	23,612	5,816	4,982	432,186	467,205	198,579	195,893	-	-	661,105	691,692
Capital expenditure	142,572	141,111	70,563	104,060	62,079	71,811	335,007	486,535	100	663	610,321	804,180

(b) Geographical segments

	Asia, Middle East and Australia		Africa		Europe		Americas		Eliminations		Consolidated	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Segment revenue:												
Sales to external customers	16,409,323	13,098,750	4,490,889	4,680,764	6,599,226	7,537,172	5,493,284	5,162,370	-	-	32,992,722	30,479,056
Intersegment sales	10,057,104	15,216,713	1,790,811	3,570,496	186,864	820,377	1,149,490	2,839,625	(13,184,269)	(22,447,211)	-	-
	26,466,427	28,315,463	6,281,700	8,251,260	6,786,090	8,357,549	6,642,774	8,001,995	(13,184,269)	(22,447,211)	32,992,722	30,479,056
Non-current assets ⁴	3,868,216	3,465,983	3,471,843	3,102,174	686,784	619,415	1,394,955	1,356,259	-	-	9,421,798	8,543,831

(c) Information on major customers

The Group has no single customer accounting for more than 10% of the turnover.

39. Segmental information continued

- 1 Exceptional items included the following items of income/(expenses):-

	Group	
	2019 \$'000	2018 \$'000
Gain on disposal of intangible asset (Note 5)	294,057	2,686
Gain on sale of USA spices, vegetables dehydrate facilities (2018: Gain on sale of USA orchards farmland and spices, vegetables dehydrate facilities) (Note 5)	132,285	23,772
Gain on partial divestment of associate (Note 5)	40,371	-
Negative goodwill (Note 5)	7,857	-
Gain on disposal of subsidiary (Note 13)	593	5,831
Impairment of property, plant and equipment and intangible assets	(206,452)	-
Closure and restructuring costs	(103,101)	-
Loss on disposal of joint venture and associate	(1,157)	(25,930)
	164,453	6,359

- 2 The following unallocated assets items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:-

	Group	
	2019 \$'000	2018 \$'000
Cash and bank balances	2,310,648	1,582,654
Fixed deposits	868,936	897,720
Other current/non-current assets	1,173,069	897,278
Long-term investments	71,503	135,777
Deferred tax assets	183,273	166,785
	4,607,429	3,680,214

- 3 The following unallocated liabilities items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:-

	Group	
	2019 \$'000	2018 \$'000
Borrowings	12,078,881	11,174,129
Lease liabilities	517,100	94,106
Deferred tax liabilities	502,031	422,625
Other current/non-current liabilities	598,747	430,602
Provision for taxation	259,077	151,994
	13,955,836	12,273,456

- 4 Non-current assets mainly relate to property, plant and equipment, intangible assets, biological assets, investments in joint ventures and associates and long-term investments.

40. Events occurring after the reporting period

- (a) On 24 December 2019, the Group announced that Gabon Special Economic Zone ("GSEZ"), an associate of the Group, is reorganising its infrastructure and logistics business into three verticals - ARISE Port & Logistics ("ARISE P&L"), ARISE Industrial Zones ("ARISE IZ") and ARISE Infrastructure Services ("ARISE IS"). On 28 January 2020, as part of this reorganisation, the Group entered into an agreement with A.P. Moeller Capital ("APMC") and Africa Finance Corporation ("AFC") who will inject additional capital into ARISE P&L, resulting in APMC holding a 43.0% stake, with Olam and AFC holding the residual 31.0% and 26.0% stake respectively.
- (b) On 3 March 2020, the Group announced the sale of its remaining 50.0% equity stake in Indonesian sugar joint-venture Far East Agri to its joint venture partner Mitr Phol Sugar Corporation for a total consideration approximately between \$112,500,000 and \$115,900,000, subject to final adjustments as provided in the sale and purchase agreement.

Directors' Statement

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 ended 31 December 2018.

1. Opinion of the directors

In the opinion of the directors,

- (i) the financial statements set out on pages 15 to 82 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 2018, changes in equity of the Group and of the Company, the financial performance and the cash flows of the Group for the financial year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Lim Ah Doo

Sunny George Verghese

Jean-Paul Pinard

Sanjiv Misra

Nihal Vijaya Devadas Kaviratne CBE

Yap Chee Keong

Marie Elaine Teo

Yutaka Kyoya

Kazuo Ito (Appointed on 1 December 2018)

Shekhar Anantharaman

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 ended 31 December 2018 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

According to the register of the directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of directors	Held in the name of the director or nominee			Deemed interest		
	As at 1.1.2018 or date of appointment, if later	As at 31.12.2018	As at 21.1.2019	As at 1.1.2018 or date of appointment, if later	As at 31.12.2018	As at 21.1.2019
The Company						
Olam International Limited						
(a) Ordinary shares						
Sunny George Verghese	111,748,977	133,112,233	133,112,233	—	—	—
Shekhar Anantharaman	12,677,672	15,896,204	15,896,204	—	—	—
Jean-Paul Pinard	806,761	806,761	806,761	—	—	—
(b) Euro Medium Term Note Programme						
Nihal Vijaya Devadas Kaviratne CBE ¹	US\$200,000	US\$200,000	US\$200,000	—	—	—
(c) 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	—	—	—

Directors' Statement continued

4. Directors' interests in shares and debentures continued

Name of directors	Held in the name of the director or nominee			Deemed interest		
	As at 1.1. 2018 or date of appointment, if later	As at 31.12.2018	As at 21.1.2019	As at 1.1.2018 or date of appointment, if later	As at 31.12.2018	As at 21.1.2019
Subsidiaries of the Company's ultimate holding company						
Temasek Group of companies						
(a) Mapletree Greater China Commercial Trust Management Ltd (Unit holdings in Mapletree Greater China Commercial Trust)						
Sunny George Verghese	510,000	510,000	510,000	–	–	–
(b) Mapletree Logistics Trust Management Ltd (Unit holdings in Mapletree Logistics Trust)						
Sunny George Verghese	505,000	505,000	505,000	–	–	–
Lim Ah Doo	185,000	185,000	185,000	–	–	–
(c) Mapletree Commercial Trust Management Ltd. (3.25% Bonds due 3 February 2023)						
Yap Chee Keong	\$250,000	\$250,000	\$250,000	–	–	–
(d) Singapore Technologies Engineering Ltd (Ordinary Shares)						
Lim Ah Doo	42,600	60,000	60,000	–	–	–
(e) Starhub Ltd (Ordinary Shares)						
Nihal Vijaya Devadas Kaviratne CBE ³	23,000	46,800	46,800	–	67,600	67,600
Sanjiv Misra ²	60,000	60,000	60,000	–	–	–
(f) Mapletree Industrial Trust (Ordinary Shares)						
Marie Elaine Teo	11,800	11,800	11,800	–	–	–
Sanjiv Misra ²	100,000	–	–	–	–	–
(g) Singapore Airlines Limited (3.035% Notes due 2025)						
Yap Chee Keong	\$250,000	\$250,000	\$250,000	–	–	–
(h) Astrea IV Pte Ltd (4.35% bonds due 2028)						
Yap Chee Keong	–	\$250,000	\$250,000	–	–	–

1. This refers to the Notes issued under Series 006 of the US\$5,000,000,000 Euro Medium Term Note Programme ("EMTN") established by the Company on 6 July 2012 and subsequently updated on 14 July 2014, 21 August 2015, 23 November 2016 and 16 March 2018, comprising US\$300,000,000 in principal amount of 4.50 per cent fixed rate notes due 2020.

2. Held in trust by Windsor Castle Holding Ltd for Sanjiv Misra and spouse.

3. Held by DBS Nominees Pte Ltd for Green Willow Worldwide Inc., a company wholly-owned by a trust in which Mr Nihal Kaviratne is a named beneficiary.

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

The Company offers the following share plans to its employees:

- (a) Olam Employee Share Option Scheme, and
- (b) Olam Share Grant Plan.

These share plans are administered by the Human Resource & Compensation Committee ('HRCC'), which comprises the following directors:-

Lim Ah Doo

Jean-Paul Pinard

Sanjiv Misra

Kazuo Ito (Appointed on 1 December 2018)

Chan Wai Ching (Co-opted member appointed on 1 October 2018)

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.

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 ESOS has expired on 3 January 2015. The terms of the ESOS continue to apply to outstanding options granted under the ESOS. The ESOS rules amended on 29 October 2008 may be read in the Appendix 1 of the Company's circular dated 13 October 2008.

Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS outstanding as at 31 December 2018 are as follows:-

Expiry date	Exercise price (\$)	Number of options
21 July 2019	2.28	31,195,000
17 February 2020	2.35	15,000,000
23 July 2020	2.64	2,885,000
17 December 2020	3.10	650,000
14 March 2021	2.70	1,195,000
30 December 2021	2.16	2,060,000
15 June 2022	1.76	15,967,000
Total		68,952,000

The details of options granted to the directors, 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	—	—	30,000,000	15,000,000	15,000,000
Shekhar Anantharaman	—	—	5,800,000	800,000	5,000,000

The 15,000,000 options granted to Sunny George Verghese in financial year 2010 were 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 where the vesting conditions were met. The options will expire ten years after the date of grant.

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

5. 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 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;
- 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.

An employee's Award under the OSGP will be determined at the absolute discretion of the HRCC. In considering an Award to be granted to an employee, the HRCC may take into account, inter alia, the employee's performance during the relevant period, and his capability, entrepreneurship, scope of responsibility and skills set. The OSGP contemplates 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. Examples of performance targets include targets based on criteria such as total shareholders' return, return on invested capital, economic value added, or on the Company meeting certain specified corporate target(s). It is also currently intended that a Retention Period, during which the Shares awarded may not be transferred or otherwise disposed of (except to the extent set out in the Award Letter or with the prior approval of the HRCC), may be imposed in respect of Shares awarded to the employees under the OSGP.

Details of the Awards granted (including to the directors), are as follows:-

Type of Grant	Performance share awards ('PSA')		Restricted share awards ('RSA')	
	16 April 2018	12 April 2018	16 April 2018	12 April 2018
Date of Grant	16 April 2018	12 April 2018	16 April 2018	12 April 2018
Number of Shares which are subject of the Awards granted	779,800	8,183,700	491,500	4,932,400
Number of employees receiving Shares Awards	2	712	2	712
Market Value of Olam Shares on the Date of Grant	\$2.34	\$2.36	\$2.34	\$2.36
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 478,000	-	Sunny George Verghese 286,800	-
	Shekhar Anantharaman 301,800	-	Shekhar Anantharaman 204,700	-
Vesting Date of Shares awarded	April 2021	April 2021	Tranche 1 – 25%: 1 April 2019 Tranche 2 – 25%: 1 April 2020 Tranche 3 – 25%: 1 April 2021 Tranche 4 – 25%: 1 April 2022	Tranche 1 – 25%: 1 April 2019 Tranche 2 – 25%: 1 April 2020 Tranche 3 – 25%: 1 April 2021 Tranche 4 – 25%: 1 April 2022

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

Olam Share Grant Plan continued

Type of Grant	Performance share awards ('PSA')		Restricted share awards ('RSA')	
	24 April 2017	5 May 2017	24 April 2017	5 May 2017
Date of Grant	24 April 2017	5 May 2017	24 April 2017	5 May 2017
Number of Shares which are subject of the Awards granted	9,711,173	40,000	4,456,173	20,000
Number of employees receiving Shares Awards	320	1	319	1
Market Value of Olam Shares on the Date of Grant	\$1.91	\$1.90	\$1.91	\$1.90
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 392,147	–	Sunny George Verghese 392,147	–
	Shekhar Anantharaman 323,026	–	Shekhar Anantharaman 323,026	–
Vesting Date of Shares awarded	April 2020	April 2020	Tranche 1 – 25%: 1 April 2018 Tranche 2 – 25%: 1 April 2019 Tranche 3 – 25%: 1 April 2020 Tranche 4 – 25%: 1 April 2021	Tranche 1 – 25%: 1 April 2018 Tranche 2 – 25%: 1 April 2019 Tranche 3 – 25%: 1 April 2020 Tranche 4 – 25%: 1 April 2021

The actual number of shares to be delivered pursuant to the PSA granted in the table above will range from 0% to 200.0% 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.

Type of Grant	Performance share awards ('PSA')		Restricted share awards ('RSA')
	7 April 2015	15 April 2016	15 April 2016
Date of Grant	7 April 2015	15 April 2016	15 April 2016
Number of Shares which are subject of the Awards granted	11,817,500	10,397,000	5,423,000
Number of employees receiving Shares Awards	280	297	294
Market Value of Olam Shares on the Date of Grant	\$1.985	\$1.72	\$1.72
Number of Shares awarded granted to directors of the Company	Sunny George Verghese 400,000	Sunny George Verghese 410,000	Sunny George Verghese 410,000
	Shekhar Anantharaman 250,000	Shekhar Anantharaman 350,000	Shekhar Anantharaman 232,000
Vesting Date of Shares awarded	April 2018	April 2019	Tranche 1 – 25%: 1 April 2017 Tranche 2 – 25%: 1 April 2018 Tranche 3 – 25%: 1 April 2019 Tranche 4 – 25%: 1 April 2020

The actual number of shares to be delivered pursuant to the PSA granted in the table above 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.

Directors' Statement continued

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

Olam Share Grant Plan continued

The details of awards granted to the directors, are as follows:-

Name of Participant	Share awards granted during financial year under review	Aggregate share awards granted since the commencement of the scheme to the end of financial year under review	Aggregate share awards vested since the commencement of the scheme to the end of financial year under review	Aggregate share awards cancelled since the commencement of the scheme to the end of the financial year under review	Aggregate share awards outstanding as at the end of financial year under review
Performance Share Awards:					
Sunny George Verghese	478,000	1,680,147	317,600	82,400	1,280,147
Shekhar Anantharaman	301,800	1,224,826	198,500	51,500	974,826
Restricted Share Awards:					
Sunny George Verghese	286,800	1,088,947	303,037	–	785,910
Shekhar Anantharaman	204,700	759,726	196,757	–	562,969

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.

6. Audit Committee

The Audit Committee (the 'AC' or "Committee") comprises three Independent Non-Executive directors and a Non-Executive director. The members of the AC are Yap Chee Keong (Chairman), Nihal Vijaya Devadas Kaviratne CBE, Marie Elaine Teo (appointed on 1 October 2018) and Yutaka Kyoya. The AC performed the functions specified in section 201B(5) of the Singapore Companies Act, Chapter 50, the Singapore Code of Corporate Governance and the Listing Manual of the SGX-ST with full access and cooperation of the management and full discretion to invite any director or executive officer to attend its meetings.

In performing its function, the AC held 6 meetings during the year and 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;
- scope of work of the external and internal auditors, the results of their examinations and their evaluation of the Company's internal accounting control systems;
- the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management systems via the integrated assurance framework (including the in-business control framework and reporting), audit and reviews carried out by the internal auditors along with the reviews by the control functions;
- whistle-blowers' reports;
- 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 SGX-ST); and
- the scope and results of the audit.

Further, the Committee

- held meetings with the external auditors, internal auditors and the management in separate executive sessions to discuss any matters that these groups believed should be discussed privately with the AC;
- made recommendations to the board of directors in relation to the external auditor's reappointment and their compensation; and
- reported actions and minutes of the AC meetings to the board of directors with such recommendations as the AC considered appropriate.

As part of the review of the independence and objectivity of the external auditors, the Committee 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 Committee has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as independent external 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 SGX-ST.

Please refer to the additional disclosures on the AC provided in the Corporate Governance Report in the Company's Annual Report to shareholders.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as independent external auditor.

On behalf of the board of directors,

Lim Ah Doo
Director

Sunny George Verghese
Director
20 March 2019

Independent Auditor's Report

For the financial year ended 31 December 2018

To the Members of Olam International Limited

Report on the financial statements

We have audited the accompanying financial statements of Olam International Limited (the 'Company') and its subsidiaries (collectively, the 'Group') set out on pages 15 - 82, which comprise the balance sheets of the Group and the Company as at 31 December 2018, 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 then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) in Singapore (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1 Impairment assessment of goodwill, indefinite life intangible assets and property, plant and equipment

The Group has significant investments in property, plant and equipment, goodwill and intangible assets as disclosed in Notes 10 and 11. Management performs periodic and annual impairment reviews of goodwill, intangible assets with indefinite life and impairment assessments for identified property, plant and equipment where there are indications of impairment. Recoverable values of the property, plant and equipment, goodwill and indefinite life intangible assets are determined based on the business units' cash flow forecasts and are performed by management with the help of independent professional valuers where applicable. As these assessments require element of judgement exercised in forecasting and discounting future cash flows, we have considered this to be a key audit matter.

We have obtained the value-in-use assessment prepared by management and evaluated the reasonableness of management's conclusions on key assumptions including forecast cash flows focusing on revenues and earnings before interest, tax, depreciation and amortisation ('EBITDA'). We also assessed the appropriateness of discount rates with the assistance of our internal valuation specialist where required and growth rates to historical and market trends to assess the reliability of management's forecast. To the extent where independent professional valuers are involved, we have reviewed the competence, capabilities and objectivity and evaluating the appropriateness of the impairment model prepared by independent professional valuers.

We have also reviewed the adequacy of the Group's disclosures in relation to goodwill, indefinite life intangible assets and property, plant and equipment as disclosed in Notes 10 and 11.

Key audit matters continued

2 Valuation of biological assets

The Group operates various farms and plantations for which the dairy cows, poultry, agricultural produce ("fruits on trees") and annual crops are subject to fair valuation. These significant biological assets across the Edible Nuts, Spices and Vegetable Ingredients and Food Staples and Packaged Foods segments, are fair valued by management and/or independent professional valuers engaged by the Group using industry/ market accepted valuation methodology and approaches. As the measurement of fair value involves judgement on the assumptions and estimates used, we have considered this to be a key audit matter.

We had obtained the valuations of biological assets prepared by management and/or independent professional valuers engaged by the Group. The fair value reports are reviewed by us, together with our internal valuation specialists where required for appropriateness of the fair value methodology used and reasonableness of the assumptions used, including forecast cash flows, discount rates and yield rates for the plantations and market prices of the fruits or nuts/crop and livestock. To the extent where independent professional valuers are involved, we have reviewed the competence, capabilities and objectivity and evaluating the appropriateness of the valuation models prepared by independent professional valuers.

