MERCATOR LINES (SINGAPORE) LIMITED

(Company Registration No. 200507205N)
(Incorporated in Singapore)
(the "Company")

CLARIFICATION OF INFORMATION CONTAINED IN THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Mercator Lines (Singapore) Limited (the "**Company**") wishes to provide the following clarification in response to queries received from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on the Company's Annual Report for the financial year ended 31 March 2015 ("**Annual Report**") :

SGX-ST Query 1

Guideline 11.3 of the Code states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by the stakeholders to make an informed assessment in the company's internal control and risk management systems. The Board should also comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO :

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) regarding the effectiveness of the company's risk management and internal control systems.

Response by the Company

Based on the disclosure on Pages 33 and 34 of the Company's Annual Report under the headings "Assessment of Company's Performance" and "Risk Management & Internal Controls", it is stated, in particularly on Page 34 Principle 11 that:

"The Board has received assurance from the CEO and the Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and regarding the effectiveness of the Company's risk management and internal control systems."

Based on the existing risk governance practices and evaluation of the adequacy and effectiveness of internal control, the work performed by the external and internal auditors and the in-house reviews conducted by Management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that :

1. the financial records as at 31 March 2015 have been properly maintained and the financial statements for the financial year ended 31 March 2015 give a true and fair view of the company's operations and finances; and

2. the Company's risk management system and internal control systems, are adequate and effective as at 31 March 2015.

SGX-ST Query 2

Guideline 9.3 of the Code of Corporate Governance 2012 (the "Code") states that the Company should name and disclose the remuneration of at least the top five management personnel (who are not directors or the CEO) in bands of S$250,000. Companies need only show the applicable bands. The should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

In addition, the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

As required under Listing Rule 1207(12) of the Listing Manual, please make disclosure as recommended in the Code; or otherwise disclose and explain any deviation from the recommendation.

Response by the Company

Due to confidentiality and sensitivity reasons, the Board has elected not to disclose the aggregate remuneration of the top five key management personnel (in the case of the Company, top two key management personnel). A table providing a breakdown of the level and mix of remuneration of each of the top two key management personnel remuneration (who are not Directors or the CEO) in bands of S$100,000 for FY 2015 is provided on Page 33 of the Company's Annual Report (the "Disclosure").

The Board is of the opinion that the Disclosure provides sufficient overview of the remuneration of the Group while maintaining confidentiality of the key management personnel's remuneration matters.

By Order of the Board

SHALABH MITTAL
Managing Director &Chief Executive Officer

31 July 2015