23 March 2015

This Appendix 1 is circulated to Shareholders of Neptune Orient Lines Limited (the "**Company**") together with the Company's Annual Report 2014. Its purpose is to provide Shareholders with information on, and to explain the rationale for, the proposed renewal of the Shareholders' Mandate for Interested Person Transactions to be tabled at the Annual General Meeting to be held on 15 April 2015 at 10.00 a.m. at The Star Gallery, Level 3, The Star Performing Arts Centre, 1 Vista Exchange Green, Singapore 138617.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report 2014.

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

If you have sold your ordinary shares in the capital of the Company, you should immediately forward this Appendix 1 (together with the Annual Report 2014, Notice of Annual General Meeting and Proxy Form) to the purchaser or to the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix 1.

**NEPTUNE ORIENT LINES LIMITED**
(Incorporated in the Republic of Singapore)
Company Registration Number : 196800632D

# APPENDIX 1 IN RELATION TO THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

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# DEFINITIONS

For the purposes of this Appendix 1, the following definitions apply throughout unless otherwise stated:

| | | |
|---|---|---|
| **"AGM"** | : | The Annual General Meeting of the Company to be held on 15 April 2015. |
| **"Annual Report"** | : | The annual report of the Company. |
| **"associated company"** | : | A company in which at least 20% but not more than 50% of its shares are held by the listed company or group. |
| **"Audit Committee"** | : | The audit committee of the Company comprising Independent Directors (as defined in paragraph 14 of this Appendix 1) Quek See Tiat (Chairman), Tan Puay Chiang and Jeanette Wong Kai Yuan. |
| **"CDP"** | : | The Central Depository (Pte) Limited. |
| **"Companies Act"** | : | The Companies Act, Chapter 50 of Singapore. |
| **"Company"** or **"NOL"** | : | Neptune Orient Lines Limited. |
| **"controlling shareholder"** | : | A person who:<br>(a) holds directly or indirectly 15% or more of all voting shares in the company; or<br>(b) in fact exercises control over a company. |
| **"Directors"** | : | The directors of the Company for the time being. |
| **"EAR Group"** | : | The Company and its subsidiaries and associated companies which are considered to be "entities at risk" within the meaning of Rule 904(2) of the Listing Manual. |
| **"Interested Person Transactions"** | : | The categories of transactions set out in paragraph 7 of this Appendix 1. |
| **"Interested Persons"** | : | Persons defined as "interested persons" in Chapter 9 of the Listing Manual and as set out in paragraph 6 of this Appendix 1. |
| **"Latest Practicable Date"** | : | The latest practicable date prior to the printing of this Appendix 1, being 2 March 2015. |
| **"Listing Manual"** | : | The listing manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date. |
| **"Mandate"** | : | The mandate for the Company, its subsidiaries and associated companies which are considered to be "entities at risk" to enter into the Interested Person Transactions set out in paragraph 7 of this Appendix 1. |
| **"NOL Board"** | : | The NOL Board comprising the Directors of NOL. |
| **"NOL Exco"** | : | The Executive Committee of the Company comprising Kwa Chong Seng (Chairman), Ng Yat Chung (Group President & Chief Executive Officer), Alvin Yeo Khirn Hai, Tan Puay Chiang and Bruno Sidler. |

| | | |
|---|---|---|
| **"NOL Group"** | : | The Company and its subsidiaries and associated companies. |
| **"NTA"** | : | Net tangible assets. |
| **"Securities Accounts"** | : | Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent. |
| **"SGX-ST"** | : | Singapore Exchange Securities Trading Limited. |
| **"Shares"** | : | Ordinary shares in the capital of the Company. |
| **"Shareholders"** | : | Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with Shares. |
| **"subsidiary"** | : | A company in which more than 50% of its shares are held by the listed company or group. |
| **"Temasek"** | : | Temasek Holdings (Private) Limited. |
| **"Temasek Group"** | : | Temasek and its associates. |
| **"S$"** or **"$"** | : | Singapore Dollars. |
| **"US$"** | : | United States of America Dollars. |

The terms **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix 1 to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Appendix 1 shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

The headings in this Appendix 1 are inserted for convenience only and shall be ignored in construing this Appendix 1.