We have also reviewed the adequacy of the Group's disclosures in relation to biological assets as disclosed in Note 12.

3 Valuation of financial instruments

The Group enters into various financial instruments which are required to be carried at fair value as disclosed in Notes 34 and 35. This include fair value of financial assets and financial liabilities amounting to \$74,556,000 and \$5,316,000 respectively relating to Level 3 financial instruments. Estimation uncertainty is high for these financial instruments where significant valuation inputs are unobservable as it involves judgement on the assumptions and estimates used and therefore, considered a key audit matter.

We have reviewed and assessed the controls over identification, measurement and management of valuation risk, and evaluating the methodologies, inputs and assumptions used by the Group in determining fair values. We have also evaluated the assumptions and models used or performed an independent valuation to assess the reasonableness of the computed fair value with the help of our internal valuation specialist where required. The review also included comparisons of observable inputs against independent sources and externally available market data. Additionally, we reviewed the adequacy of disclosures of fair value risks and sensitivities in Note 34 and 35 to the financial statement to reflect the Group's exposure to valuation risk.

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information in the Annual Report 2018 comprises the information included in (i) Strategy Report, (ii) Governance Report and (iii) Directors' Statement (within the Financial Report) sections, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and SFRS(I)s, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Independent Auditor's Report continued
For the financial year ended 31 December 2018
To the Members of Olam International Limited

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner on the audit resulting in this independent auditor's report is Wilson Woo Siew Wah.

Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore
20 March 2019

Consolidated Profit and Loss Account

For the financial year ended 31 December 2018

	Note	Group	
		2018 \$'000	2017 \$'000
Sale of goods and services	4	30,479,056	26,272,529
Other income	5	87,742	207,531
Cost of goods sold	6	(27,985,803)	(23,757,685)
Net gain/(loss) from changes in fair value of biological assets	12	61,270	(15,250)
Depreciation and amortisation	10, 11	(392,836)	(380,680)
Other expenses	7	(1,462,564)	(1,297,602)
Finance income		79,689	65,597
Finance costs	8	(548,464)	(531,178)
Share of results from joint ventures and associates		62,525	67,631
Profit before taxation		380,615	630,893
Income tax expense	9	(57,422)	(79,248)
Profit for the financial year		323,193	551,645
Attributable to:			
Owners of the Company		347,870	580,743
Non-controlling interests		(24,677)	(29,098)
		323,193	551,645
Earnings per share attributable to owners of the Company (cents)			
Basic	25	9.20	18.62
Diluted	25	9.08	17.92

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2018

	Group	
	2018 \$'000	2017 \$'000
Profit for the financial year	323,193	551,645
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net (loss)/gain on fair value changes during the financial year	(72,544)	214,878
Recognised in the profit and loss account on occurrence of hedged transactions	(2,474)	(68,037)
Foreign currency translation adjustments	(43,473)	(357,694)
Share of other comprehensive income of joint ventures and associates	(33,940)	65,520
	(152,431)	(145,333)
Items that will not be reclassified subsequently to profit or loss:		
Net fair value (loss)/gain on equity instrument at fair value through other comprehensive income	(121,742)	121,198
Other comprehensive income for the year, net of tax	(274,173)	(24,135)
Total comprehensive income for the year	49,020	527,510
Attributable to:		
Owners of the Company	87,778	560,419
Non-controlling interests	(38,758)	(32,909)
	49,020	527,510

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

Balance Sheets

As at 31 December 2018

	Note	Group			Company		
		31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Non-current assets							
Property, plant and equipment	10	5,809,948	5,625,837	5,367,039	10,722	13,285	12,581
Intangible assets	11	1,199,912	1,207,283	1,313,608	290,058	280,547	304,573
Biological assets	12	511,931	471,656	450,564	–	–	–
Subsidiary companies	13	–	–	–	7,001,031	6,043,511	5,550,460
Deferred tax assets	9	166,785	95,871	95,735	–	–	–
Investments in joint ventures and associates	14	691,692	1,070,940	889,838	439,099	780,557	724,826
Long-term investments	15	135,777	257,519	148,492	135,777	257,519	136,321
Other non-current assets	21	27,786	25,852	30,400	–	–	–
		8,543,831	8,754,958	8,295,676	7,876,687	7,375,419	6,728,761
Current assets							
Amounts due from subsidiary companies	16	–	–	–	3,988,713	1,926,416	3,583,148
Trade receivables	17	2,435,168	1,901,925	1,656,457	1,307,958	965,592	385,620
Margin accounts with brokers	18	–	399,680	164,958	–	304,862	153,544
Inventories	19	6,468,157	6,044,681	7,414,311	1,608,225	1,405,000	1,144,986
Advance payments to suppliers	20	805,472	743,516	880,602	44,457	116,243	142,456
Advance payments to subsidiary companies	20	–	–	–	1,816,605	852,001	2,196,193
Cash and short-term deposits	33	2,480,374	1,986,351	2,144,051	891,379	1,137,011	1,274,672
Derivative financial instruments	34	1,835,043	1,619,249	1,926,151	1,317,899	1,098,147	1,118,686
Other current assets	21	878,772	848,187	986,678	205,968	168,061	151,116
		14,902,986	13,543,589	15,173,208	11,181,204	7,973,333	10,150,421
Current liabilities							
Trade payables and accruals	22	(3,633,860)	(2,184,352)	(2,201,494)	(2,352,435)	(1,087,350)	(949,283)
Margin accounts with brokers	18	(121,017)	–	–	(168,499)	–	–
Borrowings	24	(4,777,121)	(4,660,209)	(5,983,035)	(2,891,457)	(2,309,058)	(3,632,631)
Derivative financial instruments	34	(928,631)	(851,947)	(987,942)	(688,823)	(685,128)	(681,162)
Provision for taxation		(151,994)	(162,977)	(84,949)	(26,954)	(81,343)	(24,739)
Other current liabilities	23	(456,399)	(473,313)	(383,731)	(100,003)	(111,131)	(115,176)
		(10,069,022)	(8,332,798)	(9,641,151)	(6,228,171)	(4,274,010)	(5,402,991)
Net current assets		4,833,964	5,210,791	5,532,057	4,953,033	3,699,323	4,747,430
Non-current liabilities							
Deferred tax liabilities	9	(422,625)	(416,991)	(505,876)	(2,957)	(6,662)	(8,103)
Borrowings	24	(6,491,114)	(6,927,729)	(7,687,553)	(4,478,115)	(4,985,786)	(6,435,337)
		(6,913,739)	(7,344,720)	(8,193,429)	(4,481,072)	(4,992,448)	(6,443,440)
Net assets		6,464,056	6,621,029	5,634,304	8,348,648	6,082,294	5,032,751
Equity attributable to owners of the Company							
Share capital	26	3,748,994	3,674,206	3,087,894	3,748,994	3,674,206	3,087,894
Treasury shares	26	(166,280)	(187,276)	(190,465)	(166,280)	(187,276)	(190,465)
Capital securities	26	1,046,406	1,045,773	930,416	1,046,406	1,045,773	930,416
Reserves		1,696,246	1,910,878	1,570,498	3,719,528	1,549,591	1,204,906
		6,325,366	6,443,581	5,398,343	8,348,648	6,082,294	5,032,751
Non-controlling interests		138,690	177,448	235,961	–	–	–
Total equity		6,464,056	6,621,029	5,634,304	8,348,648	6,082,294	5,032,751

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

Statements of Changes in Equity

For the financial year ended 31 December 2018

Attributable to owners of the Company												
31 December 2018 Group	Share capital (Note 26) \$'000	Treasury shares (Note 26) \$'000	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 January 2018	3,674,206	(187,276)	1,045,773	295,563	(1,006,585)	(130,785)	136,515	2,616,170	1,910,878	6,443,581	177,448	6,621,029
Profit for the financial year	-	-	-	-	-	-	-	347,870	347,870	347,870	(24,677)	323,193
Other comprehensive income												
Net loss on fair value changes during the financial year	-	-	-	-	-	(194,286)	-	-	(194,286)	(194,286)	-	(194,286)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(2,474)	-	-	(2,474)	(2,474)	-	(2,474)
Foreign currency translation adjustments	-	-	-	-	(29,392)	-	-	-	(29,392)	(29,392)	(14,081)	(43,473)
Share of other comprehensive income of joint ventures and associates	-	-	-	-	(33,940)	-	-	-	(33,940)	(33,940)	-	(33,940)
Other comprehensive income for the financial year, net of tax	-	-	-	-	(63,332)	(196,760)	-	-	(260,092)	(260,092)	(14,081)	(274,173)
Total comprehensive income for the year	-	-	-	-	(63,332)	(196,760)	-	347,870	87,778	87,778	(38,758)	49,020
Contributions by and distributions to owners												
Buy back of treasury shares (Note 26)	-	(2,636)	-	-	-	-	-	-	-	(2,636)	-	(2,636)
Issue of shares on exercise of warrants (Note 26)	71,782	-	-	-	-	-	-	-	-	71,782	-	71,782
Issue of shares on exercise of share options (Note 26)	3,006	2,887	-	-	-	-	(2,887)	-	(2,887)	3,006	-	3,006
Issue of treasury shares for Restricted Share Award (Note 26)	-	20,745	-	-	-	-	(20,745)	-	(20,745)	-	-	-
Share-based expense	-	-	-	-	-	-	14,432	-	14,432	14,432	-	14,432
Dividends on ordinary shares (Note 27)	-	-	-	-	-	-	-	(237,728)	(237,728)	(237,728)	-	(237,728)
Accrued capital securities distribution	-	-	55,482	-	-	-	-	(55,482)	(55,482)	-	-	-
Payment of capital securities distribution	-	-	(54,849)	-	-	-	-	-	-	(54,849)	-	(54,849)
Total contributions by and distributions to owners	74,788	20,996	633	-	-	-	(9,200)	(293,210)	(302,410)	(205,993)	-	(205,993)
Total transactions with owners in their capacity as owners	74,788	20,996	633	-	-	-	(9,200)	(293,210)	(302,410)	(205,993)	-	(205,993)
At 31 December 2018	3,748,994	(166,280)	1,046,406	295,563	(1,069,917)	(327,545)	127,315	2,670,830	1,696,246	6,325,366	138,690	6,464,056

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

Attributable to owners of the Company												
31 December 2017	Share capital (Note 26) \$'000	Treasury shares (Note 26) \$'000	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	Total non- controlling interests \$'000	Total equity \$'000
Group												
At 1 January 2017	3,087,894	(190,465)	930,416	280,647	(703,305)	(398,824)	119,520	2,272,460	1,570,498	5,398,343	235,961	5,634,304
Profit for the financial year	-	-	-	-	-	-	-	580,743	580,743	580,743	(29,098)	551,645
Other comprehensive income												
Net gain on fair value changes during the financial year	-	-	-	-	-	336,076	-	-	336,076	336,076	-	336,076
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(68,037)	-	-	(68,037)	(68,037)	-	(68,037)
Foreign currency translation adjustments	-	-	-	-	(353,883)	-	-	-	(353,883)	(353,883)	(3,811)	(357,694)
Share of other comprehensive income of joint ventures and associates	-	-	-	14,916	50,604	-	-	-	65,520	65,520	-	65,520
Other comprehensive income for the financial year, net of tax	-	-	-	14,916	(303,279)	268,039	-	-	(20,324)	(20,324)	(3,811)	(24,135)
Total comprehensive income for the year	-	-	-	14,916	(303,279)	268,039	-	580,743	560,419	560,419	(32,909)	527,510
Contributions by and distributions to owners												
Buy back of capital securities (Note 26)	-	-	(235,800)	-	-	-	-	-	-	(235,800)	-	(235,800)
Issue of shares on exercise of warrants (Note 26)	585,542	-	-	-	-	-	-	-	-	585,542	-	585,542
Issue of shares on exercise of share options (Note 26)	770	-	-	-	-	-	-	-	-	770	-	770
Issue of treasury shares for Restricted Share Award (Note 26)	-	3,189	-	-	-	-	(3,189)	-	(3,189)	-	-	-
Issue of capital securities, net of transaction costs (Note 26)	-	-	347,727	-	-	-	-	-	-	347,727	-	347,727
Share-based expense	-	-	-	-	-	-	20,184	-	20,184	20,184	-	20,184
Dividends on ordinary shares (Note 27)	-	-	-	-	-	-	-	(180,399)	(180,399)	(180,399)	-	(180,399)
Accrued capital securities distribution	-	-	56,635	-	-	-	-	(56,635)	(56,635)	-	-	-
Payment of capital securities distribution	-	-	(53,205)	-	-	-	-	-	-	(53,205)	-	(53,205)
Total contributions by and distributions to owners	586,312	3,189	115,357	-	-	-	16,995	(237,034)	(220,039)	484,819	-	484,819
Changes in ownership interests in subsidiaries that do not result in loss of control												
Capital reduction in subsidiary without change in ownership	-	-	-	-	-	-	-	-	-	-	(25,604)	(25,604)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(25,604)	(25,604)
Total transactions with owners in their capacity as owners	586,312	3,189	115,357	-	-	-	16,995	(237,034)	(220,039)	484,819	(25,604)	459,215
At 31 December 2017	3,674,206	(187,276)	1,045,773	295,563	(1,006,585)	(130,785)	136,515	2,616,170	1,910,878	6,443,581	177,448	6,621,029

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 ended 31 December 2018

Attributable to owners of the Company										
31 December 2018 Company	Share capital (Note 26) \$'000	Treasury shares (Note 26) \$'000	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 January 2018	3,674,206	(187,276)	1,045,773	140,486	(141,027)	(130,779)	136,515	1,544,396	1,549,591	6,082,294
Profit for the financial year	-	-	-	-	-	-	-	2,530,133	2,530,133	2,530,133
Other comprehensive income										
Net loss on fair value changes during the financial year	-	-	-	-	-	(194,286)	-	-	(194,286)	(194,286)
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(2,474)	-	-	(2,474)	(2,474)
Foreign currency translation adjustments	-	-	-	-	138,974	-	-	-	138,974	138,974
Other comprehensive income for the financial year, net of tax	-	-	-	-	138,974	(196,760)	-	-	(57,786)	(57,786)
Total comprehensive income for the year	-	-	-	-	138,974	(196,760)	-	2,530,133	2,472,347	2,472,347
Contributions by and distributions to owners										
Buy back of treasury shares (Note 26)	-	(2,636)	-	-	-	-	-	-	-	(2,636)
Issue of shares on exercise of warrants (Note 26)	71,782	-	-	-	-	-	-	-	-	71,782
Issue of shares on exercise of share options (Note 26)	3,006	2,887	-	-	-	-	(2,887)	-	(2,887)	3,006
Issue of treasury shares for Restricted Share Awards (Note 26)	-	20,745	-	-	-	-	(20,745)	-	(20,745)	-
Share-based expense	-	-	-	-	-	-	14,432	-	14,432	14,432
Dividends on ordinary shares (Note 27)	-	-	-	-	-	-	-	(237,728)	(237,728)	(237,728)
Accrued capital securities distribution	-	-	55,482	-	-	-	-	(55,482)	(55,482)	-
Payment of capital securities distribution	-	-	(54,849)	-	-	-	-	-	-	(54,849)
Total contributions by and distributions to owners	74,788	20,996	633	-	-	-	(9,200)	(293,210)	(302,410)	(205,993)
Total transactions with owners in their capacity as owners	74,788	20,996	633	-	-	-	(9,200)	(293,210)	(302,410)	(205,993)
At 31 December 2018	3,748,994	(166,280)	1,046,406	140,486	(2,053)	(327,539)	127,315	3,781,319	3,719,528	8,348,648

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

Attributable to owners of the Company										
31 December 2017	Share capital (Note 26) \$'000	Treasury shares (Note 26) \$'000	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
Company										
At 1 January 2017	3,087,894	(190,465)	930,416	140,486	298,656	(398,818)	119,520	1,045,062	1,204,906	5,032,751
Profit for the financial year	-	-	-	-	-	-	-	736,368	736,368	736,368
Other comprehensive income										
Net gain on fair value changes during the financial year	-	-	-	-	-	336,076	-	-	336,076	336,076
Recognised in the profit and loss account on occurrence of hedged transactions	-	-	-	-	-	(68,037)	-	-	(68,037)	(68,037)
Foreign currency translation adjustments	-	-	-	-	(439,683)	-	-	-	(439,683)	(439,683)
Other comprehensive income for the financial year, net of tax	-	-	-	-	(439,683)	268,039	-	-	(171,644)	(171,644)
Total comprehensive income for the year	-	-	-	-	(439,683)	268,039	-	736,368	564,724	564,724
Contributions by and distributions to owners										
Buy back of capital securities (Note 26)	-	-	(235,800)	-	-	-	-	-	-	(235,800)
Issue of shares on exercise of warrants (Note 26)	585,542	-	-	-	-	-	-	-	-	585,542
Issue of shares on exercise of share options (Note 26)	770	-	-	-	-	-	-	-	-	770
Issue of treasury shares for Restricted Share Awards (Note 26)	-	3,189	-	-	-	-	(3,189)	-	(3,189)	-
Issue of capital securities, net of transaction costs (Note 26)	-	-	347,727	-	-	-	-	-	-	347,727
Share-based expense	-	-	-	-	-	-	20,184	-	20,184	20,184
Dividends on ordinary shares (Note 27)	-	-	-	-	-	-	-	(180,399)	(180,399)	(180,399)
Accrued capital securities distribution	-	-	56,635	-	-	-	-	(56,635)	(56,635)	-
Payment of capital securities distribution	-	-	(53,205)	-	-	-	-	-	-	(53,205)
Total contributions by and distributions to owners	586,312	3,189	115,357	-	-	-	16,995	(237,034)	(220,039)	484,819
Total transactions with owners in their capacity as owners	586,312	3,189	115,357	-	-	-	16,995	(237,034)	(220,039)	484,819
At 31 December 2017	3,674,206	(187,276)	1,045,773	140,486	(141,027)	(130,779)	136,515	1,544,396	1,549,591	6,082,294

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 joint venture 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 joint ventures 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 long term investment.