Any reference to a time of day in this Appendix 1 is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix 1 between the listed amounts and the totals thereof are due to rounding.

# NEPTUNE ORIENT LINES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number : 196800632D

## 1. Introduction

1.1 Shareholders had approved the renewal of the Mandate for Interested Person Transactions at the Annual General Meeting of the Company held on 15 April 2014. Particulars of the Mandate were set out in Appendix 1 to the Company's Annual Report 2013.

The Mandate was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the AGM which is scheduled to be held on 15 April 2015. Accordingly, the Directors propose that the Mandate be renewed at the AGM, to take effect until the next Annual General Meeting of the Company. The transactions under the Mandate which is sought to be renewed remain unchanged.

1.2 The purpose of this Appendix 1, to be circulated to Shareholders together with the Company's Annual Report 2014, is to provide Shareholders with information on, and to explain the rationale for the proposed renewal of the Mandate to be tabled at the AGM. Details of the Mandate, including the rationale for and the benefits to the Company, the review procedures for determining transaction prices with its Interested Persons and other general information relating to Chapter 9 of the Listing Manual, are set out in paragraphs 3 to 8 below.

## 2. Confirmation by Audit Committee

The Audit Committee confirms that:

(a) the methods and procedures for determining the transaction prices under the Mandate have not changed since the Annual General Meeting of the Company held on 15 April 2014; and

(b) the methods and procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## 3. The Shareholders' Mandate

3.1 Chapter 9 of the Listing Manual governs transactions entered into by a listed company, as well as transactions entered into by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

3.2 In accordance with Chapter 9 of the Listing Manual, the listed company is required to make an immediate announcement of, or to make an immediate announcement and seek its shareholders' approval for, an interested person transaction if the value of that transaction alone or on aggregation with other transactions conducted with the same interested person during the financial year reaches, or exceeds, certain materiality thresholds.

3.3 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and hence are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeds:

(a) 5% of the group's latest audited consolidated NTA; or

(b) 5% of the group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as defined under Chapter 9 of the Listing Manual) during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

However, the above does not apply to any transaction below S$100,000.

3.4 In relation to NOL, for the purposes of Chapter 9 of the Listing Manual, 5% of the latest audited consolidated NTA of the NOL Group would be approximately US$77 million. This is computed based on the latest audited consolidated NTA of the NOL Group for the financial year ended 26 December 2014 of approximately US$1,530 million.

3.5 Chapter 9 of the Listing Manual permits a listed company, however, to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to- day operations, such as the purchase and sale of supplies and materials or services (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

3.6 Under the Listing Manual:

(a) an **"entity at risk"** means:

(1) the listed company;

(2) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(3) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the **"listed group"**), or the listed group and its interested person(s), has control over the associated company;

(b) an **"interested person"** means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

(c) an **"associate"** in relation to an interested person who is a director, chief executive officer or controlling shareholder includes an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

(d) an **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;

(e) an **"interested person transaction"** means a transaction between an entity at risk and an interested person; and

(f) a **"transaction"** includes:

(1) the provision or receipt of financial assistance;

(2) the acquisition, disposal or leasing of assets;

(3) the provision or receipt of services;

(4) the issuance or subscription of securities;

(5) the granting of or being granted options; and

(6) the establishment of joint ventures or joint investments,

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

**4. Rationale for the Renewal of the Mandate**

4.1 The principal activities of the NOL Group are:

(a) investment holding and the ownership and charter of vessels and other related assets;

(b) the provision of transportation services for containerised cargo in global markets, including but not limited to port to port, intermodal and origin/destination services;

(c) the provision of supply chain management, warehousing, distribution and customer logistics solutions (by way of a global network of services spanning ocean, air and overland operations) to customers; and

(d) the provision of other related and complementary services including ship management.

The NOL Group also engages in other incidental activities such as the disposals of vessels, containers and related assets as well as non-core properties and assets from time to time.

4.2 It is envisaged that in the ordinary course of business, transactions between companies within the NOL Group and NOL's Interested Persons are likely to occur from time to time. Such transactions are as described in paragraph 7 below.

4.3 The Mandate is intended to facilitate transactions contemplated therein which are entered into in the ordinary course of business and which are transacted from time to time with the Interested Persons, provided that they are carried out at arm's length and on normal commercial terms and are not prejudicial to the interests of the NOL Group and its minority Shareholders.

**5. Benefits to Shareholders**

5.1 Due to the time-sensitive nature of commercial transactions, the obtaining of a general mandate pursuant to Chapter 9 of the Listing Manual will enable the NOL Group, in the ordinary course of its businesses, to enter into Interested Person Transactions set out in paragraph 7 below with the Interested Persons set out in paragraph 6 below, provided such Interested Person Transactions are made on normal commercial terms.

5.2 The Mandate and the renewal thereafter on an annual basis eliminates the need to convene separate general meetings from time to time to seek Shareholders' approval as and when the need to enter or renew the transactions with Interested Persons arises, thereby reducing substantially the administrative time and expense in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the NOL Group.

5.3 The EAR Group will benefit from having access to competitive quotes from different companies in the different industries within the Temasek Group, in addition to obtaining quotes from, or transacting with, non-Interested Persons.

**6. Classes of Interested Persons**

6.1 The renewed Mandate will apply to the Interested Person Transactions (as described in paragraph 7 below) which are carried out with the Temasek Group, namely, Temasek and its associates.

6.2 Transactions with Interested Persons that do not fall within the ambit of the renewed Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

**7. Scope of the Mandate and Interested Person Transactions**

7.1 The types of Interested Person Transactions which are to be covered by the renewed Mandate relate to transactions for the provision or obtaining of products and services in the normal course of the EAR Group's business with the Temasek Group as set out below:

(a) ***Port-related Activities***

The products and services under this sub-category are:

(1) the obtaining of cargo and container handling services;

(2) the obtaining of docking, stevedoring, barge, tug boats and pilotage services;

(3) the obtaining of container maintenance and repair services;

(4) the obtaining of general depot, pre-trip inspections, storage services, and diesel;

(5) the obtaining of warehouse leasing services;

(6) the provision of global cargo transportation services;

(7) the provision of inter-gateway and inter-terminal haulage services;

(8) the provision of container depot management services including container repair and storage; and

(9) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub- paragraphs (1) to (8) above.

The transactions set out in sub-paragraphs (1) to (8) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (9) will be those which are necessary for the day-to-day operations of the EAR Group.

(b) ***Ship-related Activities***

The products and services under this sub-category are:

(1) the obtaining of ship repair and maintenance services;

(2) the obtaining of ship-building services;

(3) the obtaining of marine-engineering-related services such as dry-docking and ship conversion services;

(4) the obtaining of ship leasing services;

(5) the provision of global cargo transportation services;

(6) the provision of vessel chartering services;

(7) the provision of other ship-related services such as ship management repairs; and

(8) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub- paragraphs (1) to (7) above.

The transactions set out in sub-paragraphs (1) to (7) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (8) will be those which are necessary for the day-to-day operations of the EAR Group.

(c) ***Fuel-related Activities***

The products and services under this sub-category are:

(1) the obtaining or the purchase of bunker fuel;

(2) the obtaining or the purchase of oil and other fuel (excluding bunker fuel); and

(3) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub- paragraphs (1) and (2) above.

The transactions set out in sub-paragraphs (1) and (2) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (3) will be those which are necessary for the day-to-day operations of the EAR Group.

(d) ***Container Shipping-related Activities***

The products and services under this sub-category are:

(1) the provision of global container transportation services; and

(2) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub- paragraph (1) above.

The transactions set out in sub-paragraph (1) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (2) will be those which are necessary for the day-to-day operations of the EAR Group.