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 ended 31 December 2018

	2018 \$'000	2017 \$'000
Cash flows from operating activities		
Profit before taxation	380,615	630,893
Adjustments for:-		
Allowance for doubtful debts	32,699	43,911
Amortisation of intangible assets and depreciation of property, plant and equipment	392,836	380,680
Share-based expense	14,432	20,184
Fair value of biological assets (Note 12)	(61,270)	15,250
Gain on disposal of subsidiary	(5,831)	(121,188)
Loss on disposal of joint venture and associate	25,930	–
Gain on disposal of property, plant and equipment and intangible assets	(28,718)	(29,205)
Interest income	(79,689)	(65,597)
Interest expense	548,464	531,178
Inventories (written back)/written down	(2,265)	30,718
Share of results from joint ventures and associates	(62,525)	(67,631)
Operating cash flows before reinvestment in working capital	1,154,678	1,369,193
(Increase)/decrease in inventories	(339,985)	856,220
Increase in receivables and other current assets	(508,939)	(35,655)
(Increase)/decrease in advance payments to suppliers	(49,597)	86,083
Decrease/(increase) in margin account with brokers	502,716	(196,761)
Increase in payables and other current liabilities	1,326,433	124,835
Cash flows from operations	2,085,306	2,203,915
Interest income received	79,689	65,597
Interest expense paid	(543,811)	(529,581)
Tax paid	(137,929)	(82,098)
Net cash flows generated from operating activities	1,483,255	1,657,833
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	77,323	197,359
Purchase of property, plant and equipment (Note 10)	(804,180)	(951,086)
Purchase of intangibles (Note 11)	(16,956)	(7,163)
Acquisition of subsidiaries, net of cash acquired (Note 11)	(10,359)	–
Advance for acquisition of subsidiary	(21,329)	–
Net proceeds from associates and joint ventures	142,470	(12,374)
Dividends received from associate and joint venture	1,009	22,278
Proceeds on disposal of intangible asset	2,642	–
Proceeds from disposal of joint venture and associate	195,162	–
Proceeds from divestment of subsidiary (Note 13)	17,228	113,539
Net cash flows used in investing activities	(416,990)	(637,447)

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

	2018 \$'000	2017 \$'000
Cash flows from financing activities		
Dividends paid on ordinary shares by the Company	(237,728)	(180,399)
Repayment from borrowings, net	(308,265)	(1,385,209)
Proceeds from issuance of shares on exercise of share options	3,006	770
Proceeds from exercise of warrants	71,782	585,542
(Payment of)/Proceeds from capital securities, net of distribution	(54,849)	58,722
Purchase of treasury shares	(2,636)	–
Net cash flows used in financing activities	(528,690)	(920,574)
Net effect of exchange rate changes on cash and cash equivalents	(26,236)	(157,423)
Net increase/(decrease) in cash and cash equivalents	511,339	(57,611)
Cash and cash equivalents at beginning of period	1,881,807	1,939,418
Cash and cash equivalents at end of period (Note 33)	2,393,146	1,881,807

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

Notes to the Financial Statements

For the financial year ended 31 December 2018

These notes form an integral part of the financial statements.

The financial statements for the financial year ended 31 December 2018 were authorised for issue by the Board of Directors on 20 March 2019.

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 immediate holding company is Temasek Capital (Private) Limited and its ultimate holding company is Temasek Holdings (Private) Limited, both companies are 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 7 Straits View, #20-01 Marina One East Tower, Singapore 018936.

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 (International) (SFRS(I)).

For all periods up to and including the year ended 31 December 2017, the Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore (FRS). These financial statements for the year ended 31 December 2018 are the first the Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the Group adopted SFRS(I).

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 First time adoption of Singapore Financial Reporting Standards (International) (SFRS(I))

These financial statements for the year ended 31 December 2018 are the first the Group and the Company have prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 31 December 2018, together with the comparative period data for the year ended 31 December 2017, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 January 2017, the Group and the Company's date of transition to SFRS(I).

Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemption:

- SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates has not been applied retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I). Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

New accounting standards effective on 1 January 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 January 2018. Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 15 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies continued

2.2 First time adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) continued

SFRS(I) 15 Revenue from contracts with customers

The Group adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 January 2018.

The Group applied SFRS(I) 15 retrospectively and has elected to apply the exemption in SFRS(I) 1 to apply the following practical expedients in accordance with the transition provisions in SFRS(I) 15:

- For completed contracts, the Group has not restated contracts that begin and end within the same year or are completed contracts at 1 January 2017;
- For completed contracts that have variable consideration, the Group has used the transaction price at the date the contract was completed instead of estimating variable consideration amounts in the comparative year ended 31 December 2017.

Based on the assessment performed, there is no material impact to the Group adopting SFRS(I) 15, please refer to Note 2.20 for the accounting policy in relation to revenue from contracts with customers.

2.3 Standards issued but not yet effective

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

Description	Effective for financial year beginning on
SFRS(I) 16 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to SFRS(I) 1-28: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to SFRS(I) 1-19: Plan Amendment, Curtailment or Settlement	1 January 2019
SFRS(I) 17 Insurance Contracts	1 January 2021
Annual Improvements to SFRS(I)s 2015 – 2017 Cycle (March 2018):	
Amendments to SFRS(I) 3 Business Combinations	1 January 2019
Amendments to SFRS(I) 11 Joint Arrangements	1 January 2019
Amendments to SFRS(I) 1-12 Income Taxes	1 January 2019
Amendments to SFRS(I) 1-23 Borrowing Costs	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for SFRS(I) 16 Leases, 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 SFRS(I) 16 Leases is described below.

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019. On the adoption of SFRS(I) 16, the Group expects to measure the right-of-use asset on a lease-by-lease basis as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

2. Summary of significant accounting policies continued

2.3 Standards issued but not yet effective continued

SFRS(I) 16 Leases continued

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 2019.

On the adoption of SFRS(I) 16, the Group expects to recognise right-of-use assets of \$605,799,000 and lease liabilities of \$605,799,000 for its leases previously classified as operating leases and to be adjusted for prepaid lease payments of \$24,200,000 as of 1 January 2019.

2.4 Functional and foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars as the Company is domiciled in Singapore.

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 as most of the Company's transactions are denominated in USD. 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.

(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 joint ventures that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(c) Translation to the presentation currency

The financial statements are presented in Singapore Dollar ('SGD') as the Company's principal place of business is in Singapore.

The financial statements are translated from USD to SGD as follows:-

- Assets and liabilities for each balance sheet presented are translated at the closing rate ruling at that balance sheet date;
- Income and expenses for each profit and loss account are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

All exchange differences arising on the translation are included in the foreign currency translation reserves.

2. Summary of significant accounting policies continued

2.5 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.

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 and goodwill

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.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date. The accounting policy for goodwill is set out in Note 2.10(a).

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.

2. Summary of significant accounting policies continued

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated profit and loss 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.

2.7 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.8.

2.8 Joint ventures and 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 account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

2. Summary of significant accounting policies continued

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.16. 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:-

Bearer plants	• 15 to 30 years
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.

Bearer plants - Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, farming inputs 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 hectareage.

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.

2.10 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit and loss account. Impairment losses recognised for goodwill are not reversed in subsequent periods.

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.

2. Summary of significant accounting policies continued

2.10 Intangible assets continued

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. 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.

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.

2.11 Biological assets

(a) Agricultural produce ('Fruits on trees') and annual crops

The agricultural produce ('fruits on trees') are valued at fair value less costs to sell, with any changes recognised in the profit or loss. The fair value amount is an aggregate of the fair valuation of the current financial year and the reversal of the prior year's fair valuation. The fair value takes into account current selling prices and related costs. The calculated value is then discounted by a suitable factor to take into account the agricultural risk until maturity.

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 costs to sell, with any resultant gain or loss recognised in the profit or loss. Costs to sell 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 valuer using the market prices of livestock of similar age, breed and generic merit.

(c) Poultry

Poultry are stated at fair value less estimated costs to sell, with any resultant gain or loss recognised in the profit or loss. Costs to sell include all costs that would be necessary to sell the assets. The fair value of poultry is determined based on estimated market price of livestock of similar age, breed and generic merit.

Breeding chickens are carried at fair value, which approximates cost and are amortised over the economic egg-laying lives of the breeding chickens after it starts producing eggs.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. The Group makes an estimate of the asset's recoverable amount with the help of independent professional valuers where applicable.

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. 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 are recognised in profit or loss. 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 profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2. Summary of significant accounting policies continued

2.13 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 instruments. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments – amortised costs

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Equity instruments

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at FVOCI are recognised in OCI and are not reclassified to profit or loss. Consequently, there is no need to review such instruments for impairment.

On derecognition of the equity instrument 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 may however be transferred to another component of equity.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Impairment

For trade receivables, the Group applies a simplified approach in calculating expected credit losses ('ECLs'). The Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. This is similar for other financial assets on the balance sheet. Impairment losses are reflected in the allowance account of the respective financial asset class on the balance sheet:

- Trade receivables (Note 17)
- Loans to joint ventures and associates (Note 14)
- Other current assets – Sundry receivables, export incentives and subsidies receivable, deposits, staff advances, insurance receivables, amount due from joint venture, associates and a shareholder related company (Note 21)
- Amount due from subsidiary companies (Note 16)

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 for debt instruments, is recognised in profit or loss.

2. Summary of significant accounting policies continued

2.13 Financial instruments continued

(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

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss. 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.

(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.

2.14 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 as measured at amortised cost under SFRS(I) 9. The accounting policy for this category of financial assets is stated in Note 2.13.

2.15 Inventories

Inventories for commodity trading businesses are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in the profit or loss in the period of the change.

Other inventories are stated at the lower of cost and net realisable value and are valued on a first-in-first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for damages and slow-moving items.

For fruits on trees that are harvested, are stated at fair value less estimated point-of-sale costs at the time of harvest (the 'initial cost'). Thereafter these inventories are 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.

2.16 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.

2.17 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

2.18 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 options or shares as consideration 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.

2.19 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

2.20 Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods as performance obligation is judged to have been satisfied and revenue is therefore recognised.

Revenue is measured at the consideration promised in the contract with a customer, less discounts and rebates.

(b) Sale of services

Revenue from services rendered is recognised in the accounting period in which services are rendered.

2.21 Interest income

Interest income is recognised using the effective interest method.

2.22 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.

2.23 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

2.23 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.

2.24 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.

2.25 Share capital and share issue expenses

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

2.26 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.

2.27 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 terms and conditions of the securities issue. The Company is considered to have no contractual obligation to make principal repayments or distributions in respect of its perpetual capital securities issue. Accordingly, the perpetual capital securities do not meet the definition for classification as financial liability and 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

2.28 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.

2.29 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, interest rate swap contracts and power purchase agreements. 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.

Hedge accounting

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:-

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

(a) Fair value hedges

Fair value hedge accounting is applied to hedge the Group's exposure to changes in the fair value portion of such an asset or liability or an identified portion of such an asset or liability that is attributable to a particular risk – commodity price risk that could affect the profit and loss account. For fair value hedges, the carrying amount of the hedged item (inventories) is adjusted for gains and losses attributable to the risk being hedged, the derivative (hedging instrument) is remeasured at fair value, gains and losses from both are taken to the profit and loss account.

When inventories are designated as a hedged item, the subsequent cumulative change in the fair value of these inventories attributable to the hedged commodity price risk is recognised as part of inventories with a corresponding gain or loss in the profit and loss account. The hedging instrument is recorded at fair value as an asset or liability and the changes in the fair value of the hedging instrument are also recognised in the profit and loss account.

The application of hedge accounting is discontinued in cases where the Group revokes the hedging relationship. Effective from SFRS(I) 9, hedging relationships may not be voluntarily revoked unless there is a change in risk management objective. Accordingly, in cases where a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective remains unchanged, the Group adjusts the hedging ratio to re-establish the effectiveness of the hedging relationship. Furthermore, the Group discontinues the application of hedge accounting in cases where there is a change in the risk management objective for the hedging relationship.

2. Summary of significant accounting policies continued

2.29 Derivative financial instruments and hedging activities continued

Hedge accounting continued

(b) Cash flow hedges

For each cash flow hedge relationship, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the profit and loss account at the time hedge effectiveness is tested.

When a cash flow hedge is discontinued, any cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur. If the hedged future cash flows no longer expected to occur, the net cumulative gain or loss is immediately reclassified to profit and loss account.

2.30 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.

2.31 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.

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) Impairment of goodwill and intangible assets with indefinite useful life

Management performs periodic reviews of goodwill, intangible assets with indefinite life for 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, with the help of independent professional valuers where applicable, 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 forecasted EBITDA, growth rates and discount rates. Changes in these assumptions may result in changes in recoverable values. The carrying amount of the Group's goodwill and indefinite life intangible assets at the balance sheet date is disclosed in Note 11 to the financial statements.

(b) 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, with the help of independent professional valuers where applicable, 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 forecasted EBITDA, growth rates and discount rates. Changes in these assumptions may result in changes in recoverable values. 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.

(c) Biological assets

The fair value of biological assets (other than annual crops, livestock and poultry) 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 or fair valued by independent professional valuers where significant. The valuation of these biological assets is particularly sensitive to discount rates and they are disclosed in Note 12.

(d) 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 (Level 3). 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.

(e) Taxation

The Group establishes provisions, based on reasonable estimates, 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 2018 is disclosed in Note 9 to the financial statements.

4. Revenue from contracts with customers – disaggregation of revenue

	Group	
	2018 \$'000	2017 \$'000
Types of goods or services		
Sale of goods	30,221,716	26,068,654
Sale of services	257,340	203,875
Total revenue from contracts with customers	30,479,056	26,272,529
Timing of revenue recognition		
Goods transferred at point in time	30,221,716	26,068,654
Services transferred at point in time	253,153	191,381
Others	4,187	12,494
Total revenue from contracts with customers	30,479,056	26,272,529

Revenue from sale of services mainly represents ginning and toll processing income and freight charter income.

For further disaggregation disclosure of revenue from contracts with customers by business and geographical segments – refer to Note 38.

5. Other income

Other income included the following:-

	Group	
	2018 \$'000	2017 \$'000
Gain on disposal of subsidiary (Note 13)	5,831	121,188
Gain on disposal of property, plant and equipment and intangible assets, net ¹	28,718	29,205
Commissions and claims, sale of packaging materials, sales of scrap and others	53,193	57,138
	87,742	207,531

1. Net gain on disposal of property, plant and equipment in the current financial year includes gain on sale of spices, vegetable & dehydrates facility and almonds farmland in USA amounting to \$23,772,000. In the previous financial year, net gain on disposal of property, plant and equipment includes gain on sale of USA orchards farmland amounting to \$34,168,000 in a Revenue Tier Sharing Arrangement where the Group will pay the buyer a share of the annual revenue from sale of harvests, while the Group continues to operate the orchards for the next 25 years.

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	
	2018 \$'000	2017 \$'000
Shipping, logistics, commission and claims	(3,025,881)	(2,832,574)
Foreign exchange on cost of goods sold ¹	(157,466)	247,008
Gains on derivatives net of fair value changes	203,480	246,472
Inventories written back/(written down), net (Note 19)	2,265	(30,718)
Export incentives, subsidies and grant income received ²	21,276	27,789

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	
	2018 \$'000	2017 \$'000
Loss on disposal of associate and joint venture	(25,930)	–
Employee benefits expenses (Note 30)	(753,660)	(704,252)
(Loss)/gain on foreign exchange, net	(30,470)	31,518
Bank charges	(88,608)	(74,416)
Travelling expenses	(66,452)	(67,867)
Impairment loss on financial assets – Trade receivables (Note 17)	(27,087)	(41,207)
Allowance for doubtful debts – Advance payments to suppliers (Note 20)	(5,612)	(2,704)
Auditor's remuneration:		
• Ernst & Young LLP, Singapore	(1,772)	(1,518)
• Other member firms of Ernst & Young Global	(5,858)	(8,458)
• Other auditors	(1,174)	(920)
Non-audit fees:		
• Ernst & Young LLP, Singapore	(1,901)	(776)
• Other member firms of Ernst & Young Global	(781)	(1,983)
• Other auditors	(5,332)	(629)

8. Finance costs

Finance costs include the following:-

	Group	
	2018 \$'000	2017 \$'000
Interest expense:		
• On bank overdrafts	17,108	36,670
• On bank loans	372,380	298,195
• On medium-term notes	167,790	204,154
• On bonds	24,705	25,950
• Others	38,458	37,249
	620,441	602,218
Less: interest expense capitalised in:		
• Property, plant and equipment and biological assets	(71,977)	(71,040)
	548,464	531,178

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 3.50% to 7.50% (31 December 2017: from 5.50% to 7.50%) per annum.

9. Income tax

(a) Major components of income tax expense

	Group	
	2018 \$'000	2017 \$'000
Profit and loss account		
Current income tax:		
• Singapore	27,841	81,210
• Foreign	82,940	73,742
Under/(over) provision in respect of prior years	1,965	(900)
	112,746	154,052
Deferred income tax:		
• Singapore	1,296	(9,311)
• Foreign	(56,620)	(65,493)
Income tax expense	57,422	79,248

	Group	
	2018 \$'000	2017 \$'000
Statement of comprehensive income:		
Deferred income tax related to items charged/(credited) directly to other comprehensive income:		
Net change in fair value adjustment reserves for derivative financial instruments designated as hedging instruments in cash flow hedges	3,324	(7,179)
Deferred tax recorded in other comprehensive income	3,324	(7,179)

(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	
	2018 %	2017 %
Tax using Singapore tax rate 17% (2017: 17%)	17.0	17.0
Tax effect of non-deductible expenses	4.3	2.3
Higher statutory tax rates of other countries ¹	9.9	3.3
Tax effect on under/(over) provision in respect of prior years	0.5	(0.3)
Tax effect of income taxed at concessionary rate ²	(3.2)	(0.2)
Tax effect on non-taxable/exempt income ³	(12.5)	(6.2)
Tax effect of joint ventures/associates	(2.7)	(1.8)
Tax effect of deferred tax assets not recognised	3.3	2.1
Tax effect of others, net	(1.5)	(3.6)
	15.1	12.6

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 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% and 5.5% respectively for a period of 5 years from 1 July 2018 until and including 31 December 2022 on qualifying activities, products and income.

3. There are six (31 December 2017: seven) 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 30%) by the local tax authorities for periods ranging from 1 to 5 years (31 December 2017: 2 to 6 years), except one subsidiary which does not have an expiry date on preferential tax rate.