(e) ***Logistics-related Activities***

The products and services under this sub-category are:

(1) the obtaining of transportation and logistics services;

(2) the provision of supply chain management, consolidation/deconsolidation, warehousing, distribution, and customer logistics solutions; and

(3) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub- paragraphs (1) and (2) above.

The transactions set out in sub-paragraphs (1) and (2) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (3) will be those which are necessary for the day-to-day operations of the EAR Group.

(f) ***Other Activities***

The products and services under this sub-category are:

(1) the obtaining or the purchase of electronic and engineering equipment, security systems, material handling systems, computer systems, components and equipment, software licences and information technology services;

(2) the leasing and/or the purchase of telecommunication equipment and/or system;

(3) the leasing of premises and the obtaining of property maintenance services;

(4) the obtaining of management service;

(5) the obtaining of printing and publication products and services;

(6) the obtaining of travel-related services, including travel agency services; and

(7) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub- paragraphs (1) to (6) above.

The transactions set out in sub-paragraphs (1) to (6) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (7) will be those which are necessary for the day-to-day operations of the EAR Group.

7.2 Transactions with Interested Persons that do not fall within the ambit of the renewed Mandate will be subject to the provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

**8. Review Procedures for Interested Person Transactions**

8.1 The Company has in place an internal control system to ensure that transactions with Interested Persons are made on commercial terms, supported by independent valuation where appropriate, and consistent with the EAR Group's usual policies and practices.

8.2 The internal control systems include the following guidelines:

(a) ***Obtaining of Services or Purchases of Products***

(1) all contracts entered into or transactions with Interested Persons are to be carried out by obtaining at least two quotations (wherever possible or available) prior to the entry into such transactions, in order to determine whether the price and the terms offered by the Interested Person are comparable to those offered by unrelated third parties for the same or substantially similar specifications and services;

(2) where there are publicly available rates for the services or goods provided by the Interested Person, the EAR Group will seek to negotiate better rates to ensure that the terms and rates provided by Interested Persons are no less favourable than the usual commercial terms provided by unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms;

(3) in the event that such competitive quotations or publicly available rates cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the senior management staff of the relevant company in the EAR Group (with no interest, direct or indirect in the transaction), will determine whether the price and terms offered by the Interested Person are fair and reasonable; and

(4) in evaluating the terms offered by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

(b) ***Provision of Services or Sales of Products***

(1) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms;

(2) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties; and

(3) in evaluating the terms to be offered to Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

8.3 In addition, the following review and approval procedures have been implemented:

(a) ***Approval Limits for Obtaining of Services or Purchases of Products***

(1) Transactions up to the equivalent of US$15 million require the approval of the respective line managers and finance managers with the appropriate limits of approval. Transactions above the equivalent of US$15 million and up to US$25 million require the approval of both the Group President & Chief Executive Officer and the Group Chief Financial Officer.

(2) Transactions above the equivalent of US$25 million and up to US$100 million require the approval of the NOL Exco or, in its absence, the NOL Board.

(3) Transactions above the equivalent of US$100 million require the approval of the NOL Board.

The NOL Board and/ or the NOL Exco and/ or the Group President & Chief Executive Officer (or such other senior executive designated in his place) may, as it/he deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including the obtaining of valuations from independent professional valuers if necessary.

(b) ***Guidelines for Provision of Products and Services***

Interested Person Transactions with a value in excess of 5% of the latest audited consolidated NTA of the NOL Group must be approved by the NOL Board prior to entry.

The NOL Board and/or the NOL Exco and/or the Group President & Chief Executive Officer (or such other senior executive designated in his place) may, as it/he deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers.

(c) ***Abstention from Voting at NOL Board and/or NOL Exco Meeting***

Any member of the NOL Board and/or the NOL Exco, including any Executive Director who has an interest in a transaction, is required to abstain from participating in the review and approval process in relation to that transaction.

(d) ***Register***

The Company maintains a register of transactions carried out with Interested Persons pursuant to the Mandate (recording the basis, including the quotations obtained to support such basis, on which they are entered into).

All Interested Person Transactions entered into in the relevant financial year pursuant to the Mandate, are reviewed by the Group's internal auditors pursuant to their annual audit plan.

(e) ***Periodic Reviews***

(1) The internal auditors shall, on a quarterly basis, carry out audit reviews on the adequacy and compliance of the internal control system and reporting procedures for Interested Person Transactions and will report to the Audit Committee on their findings;

(2) The internal auditors shall, on a quarterly basis, carry out audit reviews to ascertain that the established guidelines and procedures for Interested Person Transactions are appropriate and have been adequately complied with; and

(3) The Audit Committee shall, on a quarterly basis, review these internal audit reports on Interested Person Transactions.

8.4 If, on its review of the internal audit reports, the Audit Committee is of the view that the guidelines and review procedures as stated have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the EAR Group are conducted, NOL will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that the Interested Person Transactions will be at arm's length and on normal commercial basis.

**9. Validity Period of the Mandate**

The renewed Mandate will take effect from the passing of the Ordinary Resolution relating thereto, and will (unless revoked or varied by NOL in general meeting) continue in force until the next Annual General Meeting of NOL. Approval from Shareholders will be sought for the renewal of the Mandate at the next Annual General Meeting and at each subsequent Annual General Meeting of NOL, subject to satisfactory review by the Audit Committee of its continued application to the transactions with Interested Persons.

**10. Disclosures**

10.1 Under Chapter 9 of the Listing Manual, the aggregate value of transactions conducted with Interested Persons pursuant to the Mandate in force during the financial year must be disclosed in the Company's Annual Report for that financial year.

10.2 NOL will announce the aggregate value of transactions conducted with Interested Persons pursuant to the Mandate for the quarterly financial periods which NOL is required to report on pursuant to the Listing Manual and within the time frame required for the announcement of such report.

**11. Audit Committee's Statements**

11.1 The Audit Committee has reviewed the terms of the Mandate, and is satisfied that the review procedures for Interested Person Transactions, as well as the reviews to be made periodically by the Audit Committee (with internal audit assistance) in relation thereto, are sufficient to ensure that Interested Person Transactions will be made with the relevant class of Interested Persons in accordance with the EAR Group's normal commercial terms, and are hence not prejudicial to NOL and its minority Shareholders.

11.2 If, on its review of the internal audit reports, the Audit Committee is of the view that the established guidelines and procedures are not sufficient to ensure that the Interested Person Transactions will be on the EAR Group's normal commercial terms and will be prejudicial to the interests of NOL and its minority Shareholders, NOL will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Interested Persons.

**12. Resolution 10**

The full text of Resolution 10, being the Ordinary Resolution relating to the proposed renewal of the Mandate to be proposed at the AGM, is set out below:

"That for the purposes of Chapter 9 of the Listing Manual (**"Chapter 9"**) of the Singapore Exchange Securities Trading Limited:

(a) approval be and is hereby given for the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9), or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in paragraph 7 of Appendix 1 to the Company's Annual Report 2014, with any party who is of the class of Interested Persons described in paragraph 6 therein, provided that such transactions are made on an arm's length basis and on normal commercial terms;

(b) such approval (the **"Mandate"**) shall, unless revoked or varied by the Company in General Meeting, remain in force until the next Annual General Meeting of the Company; and

(c) the Directors and/or Company Secretary be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interest of the Company to give effect to the Mandate and/or this Resolution."

## 13. Directors' and Substantial Shareholder's Interests

13.1 As at the Latest Practicable Date, the Directors' interests in Shares as recorded in the Register of Directors' Shareholdings are as follows:

| | Number of Shares | | | | |
|---|---|---|---|---|---|
| **Directors** | **Direct Interest** | **%[1]** | **Deemed Interest** | **%[1]** | **Number of Shares comprised in outstanding Awards** |
| Kwa Chong Seng | 1,000,000 | 0.039 | – | – | – |
| Ng Yat Chung | 1,334,499 | 0.051 | – | – | 1,991,668 |
| Robert John Herbold | – | – | – | – | – |
| Tan Puay Chiang | 100,000 | 0.004 | – | – | – |
| Jeanette Wong Kai Yuan | – | – | – | – | – |
| Low Check Kian | – | – | – | – | – |
| Quek See Tiat | – | – | – | – | – |
| Alvin Yeo Khirn Hai | – | – | – | – | – |
| Tom Behrens-Sørensen | – | – | – | – | – |
| Bruno Sidler | – | – | – | – | – |