Notes to the Financial Statements continued
For the financial year ended 31 December 2018

9. Income tax continued

(c) 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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Deferred tax assets	166,785	95,871	95,735	–	–	–
Deferred tax liabilities	(422,625)	(416,991)	(505,876)	(2,957)	(6,662)	(8,103)
Net deferred tax liabilities	(255,840)	(321,120)	(410,141)	(2,957)	(6,662)	(8,103)

Details of deferred tax assets and liabilities before offsetting is as follows:-

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Deferred tax liabilities on:						
Property, plant and equipment	221,717	228,577	294,559	509	626	680
Intangible assets	6,073	3,742	3,660	–	–	–
Fair value adjustment on business combinations	125,203	128,037	198,461	1,974	1,417	9,634
Biological assets	75,132	69,895	63,814	–	–	–
Revaluation of financial instruments to fair value	16,014	9,264	350	1,079	4,762	–
Convertible bonds	–	446	483	–	446	483
Others	25,314	29,186	33,775	–	–	(76)
	469,453	469,147	595,102	3,562	7,251	10,721
Amount offset against deferred tax assets	(46,828)	(52,156)	(89,226)	(605)	(589)	(2,618)
	422,625	416,991	505,876	2,957	6,662	8,103
Deferred tax assets on:						
Property, plant and equipment	46,971	46,128	90,577	–	–	–
Intangible assets	83,777	45,776	21	–	–	–
Allowance for impairment	2,462	(1,040)	(3,467)	–	–	–
Inventories written down	3,120	4,731	2,364	605	589	–
Revaluation of financial instruments to fair value	8,706	–	2,618	–	–	2,618
Unabsorbed losses	6,738	7,884	43,912	–	–	–
Others	61,839	44,548	48,936	–	–	–
	213,613	148,027	184,961	605	589	2,618
Amount offset against deferred tax liabilities	(46,828)	(52,156)	(89,226)	(605)	(589)	(2,618)
	166,785	95,871	95,735	–	–	–
Net deferred tax assets/(liabilities)	(255,840)	(321,120)	(410,141)	(2,957)	(6,662)	(8,103)

9. Income tax continued

(c) Deferred income tax continued

Movements in deferred tax during the financial year is as follows:-

	Group	
	31 December 2018 \$'000	31 December 2017 \$'000
As at beginning of year	(321,120)	(410,141)
Business combination (Note 11)	(2,530)	–
Tax expenses recognised in profit and loss	55,324	74,804
Tax income/(expense) recognised in equity	3,324	(7,179)
Foreign currency translation adjustments	9,162	21,396
	(255,840)	(321,120)

Unrecognised tax losses and capital allowances for which no deferred tax assets have been recognised

The Group has tax losses of \$464,116,000 (31 December 2017: \$372,978,000; 1 January 2017: \$320,957,000) and capital allowances of \$102,636,000 (31 December 2017: \$93,864,000; 1 January 2017: \$99,149,000) 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 \$326,929,000 (31 December 2017: \$284,965,000; 1 January 2017: \$272,996,000) which will expire over financial years 2019 to 2027.

Unrecognised temporary differences relating to investments in subsidiaries and joint ventures

At the end of the financial years ended 31 December 2017 and 31 December 2018, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries and joint ventures as:-

- The Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future; and
- The joint ventures of the Group cannot distribute its earnings until it obtains the consent of both parties. At the end of the reporting period, the Group does not foresee giving such consent.

Such temporary differences for which no deferred tax liability has been recognised aggregate to \$173,110,000 (31 December 2017: \$158,785,000; 1 January 2017: \$163,009,000). The deferred tax liability is estimated to be \$29,429,000 (31 December 2017: \$26,993,000; 1 January 2017: \$27,711,000).

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).

Notes to the Financial Statements continued
For the financial year ended 31 December 2018

10. Property, plant and equipment

Group	Freehold land \$'000	Leasehold land and buildings \$'000	Plant and machinery \$'000	Other assets ¹ \$'000	Capital work-in- progress \$'000	Bearer plants \$'000	Total \$'000
Cost							
As at 1 January 2017	422,654	1,774,316	2,179,048	272,918	636,119	1,293,255	6,578,310
Additions	1,404	155,727	82,437	37,435	462,562	211,521	951,086
Disposals	(121,996)	(31,704)	(23,867)	(32,002)	(2,552)	–	(212,121)
Reclassification	17,144	221,619	158,624	9,188	(430,587)	24,012	–
Disposal of ownership interest in subsidiaries resulting in loss of control	–	(7,672)	(48,002)	(903)	(662)	–	(57,239)
Foreign currency translation adjustments	(26,228)	(62,021)	(124,037)	2,350	(11,065)	1,689	(219,312)
As at 31 December 2017 and 1 January 2018	292,978	2,050,265	2,224,203	288,986	653,815	1,530,477	7,040,724
Additions in relation to business combinations (Note 11)	–	3,739	2,947	267	610	–	7,563
Additions	8,712	130,732	131,305	44,235	148,620	340,576	804,180
Disposals	(8,204)	(24,543)	(43,179)	(34,059)	(6,950)	–	(116,935)
Reclassification	59,522	96,490	204,966	2,148	(380,988)	17,862	–
Sale of subsidiary	–	(12,292)	–	–	–	–	(12,292)
Foreign currency translation adjustments	(3,300)	(72,113)	(58,495)	(2,597)	(18,585)	(60,560)	(215,650)
As at 31 December 2018	349,708	2,172,278	2,461,747	298,980	396,522	1,828,355	7,507,590
Accumulated depreciation and impairment loss							
As at 1 January 2017	–	262,301	694,699	149,438	–	104,833	1,211,271
Charge for the year	–	83,158	158,366	45,420	–	60,101	347,045
Disposals	–	(14,708)	(15,477)	(28,253)	–	–	(58,438)
Reclassification	–	8,362	(9,377)	1,015	–	–	–
Disposal of ownership interest in subsidiaries resulting in loss of control	–	(3,781)	(29,594)	(715)	–	–	(34,090)
Foreign currency translation adjustments	–	(11,427)	(37,094)	6,329	–	(8,709)	(50,901)
As at 31 December 2017 and 1 January 2018	–	323,905	761,523	173,234	–	156,225	1,414,887
Charge for the year	–	80,353	175,873	43,180	–	61,008	360,414
Disposals	–	(6,117)	(19,185)	(29,163)	–	–	(54,465)
Reclassification	–	1,038	(205)	(892)	–	59	–
Sale of subsidiary	–	(872)	–	–	–	–	(872)
Foreign currency translation adjustments	–	(7,246)	(14,249)	1,804	–	(2,631)	(22,322)
As at 31 December 2018	–	391,061	903,757	188,163	–	214,661	1,697,642
Net carrying value							
As at 31 December 2018	349,708	1,781,217	1,557,990	110,817	396,522	1,613,694	5,809,948
As at 31 December 2017	292,978	1,726,360	1,462,680	115,752	653,815	1,374,252	5,625,837
As at 1 January 2017	422,654	1,512,015	1,484,349	123,480	636,119	1,188,422	5,367,039

1. Other assets comprise of motor vehicles, furniture and fittings, office equipment and computers.

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 January 2017	597	952	1,275	2,188	1,157	29,026	35,195
Additions	–	–	–	7,284	700	1,320	9,304
Foreign currency translation adjustments	(45)	(73)	(97)	(349)	(106)	(2,255)	(2,925)
As at 31 December 2017 and 1 January 2018	552	879	1,178	9,123	1,751	28,091	41,574
Additions	–	–	878	1,868	3	2,263	5,012
Disposals	–	–	(476)	(1,756)	(651)	(5,422)	(8,305)
Foreign currency translation adjustments	11	18	27	185	30	541	812
As at 31 December 2018	563	897	1,607	9,420	1,133	25,473	39,093
Accumulated depreciation							
As at 1 January 2017	354	429	885	2,153	1,087	17,706	22,614
Charge for the year	49	105	141	743	92	6,465	7,595
Foreign currency translation adjustments	(28)	(35)	(71)	(183)	(86)	(1,517)	(1,920)
As at 31 December 2017 and 1 January 2018	375	499	955	2,713	1,093	22,654	28,289
Charge for the year	48	76	155	2,000	133	5,283	7,695
Disposals	–	–	(371)	(1,756)	(630)	(5,422)	(8,179)
Foreign currency translation adjustments	8	11	18	56	18	455	566
As at 31 December 2018	431	586	757	3,013	614	22,970	28,371
Net carrying value							
As at 31 December 2018	132	311	850	6,407	519	2,503	10,722
As at 31 December 2017	177	380	223	6,410	658	5,437	13,285
As at 1 January 2017	243	523	390	35	70	11,320	12,581

The carrying amount of freehold land, leasehold buildings, plant and machinery and bearer plants of the Group held under financial lease at the end of the reporting period was \$95,673,000 (31 December 2017: \$81,072,000; 1 January 2017: \$124,600,000). The Group's land, buildings, plant and machinery with a carrying amount of \$150,356,000 (31 December 2017: \$230,053,000; 1 January 2017: \$201,931,000) have been pledged to secure the Group's borrowings as set out in Note 24 to the financial statements.

Bearer plants consist of mature and immature almond orchards, coffee, cocoa, palm and rubber plantations.

The almond orchards and coffee plantations presently consist of trees aged between 1 and 29 years and 1 and 17 years respectively (31 December 2017: 1 and 28 years and 1 and 16 years respectively). The cocoa plantations presently consist of trees aged between 1 and 18 years (31 December 2017: 1 and 17 years).

Immature plantations mainly consist of almond, palm and rubber trees aged between 1 and 6 years (31 December 2017: 1 and 5 years) amounting to \$878,649,000 (31 December 2017: \$707,317,000; 1 January 2017: \$509,965,000).

At the end of the financial year, the Group's total planted area of plantations is approximately 105,467 (31 December 2017: 96,786) hectares, excluding hectares for those commodities whose plantations are not managed by the Group.

Notes to the Financial Statements continued
For the financial year ended 31 December 2018

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 January 2017	694,567	136,864	156,627	78,443	185,811	80,851	140,752	1,473,915
Additions	–	–	–	6,947	–	–	216	7,163
Disposals	–	–	–	(797)	–	–	(117)	(914)
Re-classification	–	–	–	176	–	–	(176)	–
Foreign currency translation adjustments	(51,786)	(10,351)	(11,995)	(5,557)	66	(738)	(9,775)	(90,136)
As at 31 December 2017 and 1 January 2018	642,781	126,513	144,632	79,212	185,877	80,113	130,900	1,390,028
Additions in relation to business combinations (Note 11)	–	5,681	–	23	–	–	–	5,704
Additions	–	–	183	12,327	–	4,214	232	16,956
Disposals	–	–	–	(21)	–	–	(2,316)	(2,337)
Re-classification	–	–	34	178	–	–	(212)	–
Foreign currency translation adjustments	11,416	2,496	2,914	376	(14,704)	288	968	3,754
As at 31 December 2018	654,197	134,690	147,763	92,095	171,173	84,615	129,572	1,414,105
Accumulated amortisation and impairment								
As at 1 January 2017	3,723	47,405	–	35,656	–	40,929	32,594	160,307
Amortisation	–	12,470	–	6,680	–	4,258	10,227	33,635
Disposals	–	–	–	(348)	–	–	(113)	(461)
Re-classification	–	–	–	39	–	–	(39)	–
Foreign currency translation adjustments	198	(3,879)	–	(2,297)	–	(2,514)	(2,244)	(10,736)
As at 31 December 2017 and 1 January 2018	3,921	55,996	–	39,730	–	42,673	40,425	182,745
Amortisation	–	11,620	–	7,759	–	4,527	8,516	32,422
Disposals	–	–	–	(19)	–	–	(2,316)	(2,335)
Re-classification	–	(889)	–	1	–	–	888	–
Foreign currency translation adjustments	(204)	1,065	–	(197)	–	619	78	1,361
As at 31 December 2018	3,717	67,792	–	47,274	–	47,819	47,591	214,193
Net carrying value								
As at 31 December 2018	650,480	66,898	147,763	44,821	171,173	36,796	81,981	1,199,912
As at 31 December 2017	638,860	70,517	144,632	39,482	185,877	37,440	90,475	1,207,283
As at 1 January 2017	690,844	89,459	156,627	42,787	185,811	39,922	108,158	1,313,608
Average remaining amortisation period (years) – 31 December 2018								
	–	1–13	–	1–14	–	8–18	1–47	
Average remaining amortisation period (years) – 31 December 2017								
	–	1–14	–	1–10	–	9–19	1–48	

11. Intangible assets continued

Company	Goodwill \$'000	Brands and trademarks \$'000	Software \$'000	Others ⁴ \$'000	Total \$'000
Cost					
As at 1 January 2017	210,488	915	44,468	71,291	327,162
Additions	–	–	5,993	–	5,993
Disposal	–	–	(726)	–	(726)
Foreign currency translation adjustments	(16,120)	(70)	(3,536)	(5,460)	(25,186)
As at 31 December 2017 and 1 January 2018	194,368	845	46,199	65,831	307,243
Additions	–	–	10,880	–	10,880
Foreign currency translation adjustments	3,914	17	1,013	1,325	6,269
As at 31 December 2018	198,282	862	58,092	67,156	324,392
Accumulated amortisation					
As at 1 January 2017	–	–	12,715	9,874	22,589
Amortisation	–	–	4,068	2,240	6,308
Disposals	–	–	(322)	–	(322)
Foreign currency translation adjustments	–	–	(1,067)	(812)	(1,879)
As at 31 December 2017 and 1 January 2018	–	–	15,394	11,302	26,696
Amortisation	–	–	4,836	2,211	7,047
Foreign currency translation adjustments	–	–	347	244	591
As at 31 December 2018	–	–	20,577	13,757	34,334
Net carrying amount					
As at 31 December 2018	198,282	862	37,515	53,399	290,058
As at 31 December 2017	194,368	845	30,805	54,529	280,547
As at 1 January 2017	210,488	915	31,753	61,417	304,573
Average remaining amortisation period (years)					
– 31 December 2018	–	–	2–10	1–47	
– 31 December 2017	–	–	1–10	2–48	

1. Brands and trademarks include 'Dona', '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.

Notes to the Financial Statements continued
For the financial year ended 31 December 2018

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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Olam Orchards Australia Pty Ltd	–	–	–	–	–	–	171,173	185,877	185,811
Cocoa Processing Business	236,503	231,835	251,062	–	–	–	–	–	–
Quintessential Foods Nigeria Limited	76,253	74,748	80,947	–	–	–	–	–	–
McCleskey Mills Inc.	76,174	74,671	80,864	–	–	–	–	–	–
Universal Blanchers	67,526	66,193	71,684	–	–	–	–	–	–
Brooks Peanuts Company	49,638	48,659	52,694	–	–	–	–	–	–
Packaged Foods brands	32,128	31,494	34,108	122,768	120,164	130,130	–	–	–
Caraway Africa Nigeria Limited (Formerly known as 'Ranona Limited')	43,898	43,032	46,599	–	–	–	–	–	–
Progida Group	12,750	12,499	13,535	–	–	–	–	–	–
Acacia Investment Limited	11,834	11,600	12,562	24,132	23,648	25,608	–	–	–
Olam Spices & Vegetables Ingredients	9,316	9,134	9,965	863	820	889	–	–	–
Olam Food Ingredients Holdings UK Limited	7,789	7,708	8,226	–	–	–	–	–	–
Others	26,671	27,287	28,598	–	–	–	–	–	–
	650,480	638,860	690,844	147,763	144,632	156,627	171,173	185,877	185,811

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 2018 %	31 December 2017 %	1 January 2017 %	31 December 2018 %	31 December 2017 %	1 January 2017 %
Olam Orchards Australia Pty Ltd	–	–	–	13.00	13.00	13.00
Cocoa Processing Business	2.00	2.00	2.00	10.00	10.00	10.00
Quintessential Foods Nigeria Limited	–	–	–	11.40	11.40	11.40
McCleskey Mills Inc.	1.50	1.50	1.50	8.00	8.00	8.00
Universal Blanchers	2.00	2.00	2.00	8.00	8.00	8.00
Brooks Peanuts Company	1.50	1.50	1.50	8.00	8.00	8.00
Packaged Foods brands	3.00	3.00	3.00	12.50	12.50	12.50
Caraway Africa Nigeria Limited (Formerly known as 'Ranona Limited')	3.00	3.00	3.00	12.50	12.50	12.50
Progida Group	2.00	2.00	2.00	12.50	12.50	12.50
Acacia Investment Limited	3.00	3.00	3.00	17.70	17.70	17.70
Olam Spices & Vegetables Ingredients	2.00	2.00	2.00	12.00	12.00	12.00
Olam Food Ingredients Holdings UK Limited	–	–	–	12.50	12.50	12.50
Others				Range from 0.00 – 2.00	Range from 11.50 – 13.00	

The calculations of value in use for the CGUs are most sensitive to the following assumptions:-

Forecasted EBITDA – Forecasted EBITDA 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:-

	Total other acquisitions \$'000
Fair value of assets and liabilities	
Property, plant and equipment (Note 10)	7,563
Intangible assets (Note 11)	5,704
Current assets	2,452
Cash and bank balances	329
	16,048
Current liabilities	2,123
Provision for taxation	158
Deferred tax liability (Note 9)	2,530
	4,811
Total identifiable net assets at fair value	11,237
Consideration transferred for the acquisitions	
Cash paid	11,237
Total consideration	11,237
Less: Cash and cash equivalents acquired	(329)
Less: Deferred consideration	(549)
Net cash outflow on acquisition of subsidiaries	10,359

Other acquisitions

(i) Inversiones Andinas J&V S.A.C ("Andinas")

On 3 May 2018, the Company acquired 100% equity stake in Andinas. Andinas is incorporated in Peru with principal activities in origination, processing, packaging and marketing of quinoa and chia.

(ii) Ruyat Oil Limited ("Ruyat")

On 4 June 2018, the Company acquired 100% equity stake in Ruyat. Ruyat is incorporated in Nigeria with principal activities in sourcing of crude vegetable oil, refining and marketing of refined, bleached and deodorised Olein.

Trade and other receivables acquired

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$556,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

Transaction costs

Total transaction costs related to all acquisitions of \$192,000 have been recognised in the 'Other operating expenses' line item in the Group's profit and loss account for the financial year from 1 January 2018 to 31 December 2018.

Impact of the acquisitions on profit and loss

From acquisition date, subsidiaries acquired during the financial year have increased by 0.07% to the Group's sales of goods and increased the Group's profits by 0.08% for the financial year. Had the acquisitions taken place at the beginning of the financial year, the sales of goods for the financial year would have increased by 0.11% and the Group's profit for the financial year, net of tax would have increased by 0.07%.

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12. Biological assets

Group	Fruits on trees and annual crops \$'000	Livestock \$'000	Poultry \$'000	Total \$'000
As at 1 January 2017	324,199	126,365	–	450,564
Net additions/ (reductions)	(30,398)	(53,214)	–	(83,612)
Capitalisation of expenses	64,453	70,180	–	134,633
Net change in fair value less estimated costs to sell	(22,668)	7,418	–	(15,250)
Foreign currency translation adjustments	(7,171)	(7,508)	–	(14,679)
As at 31 December 2017 and 1 January 2018	328,415	143,241	–	471,656
Net additions/ (reductions)	(55,406)	(43,203)	11,192	(87,417)
Capitalisation of expenses	51,619	61,371	–	112,990
Net change in fair value less estimated costs to sell	52,759	8,511	–	61,270
Foreign currency translation adjustments	(36,941)	(9,549)	(78)	(46,568)
As at 31 December 2018	340,446	160,371	11,114	511,931

Fruits on trees

During the financial year, the Group harvested approximately 41,165 metric tonnes (31 December 2017: 43,429 metric tonnes) of almonds, which had a fair value less estimated point-of-sale costs of approximately \$361,031,000 (31 December 2017: \$262,904,000). The fair value of almonds was determined with reference to the market prices at the date of harvest.

The fair value of fruits on trees (almonds) is estimated 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
Discount rates of 14.6% (31 December 2017: 14.6%) per annum	The estimated fair value increases as the estimated discount rate per annum decreases, and vice versa.
Market prices approximating \$10,158 (31 December 2017: \$9,993) per metric tonne	The estimated fair value increases as the respective inputs increase, and vice versa.

Annual crops

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 annual crops is approximately 114,838 (31 December 2017: 99,310) hectares, excluding for those commodities where farms are not managed by the Group.

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. At the end of the financial year, the Group held 44,925 (31 December 2017: 42,297) cows, which are able to produce milk (mature assets) and 41,814 (31 December 2017: 38,321) heifers and calves, being raised to produce milk in the future (immature assets). The cows produced 291 million litres (31 December 2017: 245 million litres) of milk with a fair value less estimated point-of-sale costs of \$169,776,000 (31 December 2017: \$146,978,000) during the financial year.

The fair value of livestock is determined based on valuations by an independent professional valuer using market prices ranging from \$81 to \$4,526 (31 December 2017: \$69 to \$5,132) of livestock of similar age, breed and generic merit.

Poultry

Poultry relates mainly to breeding chickens for meat and laying eggs in Nigeria. At the end of the financial year, the Group held 2,425,000 (31 December 2017: Nil) chickens.

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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Unquoted equity shares at cost	5,491,404	4,982,916	3,101,835
Less: Impairment loss	(76,131)	(16,130)	(16,130)
Foreign currency translation adjustments	110,982	7,380	314,602
	5,526,255	4,974,166	3,400,307
Loans to subsidiary companies	1,474,776	1,069,345	2,150,153
	7,001,031	6,043,511	5,550,460

Loans to subsidiary companies denominated in currencies other than functional currency of the Company are as follows:-

	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Euro	226,234	96,945	513,596

The Company has recognised impairment loss during the current financial year of \$60,001,000 (31 December 2017 and 1 January 2017: \$Nil) as the recoverable value is less than carrying value of the investment cost.

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 \$126,337,000 (31 December 2017: \$74,131,000; 1 January 2017: \$722,690,000) which bear interest ranging from 0.1% to 7.0% (31 December 2017: 3.3% to 7.0%; 1 January 2017: 1.0% to 7.5%) per annum.

The Group did not have any material non-controlling interests as at the balance sheet dates.

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 2018 %	31 December 2017 %
Olam Ghana Limited ¹	Ghana	(a)	100	100
Olam Ivoire SA ¹	Ivory Coast	(a)	100	100
Olam Nigeria Limited ¹	Nigeria	(a)	100	100
Outspan Ivoire SA ¹	Ivory Coast	(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
Olam Agricola 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 Enterprises India Private 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

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13. Subsidiary companies continued

Composition of the Group continued

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 2018 %	31 December 2017 %
Caraway Pte Ltd ¹	Singapore	(a)	75	75
OK Foods Limited ¹	Nigeria	(a) & (b)	75	75
Caraway Africa Nigeria Limited ¹ (Formerly known as 'Ranona Limited')	Nigeria	(a)	75	75
Nutrifoods Ghana Limited ¹	Ghana	(a)	75	75
Olam Sanyo Foods Limited ¹	Nigeria	(a)	75	75
Olam Cocoa Processing Cote d'Ivoire ¹	Ivory Coast	(a)	100	100
Seda Outspan Iberia S.L. ¹	Spain	(a)	100	100
Dehydro Foods S.A.E. ¹	Egypt	(a)	100	100
Queensland Cotton Holdings Pty Ltd ¹	Australia	(a) & (b)	100	100
Olam Holdings Inc ¹	The United States of America	(a), (b) & (c)	100	100
Progida Tarım Ürünleri Sanayi ve Ticaret A.Ş. ¹	Turkey	(a)	100	100
Progida Pazarlama A.Ş. ¹	Turkey	(a)	100	100
LLC Russian Dairy Company ¹	Russia	(c)	93	93
Gabon Fertilizer Company SA ¹	Gabon	(a)	80	80
Olam Palm Gabon SA ¹	Gabon	(a) & (c)	60	60
Olam Rubber Gabon SA ¹	Gabon	(a) & (c)	60	60
Olam Cam SA ¹	Cameroon	(a)	100	100
Panasia International FZCO ²	United Arab Emirates	(a)	100	100
Olam International UK Limited ²	United Kingdom	(b)	100	100
Olam Cocoa Processing Ghana Limited ²	Ghana	(a)	100	100
Olam Cocoa Ivoire SA ²	Ivory Coast	(a)	100	100
Olam Cocoa B.V. ²	Netherlands	(a)	100	100
Olam Cocoa Deutschland GmbH ²	Germany	(a)	100	100
Olam Suisse Sarl ¹	Switzerland	(a)	100	100
Olam Cocoa Pte Limited ²	Singapore	(a)	100	100
Acacia Investment Limited ³	United Arab Emirates	(b)	100	100
Fasorel Sarl ²	Mozambique	(a)	100	100
Quintessential Foods Nigeria Limited ¹	Nigeria	(a)	100	100
Olam Holdings B.V. ²	Netherlands	(b)	100	100

(a) Sourcing, processing, packaging and merchandising of agricultural products and inputs.

(b) Investment holding.

(c) Agricultural operations.

1. Audited by member firms of Ernst & Young Global.

2. Audited by other Certified Public Accounting ('CPA') firms.

3. No statutory audit is required.

All information as disclosed in the table above including effective percentage of equity held by the Group as at 1 January 2017 is the same as that at 31 December 2017.

Disposal of ownership interest in subsidiary resulting in loss of control

In the current financial year, the Group sold its 100% equity interest in wholly owned subsidiary, PT ACE Dalle Kokoa Manufaktur, a company incorporated in Indonesia which held land as primary asset. Net assets amounting to \$12,670,000 (including cash and cash equivalent of \$1,255,000) was disposed against cash consideration of \$18,483,000, resulting in a gain on disposal of \$5,831,000 that has been recognised in 'Other income' in the profit and loss account.

14. Investments in joint ventures and associates

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Joint ventures (Note 14(a))	129,507	281,001	247,748	116,010	198,815	124,256
Associates (Note 14(b))	562,185	789,939	642,090	323,089	581,742	600,570
	691,692	1,070,940	889,838	439,099	780,557	724,826

(a) Investments in joint ventures

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Unquoted equity shares at cost ^{1,2}	90,864	57,818	1,551	75,305	45,936	–
Share of post-acquisition reserves	(8,245)	63,830	102,376	–	–	–
Loans to joint ventures ³	40,720	154,022	124,256	40,720	154,022	124,256
Foreign currency translation adjustments	6,168	5,331	19,565	(15)	(1,143)	–
	129,507	281,001	247,748	116,010	198,815	124,256

- In the current financial year, the Group made the following investments and divestment:
 - Acquired a 30% stake in Long Son Joint Stock Company, cashew processing facility in Vietnam for purchase consideration of \$22,851,000 and a 29% stake in Guzman Coffee & Nuts, S.L. in Spain for a purchase consideration of \$3,136,000; and
 - Divested the 50% stake in Nauvu Investment Pte Ltd for sales consideration of \$195,049,000 and net loss of \$24,597,000 was recorded in 'Other expenses' in the profit and loss account.
- In the previous financial year, the Group had divested 50% stake in Far East Agri Pte Ltd and its subsidiary and has been accounted for as a joint venture since then.
- Loans to joint ventures are unsecured, not expected to be repayable within the next 12 months and are interest free, except for loan balances amounting to \$40,067,000 (31 December 2017: \$39,277,000; 1 January 2017: \$Nil) that bears interest ranging from 3.25% to 4.00% (31 December 2017: 3.25% to 4.00%; 1 January 2017: Nil).

List of key joint ventures of the Group are as follows:-

Name of company	Country of incorporation	Principal activities	Percentage of equity held		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Held by the Company					
Nauvu Investments Pte Ltd	Singapore	Sourcing, processing and trading of agricultural commodities and technical services	–	50	50
Far East Agri Pte Ltd ¹	Singapore	Processing and trading of agricultural commodities	50	50	–

- Audited by Ernst & Young LLP, Singapore.

Notes to the Financial Statements continued
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14. Investments in joint ventures and associates continued

(a) Investments in joint ventures continued

As of 1 January 2017, 31 December 2017 and 31 December 2018, no joint venture was individually material to the Group. The summarised financial information in respect of the joint ventures, based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investments in the combined financial statements are as follows:-

	31 December 2018 \$'000	Group	
		31 December 2017 \$'000	1 January 2017 \$'000
Summarised balance sheet			
Non-current assets	122,900	414,953	563,044
Current assets	270,117	115,238	62,261
Total assets	393,017	530,191	625,305
Non-current liabilities	13,417	262,479	368,685
Current liabilities	232,851	51,460	7,387
Total liabilities	246,268	313,939	376,072
Net assets	146,749	216,252	249,233
Proportion of the Group's ownership:			
Group's share of net assets	60,336	106,910	123,492
Goodwill on acquisition	28,451	20,069	–
Loan to joint ventures	40,720	154,022	124,256
Carrying amount of the investments	129,507	281,001	247,748
Summarised statement of comprehensive income			
Revenue	534,734	21,167	13,535
Profit after tax	2,608	455	10,026
Total comprehensive income	2,608	455	10,026

14. Investments in joint ventures and associates continued

(b) Investments in associates

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Unquoted equity shares at cost	333,780	328,957	350,714	372,615	373,962	373,424
Share of post-acquisition reserves	242,417	214,353	42,797	–	–	–
Loans to associates ¹	18,965	289,927	258,794	–	263,682	256,683
Less: Impairment loss	(35,596)	(35,596)	(35,596)	(35,596)	(35,596)	(35,596)
Foreign currency translation adjustments	2,619	(7,702)	25,381	(13,930)	(20,306)	6,059
	562,185	789,939	642,090	323,089	581,742	600,570

1. Loans to associates are unsecured, not expected to be repayable within the next 12 months and are interest-free except for an amount of \$Nil (31 December 2017: \$265,073,000; 1 January 2017: \$256,683,000) that bears interest of Nil% (31 December 2017: 7.50%; 1 January 2017: 5.00% to 7.50%) per annum.

List of key associates of the Group are as follows:-

Name of company	Country of incorporation	Principal activities	Percentage of equity held		
			31 December 2018 %	31 December 2017 %	1 January 2017 \$'000
Held by the Company					
Gabon Special Economic Zone SA ¹	Gabon	Infrastructure development	40.49	40.49	40.49
Open Country Dairy Limited ²	New Zealand	Processing and trading of agricultural commodities	15.19	15.19	15.19

1. Audited by member firms of Ernst & Young Global.

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.

As of 1 January 2017, 31 December 2017 and 31 December 2018, no associate was individually material to the Group.

The summarised financial information in respect of the associates based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investment in the combined financial statements are as follows:-

	Group		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Summarised balance sheet			
Non-current assets	1,692,364	1,727,544	1,335,418
Current assets	1,395,487	1,238,213	1,026,082
Total assets	3,087,851	2,965,757	2,361,500
Non-current liabilities	902,220	645,563	838,299
Current liabilities	553,942	814,339	377,695
Total liabilities	1,456,162	1,459,902	1,215,994
Net assets	1,631,689	1,505,855	1,145,506
Proportion of the Group's ownership:			
Group's share of net assets	547,724	511,797	364,688
Goodwill on acquisition	14,461	14,461	18,608
Loan to associates	–	263,682	258,794
Carrying amount of the investments	562,185	789,940	642,090
Summarised statement of comprehensive income			
Revenue	2,103,253	1,908,573	1,072,362
Profit after tax	163,616	179,916	87,785
Other comprehensive income	(99,375)	37,780	(19,616)
Total comprehensive income	64,241	217,696	68,169

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15. Long-term investments

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Quoted equity shares	135,777	257,519	136,321	135,777	257,519	136,321
Unquoted equity shares	–	–	12,171	–	–	–
	135,777	257,519	148,492	135,777	257,519	136,321

The Group's investment in quoted equity shares relates to a 18.56% (31 December 2017 and 1 January 2017: 18.56%) investment in PureCircle Limited ('PureCircle'). Management has assessed and is of the view that the Group does not retain significant influence over PureCircle and is accounted for as fair value through other comprehensive income. The investment in unquoted equity shares relates to a 20% investment in Olam Grains Australia Pty Ltd which was disposed in the previous financial year 2017.

16. Amounts due from subsidiary companies

	Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Trade receivables	2,150,769	1,906,156	1,886,313
Loans to subsidiaries	1,822,058	1,877,382	1,790,805
Non-trade receivables/(payables)	15,886	(1,857,122)	(93,970)
	3,988,713	1,926,416	3,583,148

Loans to subsidiaries include amounts totalling \$1,362,516,000 (31 December 2017: \$1,112,709,000; 1 January 2017: \$1,479,030,000) which are unsecured and bear interest ranging from 2.00% to 7.50% (31 December 2017: 2.00% to 7.50%; 1 January 2017: 0.60% to 7.50%) 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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Euro	1,384,079	1,200,445	1,504,480
Indian Rupee	(493,869)	1,275,453	877,662
Great Britain Pounds	(37,604)	154,531	508,675
Australian Dollar	(809)	(1,892,055)	(2,227)

The movement in the allowance accounts for amounts due from subsidiary companies is as follows:-

	Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Movement in allowance accounts:-			
As at beginning of year	30,422	32,767	32,167
Charge for the year	–	–	–
Written off	(1,340)	–	–
Written back	(16,230)	–	–
Foreign currency translation adjustments	479	(2,345)	600
As at end of year	13,331	30,422	32,767

17. Trade receivables

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Trade receivables	2,148,087	1,635,078	1,407,854	1,307,349	963,987	385,144
Indirect tax receivables	287,081	266,847	248,603	609	1,605	476
	2,435,168	1,901,925	1,656,457	1,307,958	965,592	385,620

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. Indirect tax receivables comprise goods and services, value-added taxes and other indirect forms of taxes.

Trade receivables denominated in currencies other than functional currencies of Group companies are as follows:-

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Euro	220,732	298,090	24,619	181,417	278,043	12,337
United States Dollar	186,022	144,301	165,922	–	–	–
Great Britain Pounds	30,919	56,791	87,844	14,416	36,734	–

Trade receivables include amounts due from associates of \$13,944,000 (31 December 2017: \$8,559,000; 1 January 2017: \$295,000), due from joint ventures of \$13,136,000 (31 December 2017: \$21,836,000; 1 January 2017: \$Nil) and due from a shareholder related company of \$Nil (31 December 2017: \$Nil; 1 January 2017: \$2,318,000) respectively.

The expected credit loss provision as at 31 December 2018 is determined as follows:-

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Trade receivables measured at amortised cost	2,247,884	1,716,289	1,458,774	1,369,573	1,014,215	414,387
Less: Lifetime expected credit loss for trade receivables	(99,797)	(81,211)	(50,920)	(62,224)	(50,228)	(29,243)
Total trade receivables measured at amortised cost	2,148,087	1,635,078	1,407,854	1,307,349	963,987	385,144
Movement in allowance accounts:-						
As at beginning of year	81,211	50,920	60,721	50,228	29,243	42,440
Charge for the year	27,087	41,207	37,016	12,141	23,818	27,972
Written off	(4,392)	(6,102)	(542)	(1,241)	–	–
Written back	(4,155)	(1,272)	(44,319)	–	–	(41,405)
Foreign currency translation adjustments	46	(3,542)	(1,956)	1,096	(2,833)	236
As at end of year	99,797	81,211	50,920	62,224	50,228	29,243

Receivables that are past due but not impaired

The analysis of the Group and Company's ageing for receivables that are past due but not impaired is as follows:-

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Trade receivables past due but not impaired:-						
Less than 30 days	488,334	384,032	346,694	187,402	145,240	56,932
30 to 60 days	232,124	125,057	194,829	14,451	31,091	9,584
61 to 90 days	78,597	75,642	38,006	32,042	47,148	10,832
91 to 120 days	27,802	69,142	20,578	12,427	19,771	813
121 to 180 days	20,714	18,090	8,459	3,679	5,288	1,880
More than 180 days	42,296	39,079	39,961	8,688	22,787	6,234
Total trade receivables measured at amortised cost	889,867	711,042	648,527	258,689	271,325	86,275

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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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Margin deposits with brokers	260,704	583,925	1,037,352	212,756	488,250	970,574
Amounts due to brokers	(381,721)	(184,245)	(872,394)	(381,255)	(183,388)	(817,030)
	(121,017)	399,680	164,958	(168,499)	304,862	153,544

19. Inventories

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Balance sheets:						
Commodity inventories at fair value	4,318,954	4,096,968	5,365,835	1,438,660	1,267,257	1,038,380
Commodity inventories at the lower of cost and net realisable value	2,149,203	1,947,713	2,048,476	169,565	137,743	106,606
	6,468,157	6,044,681	7,414,311	1,608,225	1,405,000	1,144,986
Profit and loss account:						
Inventories recognised as an expense in cost of goods sold inclusive of the following (charge)/credit	(24,951,944)	(21,442,547)	(15,940,068)	(21,639,076)	(17,535,130)	(11,875,179)
• Inventories written down	(49,410)	(46,757)	(38,664)	(19,877)	(25,397)	(11,435)
• Reversal of write-down of inventories ¹	51,675	16,039	19,754	25,071	11,321	10,366

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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Third parties	805,472	743,516	880,602	44,457	116,243	142,456
Subsidiary companies	–	–	–	1,816,605	852,001	2,196,193
	805,472	743,516	880,602	1,861,062	968,244	2,338,649

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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
United States Dollar	19,616	37,193	67,803	–	–	–
Euro	10,550	36,968	30,269	917,787	455,950	613,857
Great Britain Pounds	186	126	168	(71,809)	582	62,596

20. Advance payments to suppliers/subsidiary companies continued

Advance payments to subsidiary companies are stated after deducting allowance for doubtful debts of \$42,655,000 (31 December 2017: \$40,773,000; 1 January 2017: \$43,483,000).