**Note:**

(1) Based on 2,593,821,492 issued Shares as at the Latest Practicable Date (this is based on 2,595,548,209 issued Shares as at the Latest Practicable Date and disregarding 1,726,717 Shares held in treasury as at the Latest Practicable Date).

13.2 As at the Latest Practicable Date, the interests of the substantial Shareholder in Shares as recorded in the Register of Substantial Shareholders are as follows:

| | Number of Shares | | | | | |
|---|---|---|---|---|---|---|
| **Substantial Shareholder** | **Direct Interest** | **%[1]** | **Deemed Interest** | **%[1]** | **Total Interest** | **%[1]** |
| Temasek | 671,064,383 | 25.87 | 1,067,612,171[2] | 41.16 | 1,738,676,554 | 67.03 |

Notes:

(1) Based on 2,593,821,492 issued Shares as at the Latest Practicable Date (this is based on 2,595,548,209 issued Shares as at the Latest Practicable Date and disregarding 1,726,717 Shares held in treasury as at the Latest Practicable Date).

(2) Temasek is deemed to be interested in the 1,067,612,171 Shares held by its associated company and subsidiaries.

**14. Independent Directors' Recommendation**

14.1 The Directors who are considered independent for the purposes of the proposed renewal of the Mandate are Kwa Chong Seng, Robert John Herbold, Tan Puay Chiang, Jeanette Wong Kai Yuan, Low Check Kian, Quek See Tiat, Alvin Yeo Khirn Hai, Tom Behrens-Sørensen and Bruno Sidler (the **"Independent Directors"**).

14.2 The Independent Directors are of the view that the entry into the Interested Person Transactions (as described in paragraph 7 of this Appendix 1) between the EAR Group and the Interested Persons (as described in paragraph 6 of this Appendix 1) in the ordinary course of its business will enhance the efficiency of the EAR Group and are in the best interests of the Company.

14.3 **For the reasons set out in paragraphs 4 and 5 of this Appendix 1, the Independent Directors recommend that Shareholders vote in favour of Resolution 10, being the Ordinary Resolution relating to the proposed renewal of the Mandate to be proposed at the AGM.**

14.4 The Independent Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder.

14.5 As different Shareholders would have different investment objectives, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to the Mandate should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

**15. Action to be Taken by Shareholders**

15.1 Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote on their behalf should complete, sign and return the Proxy Form accompanying the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 9 North Buona Vista Drive, #14-01 The Metropolis, Singapore 138588, not later than 48 hours before the time fixed for the AGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting in person at the AGM in place of his proxy if he wishes to do so.

15.2 A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the AGM.

**16. Abstention from Voting**

16.1 Temasek and its associates will abstain from voting their Shares (if any) in respect of Resolution 10, being the Ordinary Resolution relating to the proposed renewal of the Mandate to be proposed at the AGM.

16.2 As at the Latest Practicable Date, none of the Directors is also a director of Temasek.

**17. Directors' Responsibility Statement**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix 1 and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix 1 constitutes full and true disclosure of all material facts about the Mandate, and the Company and its subsidiaries which are relevant to the Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix 1 misleading. Where information in this Appendix 1 has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix 1 in its proper form and context.

**18. Documents for Inspection**

The following documents are available for inspection at the registered office of the Company at 9 North Buona Vista Drive, #14-01 The Metropolis, Singapore 138588 during normal business hours from the date of this Appendix 1 up to the date of the AGM:

(a) the Annual Report of the Company for the financial year ended 26 December 2014; and

(b) the Memorandum and Articles of Association of the Company.