Advance payments to suppliers (third parties) for the Group and Company are stated after deducting allowance for doubtful debts of \$13,474,000 and \$852,000 (31 December 2017: \$11,423,000 and \$769,000; 1 January 2017: \$12,450,000 and \$472,000) respectively.

The movement in the allowance accounts for advance payment to suppliers is as follows:-

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Movement in allowance accounts:-						
As at beginning of year	11,423	12,450	17,337	769	472	6,561
Charge for the year	5,612	2,704	2,387	67	354	452
Written off	(1,252)	(2,093)	(7,285)	-	(13)	(5,956)
Written back	(1,537)	(998)	(756)	-	-	(446)
Foreign currency translation adjustments	(772)	(640)	767	16	(44)	(139)
As at end of year	13,474	11,423	12,450	852	769	472

21. Other current/non-current assets

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Current:						
Sundry receivables	253,076	216,485	362,123	21,264	21,172	1,189
Export incentives and subsidies receivable ¹	72,873	70,479	69,983	-	-	-
Amounts due from joint venture, associates and a shareholder related company ²	3,373	64,295	29,425	1,275	20,046	23,314
Deposits	42,211	61,168	59,772	1,870	2,121	2,565
Option premium receivable	5,907	5,843	3,632	5,907	4,798	3,632
Staff advances ³	9,941	9,466	8,182	161	369	492
Insurance receivables ⁴	23,808	17,679	32,493	8,077	6,858	3,548
Short-term investment	6,056	11,600	4,478	-	-	-
	417,245	457,015	570,088	38,554	55,364	34,740
Prepayments ⁵	377,291	317,291	356,819	167,414	112,697	116,376
Advance corporate tax paid	80,325	67,351	35,633	-	-	-
Taxes recoverable	3,911	6,530	24,138	-	-	-
	878,772	848,187	986,678	205,968	168,061	151,116
Non-current:						
Other non-current assets	27,786	25,852	30,400	-	-	-

1. 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.

2. Amounts due from joint venture, associates and a shareholder related company are non-interest bearing, unsecured, repayable on demand and are to be settled in cash.

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. Prepayments mainly pertain to prepaid shipping and logistics related expenses incurred for sourcing, processing, packaging and merchandising of agricultural products and inputs.

Notes to the Financial Statements continued
For the financial year ended 31 December 2018

22. Trade payables and accruals

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Trade payables	3,017,911	1,637,565	1,538,786	2,211,402	923,272	799,160
Accruals	517,459	457,244	567,802	138,383	159,053	150,123
Advances received from customers	56,986	43,732	51,459	–	–	–
GST payable and equivalent	41,504	45,811	43,447	2,650	5,025	–
	3,633,860	2,184,352	2,201,494	2,352,435	1,087,350	949,283

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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Euro	431,343	178,813	124,705	424,226	173,627	121,564
Australian Dollar	179,846	47,544	27,012	179,846	47,544	27,012
Great Britain Pounds	163,250	140,042	340,044	150,181	124,962	293,772
United States Dollar	98,010	31,391	37,336	–	–	–

Trade payables include amounts of \$33,560,000 (31 December 2017: \$19,471,000; 1 January 2017: \$Nil) and \$5,218,000 (31 December 2017: \$Nil and 1 January 2017: \$18,000) due to an associate and a joint venture respectively.

Accruals mainly relate to operating costs such as logistics, insurance premiums and employee benefits.

23. Other current liabilities

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Interest payable on bank loans	87,604	82,951	81,355	74,814	74,526	75,110
Sundry payables	332,664	339,816	261,081	3,215	–	6,647
Option premium payable	19,587	18,450	33,419	19,587	18,450	33,419
Amount due to joint ventures ¹	6,210	19,626	–	2,387	18,155	–
	446,065	460,843	375,855	100,003	111,131	115,176
Withholding tax payable	10,334	12,470	7,876	–	–	–
	456,399	473,313	383,731	100,003	111,131	115,176

1. Amount due to joint ventures are non-interest bearing, unsecured, repayable on demand and are to be settled in cash.

24. Borrowings

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Current:						
Bank overdrafts (Note 33)	84,161	104,544	190,165	–	–	–
Bank loans	2,220,091	2,644,191	3,220,351	1,064,933	1,259,505	1,694,362
Term loans from banks	1,712,692	1,643,678	1,842,830	1,077,057	799,690	1,218,610
Medium-term notes	749,467	249,863	719,659	749,467	249,863	719,659
Obligation under finance leases (Note 28(c))	10,710	17,933	10,030	–	–	–
	4,777,121	4,660,209	5,983,035	2,891,457	2,309,058	3,632,631
Non-current:						
Term loans from banks	2,848,187	2,750,543	4,232,530	1,525,075	1,335,932	3,092,015
Medium-term notes	3,220,467	3,778,652	2,983,926	2,613,976	3,317,732	2,983,926
Obligation under finance leases (Note 28(c))	83,396	66,412	111,701	–	–	–
Other bonds	339,064	332,122	359,396	339,064	332,122	359,396
	6,491,114	6,927,729	7,687,553	4,478,115	4,985,786	6,435,337
	11,268,235	11,587,938	13,670,588	7,369,572	7,294,844	10,067,968

Borrowings denominated in currencies other than functional currencies of Group companies are as follows:-

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Singapore Dollar	1,233,174	1,482,143	1,480,199	1,233,174	1,481,730	1,480,199
Japanese Yen	378,941	371,332	146,690	378,941	371,332	146,690
Euro	329,883	420,271	–	–	–	–
United States Dollar	296,746	341,014	253,992	–	–	–
Chinese Yuan	204,319	–	–	204,319	–	–
Australian Dollar	189,023	185,096	200,279	189,023	185,082	200,279
Great Britain Pounds	–	20,289	18,703	–	–	–

Bank overdrafts and bank loans

The bank loans to the Company are repayable within 12 months and bear interest in a range from 2.74% to 2.85% (31 December 2017: 1.95% to 3.65%; 1 January 2017: 1.26% to 1.61%) per annum.

The bank loans and bank overdrafts of the subsidiary companies are repayable within 12 months and bear interest in a range from 0.70% to 27.00% (31 December 2017: 0.65% to 22.00%; 1 January 2017: 0.80% to 26.00%) per annum.

Bank loans include an amount of \$74,627,000 (31 December 2017: \$17,885,000; 1 January 2017: \$24,079,000) 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 3.16% to 4.16% (31 December 2017: 2.47% to 3.20%; 1 January 2017: 1.56% to 2.76%) per annum. Term loans to the Company are unsecured and are repayable within five years.

Term loans from banks to the subsidiary companies bear interest at floating interest rates ranging from 0.91% to 12.00% (31 December 2017: 0.91% to 12.00%; 1 January 2017: 1.20% to 12.00%) per annum. Term loans from banks to the subsidiary companies are repayable between two to ten years (31 December 2017: two to fifteen years; 1 January 2017: two and seven years).

Term loans from banks include an amount of \$88,632,000 (31 December 2017: \$101,141,000; 1 January 2017: \$93,992,000) secured by the assets of subsidiaries. The remaining amounts of term loans from banks are unsecured.

Notes to the Financial Statements continued
For the financial year ended 31 December 2018

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 drawdowns from the MTN and EMTN are unsecured.

The MTN and EMTN are as follows:-

Maturity	Group			Company			
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	
Current:							
Multicurrency medium-term note programme:							
• 5.75% fixed rate notes	2017	-	-	719,659	-	-	719,659
• 6.00% fixed rate notes	2018	-	249,863	-	-	249,863	-
Euro medium-term note programme:							
• 4.25% fixed rate notes	2019	399,670	-	-	399,670	-	-
• 5.80% fixed rate notes	2019	349,797	-	-	349,797	-	-
		749,467	249,863	719,659	749,467	249,863	719,659
Non-current:							
Multicurrency medium-term note programme:							
• 6.00% fixed rate notes	2018	-	-	249,638	-	-	249,638
Euro medium-term note programme:							
• 4.25% fixed rate notes	2019	-	399,077	398,484	-	399,077	398,484
• 5.80% fixed rate notes	2019	-	349,422	349,047	-	349,422	349,047
• 4.50% fixed rate notes	2020	407,770	398,741	430,748	407,770	398,741	430,748
• 4.875% fixed rate notes	2020	189,022	185,082	200,279	189,022	185,082	200,279
• 1.375% fixed rate notes	2020	69,716	68,272	73,860	69,716	68,272	73,860
• 4.00% fixed rate notes	2020	68,073	66,662	72,119	68,073	66,662	72,119
• 6.00% fixed rate notes	2022	483,707	483,369	483,030	483,707	483,369	483,030
• 4.50% fixed rate notes	2021	613,137	600,963	653,891	613,137	600,963	653,891
• 1.427% fixed rate notes	2021	68,600	67,241	72,830	68,600	67,241	72,830
• 0.47% fixed rate notes	2022	69,248	67,848	-	69,248	67,848	-
• 0.9725% fixed rate notes	2022	73,562	72,089	-	73,562	72,089	-
• 3.65% fixed rate notes	2022	68,073	66,706	-	68,073	66,706	-
• 0.9825% fixed rate notes	2022	97,812	95,882	-	97,812	95,882	-
• 4.375% fixed rate notes	2023	405,256	396,378	-	405,256	396,378	-
Other medium-term notes:							
• 3.90% fixed rate notes	2022	238,508	233,800	-	-	-	-
• 3.73% fixed rate notes	2022	231,693	227,120	-	-	-	-
• 4.35% fixed rate notes	2023	136,290	-	-	-	-	-
		3,220,467	3,778,652	2,983,926	2,613,976	3,317,732	2,983,926

Obligations under finance leases

Obligations under finance leases amounting to \$12,127,000 (31 December 2017: \$18,101,000; 1 January 2017: \$19,602,000) are guaranteed by a subsidiary company.

Obligations under finance leases bear interest ranging from 3.49% to 9.50% (31 December 2017: 8.05% to 25.00%; 1 January 2017: 0.96% to 9.22%) per annum and are repayable between 1 and 20 years (31 December 2017: 1 and 25 years; 1 January 2017: 1 and 20 years).

Other bonds

	Group and Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Non-current:			
7.50% unsecured senior bonds ¹	339,064	332,122	359,396

1. On 7 August 2010, the Company issued 7.50% interest bearing unsecured senior bonds of US\$250,000,000 due in 2020. The interest is payable semi-annually. On 9 July 2014, the Company repurchased US\$917,000 of the senior bonds. Upon settlement, the repurchased portion was cancelled and the aggregate outstanding principal amount following such cancellation is US\$249,083,000.

24. Borrowings continued

A reconciliation of liabilities arising from financing activities is as follows:-

	Group			
	31 December 2017 \$'000	Cash Flows \$'000	Non-cash changes	31 December 2018 \$'000
			Foreign exchange movement \$'000	
Bank borrowings and obligations under finance leases (exclude bank overdrafts)	7,122,757	(237,607)	(10,074)	6,875,076
Medium-term notes	4,028,515	(70,658)	12,077	3,969,934
Other bonds	332,122	–	6,942	339,064

	Group				
	1 January 2017 \$'000	Cash Flows \$'000	Non-cash changes	31 December 2017 \$'000	
			Foreign exchange movement \$'000	Disposal of subsidiary \$'000	
Bank borrowings and obligations under finance leases (exclude bank overdrafts)	9,417,442	(1,779,508)	(491,308)	(23,869)	7,122,757
Medium-term notes	3,703,585	394,299	(69,369)	–	4,028,515
Other bonds	359,396	–	(27,274)	–	332,122

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 adjusted 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:-

	Group	
	31 December 2018 \$'000	31 December 2017 \$'000
Net profit attributable to owners of the Company	347,870	580,743
Less: Accrued capital securities distribution	(55,482)	(56,635)
Adjusted net profit attributable to owners of the Company for basic and dilutive earnings per share	292,388	524,108
	No. of shares	No. of shares
Weighted average number of ordinary shares on issue applicable to basic earnings per share	3,178,664,663	2,814,058,047
Dilutive effect of share options	2,458,849	2,314,339
Dilutive effect of performance share plan	669,719	35,528,711
Dilutive effect of warrants	39,009,951	72,287,589
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	3,220,803,182	2,924,188,686

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 for the previous financial year. During the current financial year, there are no such items.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and the date of these financial statements.

Notes to the Financial Statements continued
For the financial year ended 31 December 2018

26. Share capital, treasury shares, perpetual capital securities and warrants

(a) Share capital

	Group and Company			
	31 December 2018		31 December 2017	
	No. of shares	\$'000	No. of shares	\$'000
Ordinary shares issued and fully paid ¹				
Balance at beginning of year	3,221,044,910	3,674,206	2,829,036,837	3,087,894
Issue of shares on exercise of warrants	49,973,747	71,782	391,928,073	585,542
Issue of shares on exercise of share options	–	3,006	80,000	770
Balance at end of year	3,271,018,657	3,748,994	3,221,044,910	3,674,206

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.

(b) Treasury shares

	Group and Company			
	31 December 2018		31 December 2017	
	No. of shares	\$'000	No. of shares	\$'000
Ordinary shares issued and fully paid ¹				
Balance at beginning of year	99,533,600	187,276	101,165,100	190,465
Use of treasury shares for share awards/options ²	(12,564,277)	(23,632)	(1,631,500)	(3,189)
Share buyback during the year	1,620,000	2,636	–	–
Balance at end of year	88,589,323	166,280	99,533,600	187,276

2. The Company used 12,564,277 treasury shares during the current financial period towards the release of 11,039,277 restricted share grants and issuance of 1,525,000 shares on exercise of share options.

(c) Capital securities

US\$500,000,000 5.35% Perpetual Capital Securities

On 20 July 2016, the Company issued subordinated perpetual capital securities (the 'capital securities') with an aggregate principal amount of US\$500,000,000 under the US\$5,000,000,000 EMTN Programme. Issuance costs incurred amounting to \$6,126,000 were recognised in equity as a deduction from proceeds.

The capital securities were priced at par and bear a distribution rate of 5.35% for the first five years. The distribution rate will then be reset at the end of five years from the issue date of the capital securities and each date falling every 5 years thereafter. Additionally, Olam may choose to redeem in whole the capital securities on or after the fifth anniversary of the issuance of the capital securities.

Combined S\$350,000,000 5.50% Perpetual Capital Securities

On 11 July 2017 and 4 August 2017, the Company issued subordinated perpetual capital securities (the 'capital securities') with an aggregate combined principal amount of S\$350,000,000 (S\$300,000,000 and S\$50,000,000 respectively) under the US\$5,000,000,000 EMTN Programme. Issuance costs incurred amounting to \$2,273,000 were recognised in equity as a deduction from proceeds.

The capital securities were priced at par and bear a distribution rate of 5.50% for the first five years. The distribution rate will then be reset at the end of five years from the issue date of the capital securities and each date falling every 5 years thereafter. Additionally, Olam may choose to redeem in whole the capital securities on or after the fifth anniversary of the issuance of the capital securities.

(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 29 January 2018. The Warrants have been presented as capital reserves under equity.

As at 29 January 2018, a total of 49,973,747 Warrants were exercised at a price of US\$1.09 and new ordinary shares were issued. Post 29 January 2018, all remaining subscription rights under the Warrants which have not been exercised have lapsed and ceased to be valid.

27. Dividends

	Group and Company	
	31 December 2018 \$'000	31 December 2017 \$'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 2018: \$0.035 (31 December 2017: \$0.035) per share	111,061	97,740
• One tier tax exempted second and final dividend for financial year ended 31 December 2017: \$0.040 (31 December 2016: \$0.030) per share	126,667	82,659
	237,728	180,399
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 2018: \$0.040 (31 December 2017: \$0.040) per share	127,297	124,860

28. Commitments

(a) Operating lease commitments

Operating lease expenses of the Group and Company (principally for land, offices, warehouses, employees' residences and vessels) were \$291,722,000 (31 December 2017: \$162,948,000) and \$150,473,000 (31 December 2017: \$68,406,000), respectively. These leases have an average tenure of between 1.0 and 18.0 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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Not later than one year	148,047	136,750	98,816	43,236	43,955	26,511
Later than one year but not later than five years	306,131	284,703	229,080	20,133	37,363	21,477
Later than five years	510,757	467,117	581,424	–	774	1,398
	964,935	888,570	909,320	63,369	82,092	49,386

(b) Capital commitments

Capital expenditure contracted for as at the balance sheet date but not recognised in the financial statements is as follows:-

	Group		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Capital commitments in respect of property, plant and equipment	71,214	57,621	15,267

(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 2018 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	1 January 2017 \$'000
	Minimum lease payments	Present value of payments (Note 24)	Minimum lease payments	Present value of payments (Note 24)	Minimum lease payments	Present value of payments (Note 24)
Not later than one year	11,915	10,710	19,322	17,933	14,812	10,030
Later than one year but not later than five years	42,725	34,781	32,301	25,623	65,743	40,740
Later than five years	93,964	48,615	83,363	40,789	132,860	70,961
Total minimum lease payments	148,604	94,106	134,986	84,345	213,415	121,731
Less: Amounts representing finance charges	(54,498)	–	(50,641)	–	(91,684)	–
Present value of minimum lease payments	94,106	94,106	84,345	84,345	121,731	121,731

Notes to the Financial Statements continued
For the financial year ended 31 December 2018

29. Contingent liabilities

	Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Contingent liabilities not provided for in the accounts: Financial guarantee contracts given on behalf of subsidiary companies ¹	15,259,742	9,776,482	6,954,277

1. Amounts utilised by subsidiary companies on the bank facilities secured by corporate guarantees amounted to \$3,794,986,000 (31 December 2017: \$2,046,030,000; 1 January 2017: \$1,089,198,000).

The Company has agreed to provide continuing financial support to certain subsidiary companies.

30. Employee benefits expenses

Employee benefits expenses (including executive directors):-

	Group	
	31 December 2018 \$'000	31 December 2017 \$'000
Salaries and employee benefits	706,149	652,171
Central Provident Fund contributions and equivalents	32,067	30,290
Retrenchment benefits	1,012	1,607
Share-based expense (relates to OSGP only)	14,432	20,184
	753,660	704,252

(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 ESOS has expired on 3 January 2015. The terms of the ESOS continue to apply to outstanding options granted under the ESOS. The ESOS rules amended on 29 October 2008 may be read in the Appendix 1 of the Company's circular dated 13 October 2008.

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 2018		31 December 2017	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	71,267,000	2.20	72,742,000	2.20
Forfeited during the year	(790,000)	2.38	(1,085,000)	2.38
Exercised during the year ¹	(1,525,000)	2.09	(390,000)	1.97
Outstanding at the end of the year ²	68,952,000	2.20	71,267,000	2.20
Exercisable at end of year	68,952,000	2.20	71,267,000	2.20

1. The weighted average share price when the options were exercised in the current financial year was \$2.09 (31 December 2017: \$1.97).

2. The range of exercise prices for options outstanding at the end of the financial year was \$1.76 to \$3.10 (31 December 2017: \$1.76 to \$3.10). The weighted average remaining contractual life for these options is 1.50 years (31 December 2017: 2.52 years).

30. Employee benefits expenses continued

(b) Olam Share Plans

Olam Share Grant Plan ('OSGP')

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% and 200% 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') – Performance and Restricted Share Awards ('PSA' and 'RSA')

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	<ul style="list-style-type: none"> • Absolute Total Shareholder Return ('TSR') • Relative Total Shareholder Return • Return on Equity ('ROE') • Profit after Tax and Minority Interest ('PATMI') Growth
Vesting Condition	Vesting based on meeting stated performance conditions over a three-year performance period
Payout	0% – 192.5% and 200% 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 are shown below:-

Plan:	RSA and PSA	RSA and PSA	RSA and PSA	PSA
Grant date:	12 April 2018	24 April 2017	15 April 2016	7 April 2015
Dividend yield (%)	2.507	2.333	2.753	2.87
Expected volatility (%)	22.015	22.035	22.747	7.82
Risk-free interest rate (%)	1.980	1.394	1.197	1.33
Expected term (years)	2.97	2.94	2.72	2.74
Index (for Relative TSR)	Not applicable	Not applicable	FTSE Straits Times Index	FTSE Straits Times Index
Index volatility (%)	Not applicable	Not applicable	14.081	7.82
Correlation with Index (%)	Not applicable	Not applicable	35.4	38.8
Share price at date of grant (\$)	2.360	1.910	1.720	1.985
Fair value at date of grant (\$)	2.218	1.594	1.400	1.848

The number of contingent shares granted but not released for both PSA and RSA awards as at 31 December 2018 was 37,601,452 (31 December 2017: 38,897,596).

Based on the achievement factor, the actual release of the PSA awards could range from zero to maximum of 52,957,796 (31 December 2017: 59,553,509) fully-paid ordinary shares of the Company.

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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 Group and Company in the ordinary course of business on terms agreed between the parties:-

	Group		Company	
	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
Subsidiary companies:				
• Sales of goods	–	–	3,112,460	3,549,093
• Sales of services, net	–	–	418,245	1,539
• Purchases	–	–	12,261,889	11,002,794
• Insurance premiums paid	–	–	17,961	14,365
• Commissions paid	–	–	48,237	30,475
• Interest received on loans, net	–	–	88,287	60,355
• Consultancy fee paid	–	–	81,333	85,885
• Management fee received	–	–	57,387	46,688
• Trademark income	–	–	449,502	–
• Dividend received	–	–	1,875,603	12,997
• Toll processing charges paid	–	–	565,347	120,672
• Warehouse rental paid	–	–	129	383
• Corporate guarantee received	–	–	21,889	–
Joint ventures:				
• Sales of goods	897	2,844	–	–
• Purchases	1,339	–	–	–
• Management fee received	402	383	–	–
• Interest received on loans	–	8	–	8
Associates:				
• Sales of goods	133,217	81,070	130,324	79,266
• Purchases	271,449	316,421	271,449	316,417
• Finance income	17,415	22,758	17,415	22,758
• Dividend received	738	22,325	738	22,325
• Management fee received	2,799	2,351	2,799	2,351
• Director Fees received	36	38	36	38
• Miscellaneous income	–	131	–	131
Shareholder related companies:				
• Sale of goods	44,958	54,751	427	19,466
• Purchases	–	123	–	–
• Finance cost	2	–	–	–

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 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
Directors' fees	1,855	1,755	1,780	1,698
Salaries and employee benefits	22,524	20,511	19,982	16,796
Central Provident Fund contributions and equivalents	406	557	117	126
Share-based expense	4,924	4,543	4,366	3,688
	29,709	27,366	26,245	22,308
Comprising amounts paid to:-				
Directors of the Company	14,049	11,389	13,974	11,332
Key management personnel	15,660	15,977	12,271	10,976
	29,709	27,366	26,245	22,308

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 2018 Options/shares	31 December 2017 Options/shares
Employee Share Option Scheme:		
Directors	20,000,000	20,000,000
Key management personnel	16,800,000	16,800,000
Olam Share Grant Plan:		
Directors	3,603,852	3,321,846
Key management personnel	4,795,800	5,750,000

33. Cash and short-term deposits

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Cash and bank balances	1,582,654	1,174,552	1,556,636	796,792	601,561	723,680
Deposits	897,720	811,799	587,415	94,587	535,450	550,992
	2,480,374	1,986,351	2,144,051	891,379	1,137,011	1,274,672

Cash at banks earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 20.90% (31 December 2017: 0.10% to 21.00%; 1 January 2017: 0.00% to 12.50%) per annum.

Deposits include short-term and capital guaranteed deposits. Short-term deposits are made for varying periods between 1 and 90 days (31 December 2017: 1 and 90 days) depending on the immediate cash requirements of the Group, and interest earned at floating rates ranging from 0.50% to 16.00% (31 December 2017: from 0.80% to 19.50%; 1 January 2017: 0.00% to 9.96%) per annum and may be withdrawn on demand.

Deposits amounting to \$Nil (31 December 2017: \$1,119,000; 1 January 2017: \$1,545,000) have been pledged to secure the Group's borrowings as set out in Note 24 to the financial statements.

Deposits include capital guaranteed, non-interest bearing, index-linked structured deposits of \$3,067,000 (31 December 2017: \$Nil; 1 January 2017: \$14,468,000) and may be withdrawn on demand.

Cash and bank balances and deposits denominated in currencies other than functional currencies of Group companies are as follows:-

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Euro	367,485	876,917	294,709	265,825	865,456	290,061
United States Dollar	191,872	68,335	86,235	-	-	-
Great Britain Pounds	42,274	17,214	103,304	42,079	14,039	102,285
Singapore Dollar	17,604	17,075	49,808	16,558	16,798	49,806
Swiss Franc	13,725	1,359	210,833	13,703	1,284	210,015
Japanese Yen	11,808	10,881	267,271	11,802	10,881	267,208
Australian Dollar	4,773	579	3,625	4,772	576	3,324

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33. Cash and short-term deposits continued

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following:-

	Group		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Cash and bank balances	1,582,654	1,174,552	1,556,636
Deposits	897,720	811,799	587,415
Structured deposits	(3,067)	–	(14,468)
Bank overdrafts (Note 24)	(84,161)	(104,544)	(190,165)
	2,393,146	1,881,807	1,939,418

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 and the Company are exposed to financial risks from its operations and the use of financial instruments. The Board of Directors and Board Risk Committee reviews and agrees on policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and Head of Risk. The Board Risk Committee provides independent oversight to the effectiveness of the risk management process.

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 \$16,851,000 (31 December 2017: \$30,287,000) 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.

34. Financial risk management policies and objectives continued

(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.

For computation of impairment losses on financial assets, the Group uses a provision matrix as presented below:-

Balance Sheet	Expected credit loss
Trade receivables (Note 17)	
Loans to joint ventures and associates (Note 14)	Expected credit loss is calculated by applying the default sovereign risk rating of the counterparties' country of domicile based on external benchmarks
Other current assets – Sundry receivables, export incentives and subsidies receivable, deposits, staff advances, insurance receivables, amount due from joint venture, associates and a shareholder related company (Note 21)	
Amount due from subsidiary companies (Note 16)	

The carrying amounts of trade receivables, other non-current and current assets, 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. Cash and bank balances and deposits are placed with reputable banks.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the operating segment profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:-

	Group			Company		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
By operating segments:						
Edible nuts and spices	329,558	337,909	253,620	207,732	219,463	68,467
Confectionery and beverage ingredients	566,697	675,624	556,669	243,984	444,534	77,805
Industrial raw materials, infrastructure and logistics	213,564	178,959	79,105	158,761	156,962	47,890
Food staples and packaged food	1,038,262	442,381	518,460	696,872	143,028	190,982
Commodity financial services	6	205	–	–	–	–
	2,148,087	1,635,078	1,407,854	1,307,349	963,987	385,144

The Group has no significant concentration of credit risk with any single customer.

(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 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 2018		31 December 2017	
	Profit net of tax \$'000	Equity \$'000	Profit net of tax \$'000	Equity \$'000
	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)
SGD – strengthened 0.5%	(5,892)	5,234	(7,217)	5,629
GBP – strengthened 0.5%	(1,371)	(4,212)	(673)	(5,287)
USD – strengthened 0.5%	(63)	–	(380)	–
AUD – strengthened 0.5%	(820)	3,012	(225)	4,439
EUR – strengthened 0.5%	(664)	(8,233)	1,615	(6,103)

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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 2018				31 December 2017				1 January 2017			
	\$'000				\$'000				\$'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	One year or less	One to five years	Over five years	Total
Group												
Financial liabilities:												
Trade payables and accruals (Note 22)	3,535,370	–	–	3,535,370	2,094,809	–	–	2,094,809	2,201,494	–	–	2,201,494
Other current liabilities (Note 23)	358,461	–	–	358,461	377,892	–	–	377,892	294,500	–	–	294,500
Borrowings	5,179,150	6,827,176	128,109	12,134,435	4,995,442	7,039,874	555,524	12,590,840	6,465,152	7,727,079	689,751	14,881,982
Derivative financial instruments (Note 34(f))	928,631	–	–	928,631	851,947	–	–	851,947	987,942	–	–	987,942
Margin accounts with brokers (Note 18)	121,017	–	–	121,017	–	–	–	–	–	–	–	–
Total undiscounted financial liabilities	10,122,629	6,827,176	128,109	17,077,914	8,320,090	7,039,874	555,524	15,915,488	9,949,088	7,727,079	689,751	18,365,918
Company												
Financial liabilities:												
Trade payables and accruals (Note 22)	2,349,785	–	–	2,349,785	1,082,325	–	–	1,082,325	949,283	–	–	949,283
Other current liabilities (Note 23)	25,189	–	–	25,189	36,605	–	–	36,605	40,066	–	–	40,066
Borrowings	3,205,998	4,793,310	–	7,999,308	2,531,888	5,043,954	401,238	7,977,080	4,010,284	6,492,154	508,758	11,011,196
Derivative financial instruments (Note 34(f))	688,823	–	–	688,823	685,128	–	–	685,128	681,162	–	–	681,162
Margin accounts with brokers (Note 18)	168,499	–	–	168,499	–	–	–	–	–	–	–	–
Total undiscounted financial liabilities	6,438,294	4,793,310	–	11,231,604	4,335,946	5,043,954	401,238	9,781,138	5,680,795	6,492,154	508,758	12,681,707

The table below shows the contractual expiry by maturity of the Group's 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 2018				31 December 2017				1 January 2017			
	\$'000				\$'000				\$'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	One year or less	One to five years	Over five years	Total
Group and Company												
Financial guarantees	3,794,986	–	–	3,794,986	2,046,030	–	–	2,046,030	1,089,198	–	–	1,089,198

(e) Interest rate risk

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 \$24,260,000 (31 December 2017: \$27,607,000).

34. Financial risk management policies and objectives continued

(f) Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage the Group's exposure to risks associated with foreign currency and commodity price. Certain derivatives are also used for trading purposes. The Group and Company have master netting arrangements with certain dealers and brokers to settle the net amount due to or from each other.

As at 31 December 2018, the settlement dates on open foreign exchange derivatives and commodity derivatives ranged between 1 and 24 months (31 December 2017: 1 and 24 months), except for power purchase agreement (10 years).

The Group's and Company's derivative financial instruments that are offset are as follows:-

	31 December 2018				31 December 2017				1 January 2017			
	Fair value		Fair value		Fair value		Fair value		Fair value		Fair value	
	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
Derivatives held for hedging:												
Foreign exchange contracts	260,197	(251,156)	213,363	(189,569)	257,385	(176,798)	143,026	(164,497)	231,380	(195,339)	206,572	(154,642)
Foreign exchange contracts – Cash flow hedge	4,965	–	4,965	–	–	(11,619)	–	(11,619)	–	(41,305)	–	(41,305)
Commodity contracts	3,200,199	(2,372,951)	2,711,387	(2,165,790)	2,603,631	(1,956,800)	2,163,097	(1,754,690)	5,739,831	(4,846,050)	4,840,466	(4,463,259)
Power purchase agreement	10,438	–	–	–	13,801	–	–	–	–	–	–	–
Interest rate swaps	–	(135)	–	(135)	–	(1,199)	–	(1,199)	–	–	–	–
Total derivatives held for hedging	3,475,799	(2,624,242)	2,929,715	(2,355,494)	2,874,817	(2,146,416)	2,306,123	(1,932,005)	5,971,211	(5,082,694)	5,047,038	(4,659,206)
Derivatives held for trading:												
Foreign exchange contracts	10,506	(6,765)	10,506	(6,765)	3,806	(2,388)	3,806	(2,388)	6,224	(9,768)	6,224	(9,768)
Commodity contracts	103,574	(52,460)	103,574	(52,460)	124,791	(87,308)	124,791	(87,308)	305,170	(251,933)	305,170	(251,934)
Total derivatives held for trading	114,080	(59,225)	114,080	(59,225)	128,597	(89,696)	128,597	(89,696)	311,394	(261,701)	311,394	(261,702)
Total derivatives, gross	3,589,879	(2,683,467)	3,043,795	(2,414,719)	3,003,414	(2,236,112)	2,434,720	(2,021,701)	6,282,605	(5,344,395)	5,358,432	(4,920,908)
Gross amounts offset in the balance sheet	(1,754,836)	1,754,836	(1,725,896)	1,725,896	(1,384,165)	1,384,165	(1,336,573)	1,336,573	(4,356,454)	4,356,453	(4,239,746)	4,239,746
Net amounts in the balance sheet	1,835,043	(928,631)	1,317,899	(688,823)	1,619,249	(851,947)	1,098,147	(685,128)	1,926,151	(987,942)	1,118,686	(681,162)

34. Financial risk management policies and objectives continued

(f) Derivative financial instruments and hedge accounting continued

The Group applies hedge accounting in accordance with SFRS(I) 9 for certain hedging relationships which qualify for hedge accounting. The effects of applying hedge accounting for expected future sales and purchases on the Group's balance sheet and profit or loss are as follows:-

Line item in the Balance Sheets where the hedging instrument is reported:	Group 31 December 2018		Group 31 December 2017		Group 1 January 2017	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
Fair value hedge						
Hedged item:						
Inventories	Inventories	1,070,045	–	1,135,411	–	767,870
Sales and purchase contracts	Derivative assets/(liabilities)	190,151	–	67,384	–	274,192
Hedging instruments:						
Commodity contracts	Derivative assets/(liabilities)	5,328	(4,747)	55,832	–	– (225,817)
Cash flow hedge						
Hedged item:						
Forecasted transactions denominated in foreign currency	Fair value adjustment reserves	–	(72,544)	214,878	–	76,655
Hedging instruments:						
Foreign exchange contracts	Derivative assets/(liabilities)	4,965	–	–	(11,619)	– (41,305)

Fair value hedge

The Group is exposed to price risk on the purchase side due to increase in commodity prices, on the sales sides and inventory held to decrease in commodity prices. Therefore, the Group applies fair value hedge accounting to hedge its commodity prices embedded in its inventories, sales and purchase contracts and uses commodity derivatives to manage its exposure. The Group determines its hedge effectiveness based on the volume of both hedged item and hedging instruments.

For the relevant commodity derivatives used for above hedging accounting purposes, the forecasted transactions are expected to occur within 3 to 24 months (31 December 2017 and 1 January 2017: 3 to 24 months). These commodity derivatives held for hedging accounting are used to hedge the commodity price risk related to inventories, sales and purchases contracts. The accumulated amount of fair value hedge adjustments included in the carrying amount of the inventories for the current financial year amounts to \$361,001,000 (31 December 2017: \$178,271,000; 1 January 2017: \$276,553,000).

Cash flow hedge

For the relevant foreign exchange derivatives used for above hedging accounting purposes, the forecasted transactions are expected to occur within 24 months (31 December 2017 and 1 January 2017: 24 months). The fair value of these derivatives recorded in the 'Other Comprehensive Income' are reclassified through the profit and loss account upon occurrence of the forecasted transactions and this amounts to \$2,474,000 (31 December 2017: \$68,037,000; 1 January 2017: \$54,111,000) for the current financial year. The net hedging gain recognised in the 'Other Comprehensive Income' in relation to such transactions amounts to \$4,965,000 (31 December 2017: hedging loss \$11,619,000; 1 January 2017: hedging loss \$41,305,000) in the current financial year.

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 than 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.

35. Fair values of assets and liabilities continued

(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 2018				Group 31 December 2017				Group 1 January 2017			
	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	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	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)	135,777	–	–	135,777	257,519	–	–	257,519	136,321	–	12,171	148,492
Derivative financial instruments												
Foreign exchange contracts	–	270,703	–	270,703	–	261,191	–	261,191	–	237,604	–	237,604
Foreign exchange contracts – Cash flow hedge	–	4,965	–	4,965	–	–	–	–	–	–	–	–
Commodity contracts	328,582	1,156,237	64,118	1,548,937	107,212	1,166,466	70,579	1,344,257	492,907	1,073,034	122,606	1,688,547
Power purchase agreement	–	–	10,438	10,438	–	–	13,801	13,801	–	–	–	–
	464,359	1,431,905	74,556	1,970,820	364,731	1,427,657	84,380	1,876,768	629,228	1,310,638	134,777	2,074,643
Financial liabilities:												
Derivative financial instruments												
Foreign exchange contracts	–	257,920	–	257,920	–	179,186	–	179,186	–	205,108	–	205,108
Foreign exchange contracts – Cash flow hedge	–	–	–	–	–	11,619	–	11,619	–	41,305	–	41,305
Commodity contracts	39,874	625,386	5,316	670,576	223,277	435,004	1,662	659,943	129,122	599,632	12,775	741,529
Interest rate swaps	–	135	–	135	–	1,199	–	1,199	–	–	–	–
	39,874	883,441	5,316	928,631	223,277	627,008	1,662	851,947	129,122	846,045	12,775	987,942
Non-financial assets:												
Biological assets (Note 12)	–	–	511,931	511,931	–	–	471,656	471,656	–	–	450,564	450,564
Inventories (Note 19)	–	4,027,034	291,920	4,318,954	–	3,707,281	389,687	4,096,968	–	4,550,262	815,573	5,365,835
	–	4,027,034	803,851	4,830,885	–	3,707,281	861,343	4,568,624	–	4,550,262	1,266,137	5,816,399

Determination of fair value

Long-term investment (Note 15) relates to one investment in the current financial year, of which is based on quoted closing prices at the balance sheet date.

Foreign exchange contracts and interest rate swaps are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

Commodity contracts, inventories and power purchase agreement 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 has been determined through various methods and assumptions. Please refer to Note 12 for more details.

Notes to the Financial Statements continued
For the financial year ended 31 December 2018

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	Nil (31 December 2017: Nil, 1 January 2017: 14.6%)
Commodity contracts	Comparable market approach	Premium on quality per metric tonne	0% to 35% (31 December 2017: 0% to 33%, 1 January 2017: 0% to 17%)
Commodity contracts	Comparable market approach	Discount on quality per metric tonne	0% to 37% (31 December 2017: 0% to 25%, 1 January 2017: 0% to 21%)
Power purchase agreement	Discounted Cash Flow	Electricity Pricing per megawatt hour	0% to 8% (31 December 2017: 0% to 21%, 1 January 2017: Nil)
Non-financial assets:			
Inventories	Comparable market approach	Premium on quality per metric tonne	0% to 29% (31 December 2017: 0% to 23%, 1 January 2017: 0% to 20%)
Inventories	Comparable market approach	Discount on quality per metric tonne	0% to 29% (31 December 2017: 0% to 23%, 1 January 2017: 0% to 20%)

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 2018			31 December 2017			1 January 2017		
	Effect of reasonably possible alternative assumptions			Effect of reasonably possible alternative assumptions			Effect of reasonably possible alternative assumptions		
	Carrying amount \$'000	Profit/(loss) \$'000	Other comprehensive income \$'000	Carrying amount \$'000	Profit/(loss) \$'000	Other comprehensive income \$'000	Carrying amount \$'000	Profit/(loss) \$'000	Other comprehensive income \$'000
Recurring fair value measurements									
Financial assets:									
Long-term investment - unquoted	–	–	–	–	–	–	12,171	–	61
Commodity contracts	64,118	(1,377)	–	70,579	(621)	–	122,606	6,666	–
Power purchase agreement	10,438	355	–	13,801	381	–	–	–	–
Financial liabilities:									
Commodity contracts	(5,316)	603	–	(1,662)	182	–	(12,775)	612	–
Non-financial assets:									
Biological assets – increased by 0.5%	511,931	(2,184)	–	471,656	(1,863)	–	450,565	(1,853)	–
Biological assets – decreased by 0.5%	511,931	2,195	–	471,656	1,874	–	450,565	1,864	–
Inventories	291,920	2,897	–	389,687	3,996	–	815,573	7,801	–

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 biological assets, the Group adjusted the key assumptions (discount rate/ pricing) applied to fair values by 0.5%.
- For long-term investment (unquoted), the Group adjusted the assumptions to the model inputs of the valuation model by 0.5%.

35. Fair values of assets and liabilities continued

(c) Level 3 fair value measurements continued

(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	Power purchase agreement – assets \$'000	Long-term investment – unquoted (Note 15) \$'000	Inventories \$'000
At 1 January 2017	122,606	(12,775)	–	12,171	815,573
Total gain/(loss) recognised in the profit and loss account					
• Net gain/(loss) on fair value changes	(52,027)	11,113	13,801	–	(12,226)
• Purchases and sales, net	–	–	–	(12,171)	(413,660)
At 31 December 2017 and 1 January 2018	70,579	(1,662)	13,801	–	389,687
Total gain/(loss) recognised in the profit and loss account					
• Net gain/(loss) on fair value changes	(6,461)	(3,654)	(3,363)	–	33,167
• Purchases and sales, net	–	–	–	–	(130,934)
At 31 December 2018	64,118	(5,316)	10,438	–	291,920

(d) 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, 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 obligations from finance leases

The carrying amount of the bank loans, term loans from banks and obligations from finance leases are an approximation of fair values as they are subjected to frequent repricing (floating rates) and/ or because of their short-term maturity.

Notes to the Financial Statements continued
For the financial year ended 31 December 2018

35. Fair values of assets and liabilities continued

(e) 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 joint ventures and loans to associates
Loans to subsidiary companies, loans to joint ventures and loans to associates 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) 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 2018				
Financial liabilities:				
Medium-term notes	3,969,934	3,973,148	3,363,443	3,366,658
Other bonds	339,064	353,309	339,064	353,309
31 December 2017				
Financial liabilities:				
Medium-term notes	4,028,515	4,090,749	3,567,595	3,629,829
Other bonds	332,122	360,259	332,122	360,259
1 January 2017				
Financial liabilities:				
Medium-term notes	3,703,585	3,700,546	3,703,585	3,700,546
Other bonds	359,396	390,468	359,396	390,468

The fair value of medium-term notes and all bonds is determined directly by reference to their published market bid price (Level 1) or valued using valuation techniques with market observable inputs (Level 2), where relevant at the end of the respective financial years.

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 2017 and 31 December 2018.

The Group calculates the level of debt capital required to finance the working capital requirements using leverage/gearing ratio and the Group's policy is to maintain the leverage ratio within 2 times.

As at balance sheet date, leverage ratios are as follows:-

	Group	
	31 December 2018	31 December 2017
Gross debt to equity:		
• Before fair value adjustment reserve	1.69 times	1.76 times
Net debt to equity:		
• Before fair value adjustment reserve	1.32 times	1.46 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 financial liabilities

	Group 31 December 2018			Group 31 December 2017			Group 1 January 2017		
	Amortised cost \$'000	Fair value through Other Comprehensive Income \$'000	Fair value through Profit or Loss \$'000	Amortised cost \$'000	Fair value through Other Comprehensive Income \$'000	Fair value through Profit or Loss \$'000	Amortised cost \$'000	Fair value through Other Comprehensive Income \$'000	Fair value through Profit or Loss \$'000
Financial assets:									
Loans to joint ventures (Note 14(a))	40,720	-	-	154,022	-	-	124,256	-	-
Loans to associates (Note 14(b))	18,965	-	-	289,927	-	-	258,794	-	-
Long-term investments (Note 15)	-	135,777	-	-	257,519	-	-	136,321	12,171
Trade receivables (Note 17)	2,148,087	-	-	1,635,078	-	-	1,656,457	-	-
Margin accounts with brokers (Note 18)	-	-	-	399,680	-	-	164,958	-	-
Other current assets (Note 21)	417,245	-	-	457,015	-	-	565,610	-	4,478
Cash and short-term deposits (Note 33)	2,480,374	-	-	1,986,351	-	-	2,129,583	-	14,468
Derivative financial instruments (Note 34(f))	-	4,965	1,830,078	-	-	1,619,249	-	-	1,926,151
Other non-current assets (Note 21)	27,786	-	-	14,791	-	11,061	18,422	-	11,978
	5,133,177	140,742	1,830,078	4,936,864	257,519	1,630,310	4,918,080	136,321	1,969,246
Financial liabilities:									
Trade payables and accruals (Note 22)	3,535,370	-	-	2,094,809	-	-	2,201,494	-	-
Margin accounts with brokers (Note 18)	121,017	-	-	-	-	-	-	-	-
Other current liabilities (Note 23)	446,065	-	-	460,843	-	-	375,855	-	-
Borrowings (Note 24)	11,268,235	-	-	11,587,938	-	-	13,670,588	-	-
Derivative financial instruments (Note 34(f))	-	-	928,631	-	11,619	840,328	-	41,305	946,637
	15,370,687	-	923,631	14,143,590	11,619	840,328	16,247,937	41,305	946,637

	Company 31 December 2018			Company 31 December 2017			Company 1 January 2017		
	Amortised cost \$'000	Fair value through Other Comprehensive Income \$'000	Fair value through Profit or Loss \$'000	Amortised cost \$'000	Fair value through Other Comprehensive Income \$'000	Fair value through Profit or Loss \$'000	Amortised cost \$'000	Fair value through Other Comprehensive Income \$'000	Fair value through Profit or Loss \$'000
Financial assets:									
Loans to joint ventures (Note 14(a))	40,720	-	-	154,022	-	-	124,256	-	-
Loans to associates (Note 14(b))	-	-	-	263,682	-	-	256,683	-	-
Long-term investments (Note 15)	-	135,777	-	-	257,519	-	-	136,321	-
Amounts due from subsidiary companies (Note 16)	3,988,713	-	-	1,926,416	-	-	3,583,148	-	-
Trade receivables (Note 17)	1,307,349	-	-	963,987	-	-	385,620	-	-
Margin accounts with brokers (Note 18)	-	-	-	304,862	-	-	153,544	-	-
Other current assets (Note 21)	38,554	-	-	55,364	-	-	34,740	-	-
Cash and short-term deposits (Note 33)	891,379	-	-	1,137,011	-	-	1,260,204	-	14,468
Derivative financial instruments (Note 34(f))	-	4,965	1,312,934	-	-	1,098,147	-	-	1,118,686
	6,266,715	140,742	1,312,934	4,805,344	257,519	1,098,147	5,798,195	136,321	1,133,154
Financial liabilities:									
Trade payables and accruals (Note 22)	2,349,785	-	-	1,082,325	-	-	949,283	-	-
Margin accounts with brokers (Note 18)	168,499	-	-	-	-	-	-	-	-
Other current liabilities (Note 23)	100,003	-	-	111,131	-	-	115,176	-	-
Borrowings (Note 24)	7,369,572	-	-	7,294,844	-	-	10,067,968	-	-
Derivative financial instruments (Note 34(f))	-	-	688,823	-	11,619	673,509	-	41,305	639,857
	9,987,859	-	688,823	8,488,300	11,619	673,509	11,132,427	41,305	639,857

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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 and Spices – Edible Nuts (cashew, peanuts, almonds, hazelnuts, pistachios, walnuts, sesame and beans including pulses, lentils and peas), spices and vegetable ingredients (including pepper, onion, garlic, capsicums and tomato).
- Confectionery and Beverage Ingredients – cocoa and coffee.
- Industrial Raw Materials, Infrastructure and Logistics – cotton, wood products, rubber, fertiliser and Gabon Special Economic Zone (GSEZ including ports and infrastructure).
- Food Staples and Packaged Foods – rice, sugar and sweeteners, grains and animal feed, edible oils, dairy and packaged foods.
- Commodity Financial Services – risk management solutions, market-making, volatility and asset management, and trade and structured finance.

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 and borrowings. 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 in Note 38(a).

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 and Spices		Confectionery and Beverage Ingredients		Industrial Raw Materials, Infrastructure and Logistics		Food Staples and Packaged Foods		Commodity Financial Services		Consolidated	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:												
Sales to external customers	4,312,017	4,491,982	7,129,800	8,136,794	4,530,960	3,876,629	14,506,279	9,767,124	-	-	30,479,056	26,272,529
Segment result (EBITDA)	339,898	438,403	443,997	327,709	176,226	197,287	288,822	359,670	(13,076)	4,896	1,235,867	1,327,965
Depreciation and amortisation	(128,720)	(136,865)	(104,113)	(99,498)	(28,178)	(26,662)	(131,261)	(117,253)	(564)	(402)	(392,836)	(380,680)
Finance costs	-	-	-	-	-	-	-	-	-	-	(548,464)	(531,178)
Finance income	-	-	-	-	-	-	-	-	-	-	79,689	65,597
Exceptional items ¹	23,772	28,001	5,831	-	(8,219)	-	(15,025)	121,188	-	-	6,359	149,189
Profit before taxation											380,615	630,893
Taxation expense											(57,422)	(79,248)
Profit for the financial year											323,193	551,645
Segment assets	4,170,409	4,051,846	6,416,675	6,054,288	2,655,133	2,914,211	6,414,580	5,960,449	109,806	174,111	19,766,603	19,154,905
Unallocated assets ²											3,680,214	3,143,642
											23,446,817	22,298,547
Segment liabilities	560,547	447,956	1,481,448	707,254	838,108	561,218	1,837,022	1,282,132	(7,820)	75,815	4,709,305	3,074,375
Unallocated liabilities ³											12,273,456	12,603,143
											16,982,761	15,677,518
Other segmental information:												
Share of results from joint ventures and associates	(590)	27	797	1,511	53,210	63,324	9,108	2,769	-	-	62,525	67,631
Investments in joint ventures and associates	23,612	1,542	4,982	1,542	467,205	479,827	195,893	588,029	-	-	691,692	1,070,940
Capital expenditure	141,111	135,612	104,060	159,472	71,811	99,004	486,535	556,756	663	242	804,180	951,086

As at 1 January 2017:

	Edible Nuts and Spices		Confectionery and Beverage Ingredients		Industrial Raw Materials, Infrastructure and Logistics		Food Staples and Packaged Foods		Commodity Financial Services		Consolidated	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other segmental information:												
Investments in joint ventures and associates			1,245	2,726	495,865	390,002	-	-	889,838			
Segment assets	4,185,983	7,212,619	2,794,927	5,642,221	260,835	20,096,585						
Unallocated assets ²									3,372,299			
									23,468,884			
Segment liabilities	543,317	1,103,141	349,162	1,120,138	107,053	3,222,811						
Unallocated liabilities ³									14,611,769			
									17,834,580			

(b) Geographical segments

	Asia, Middle East and Australia		Africa		Europe		Americas		Eliminations		Consolidated	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue:												
Sales to external customers	13,098,750	9,809,906	4,680,764	4,854,419	7,537,172	6,784,873	5,162,370	4,823,331	-	-	30,479,056	26,272,529
Intersegment sales	15,216,713	10,895,287	3,570,496	3,569,317	820,377	1,666,624	2,839,625	3,365,854	(22,447,211)	(19,497,082)	-	-
	28,315,463	20,705,193	8,251,260	8,423,736	8,357,549	8,451,497	8,001,995	8,189,185	(22,447,211)	(19,497,082)	30,479,056	26,272,529
Non-current assets ⁴	3,465,983	3,775,732	3,102,174	2,799,057	619,415	806,691	1,356,259	1,373,478	-	-	8,543,831	8,754,958

As at 1 January 2017:

	Asia, Middle East and Australia		Africa		Europe		Americas		Consolidated	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets ⁴	3,391,133	2,527,224	803,504	1,573,815	8,296,676					

(c) Information on major customers

The Group has no single customer accounting for more than 10% of the turnover.

Notes to the Financial Statements continued
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38. Segmental information continued

- 1 Exceptional items included the following items of income/(expenses):-

	Group	
	31 December 2018 \$'000	31 December 2017 \$'000
Loss on disposal of joint venture and associate	(25,930)	–
Gain on sale of USA orchards farmland and spices, vegetables dehydrate facilities	23,772	34,168
Gain on disposal of subsidiary (Note 13)	5,831	121,188
Gain on disposal of intangible asset – Café Enrista Brand	2,686	–
Wage agreement settlement, USA	–	(6,167)
	6,359	149,189

- 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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Cash and bank balances	1,582,654	1,174,552	1,556,636
Fixed deposits	897,720	811,799	587,415
Other current/non-current assets	897,278	803,901	984,021
Long-term investments	135,777	257,519	148,492
Deferred tax assets	166,785	95,871	95,735
	3,680,214	3,143,642	3,372,299

- 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 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Borrowings	11,268,235	11,587,938	13,670,588
Deferred tax liabilities	422,625	416,991	505,876
Other current liabilities	430,602	435,237	350,356
Provision for taxation	151,994	162,977	84,949
	12,273,456	12,603,143	14,611,769

- 4 Non-current assets mainly relate to property, plant and equipment, intangible assets, biological assets, investments in joint ventures and associates and long-term investments.

39. Events occurring after the reporting period

- (a) On 11 February 2019, the Company announced that Queensland Cotton Corporation Pty Ltd (“QCC”), an indirect wholly-owned subsidiary of the Company, has disposed of its entire 51% shareholding in Collymongle Ginning Pty Ltd (“CGPL”), a company incorporated in Australia, to PJ & PM Harris Pty Ltd (“Harris”) following an exercise of option, for a total cash consideration of A\$4.08 million. QCC had in 2014 sold down its shareholding in CGPL from 100% to 51% to Harris. Following the disposal, CGPL ceased to be an indirect subsidiary of the Company.
- (b) On 11 February 2019, Olam Argentina S.A., a wholly-owned subsidiary of the Company, has disposed its entire equity interest in its wholly-owned subsidiary, Olam Alimentos S.A. (“OAL”), a company incorporated in Argentina with principal activity in peanut shelling and blanching, to Adecoagro. The cash consideration received from the sale of shares was US\$10 million. Following the disposal, OAL ceased to be an indirect subsidiary of the Company.
- (c) On 26 February 2019, the Company announced the acquisition of 85% of the issued and paid-up share capital of YTS Holdings Pte Ltd (“YTS”), for a total cash consideration of US\$90.0 million. YTS, a company incorporated in Singapore, owns 100% of PT. Bumitangerang Mesindotama (“BT Cocoa”), primarily engaged in cocoa processing in Indonesia. Following the acquisition, YTS became a subsidiary of the Company with the remaining 15.0% interest in YTS to be held by the founding members of BT Cocoa.

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