

10 April 2015

This Appendix is circulated to the shareholders of Samudera Shipping Line Ltd (the "Company") together with the Company's annual report. The purpose of this Appendix is to provide Shareholders with information pertaining to, and to explain the rationale for the proposed renewal of the Shareholders' Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting of the Company to be held at M Hotel Singapore, Shenton Room, Basement 1, 81 Anson Road, Singapore 079908 on Tuesday, 28 April 2015 at 10.00 am.

The Notice of the Annual General Meeting and the Proxy Form are enclosed with the annual report.

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



SAMUDERA SHIPPING

SAMUDERA SHIPPING LINE LTD

(Incorporated in the Republic of Singapore)
Company Registration Number: 199308462C

**APPENDIX IN RELATION TO DETAILS OF
THE PROPOSED RENEWAL OF
THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS**

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DEFINITIONS

The following definitions apply throughout this Appendix unless the context otherwise requires:

- “Act”** : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
- “AGM”** : The annual general meeting of the Company, notice of which is set out on pages 136-139 of the Annual Report.
- “Annual Report”** : The annual report of the Company for the financial year ended 31 December 2014.
- “Audit Committee”** : The audit committee of the Company.
- “Board”** : The board of directors of the Company for the time being.
- “Company” or “SSL”** : Samudera Shipping Line Ltd.
- “Directors”** : The directors of the Company as at the Latest Practicable Date.
- “Group”** : The Company, its subsidiaries and associated companies.
- “Interested Persons”** : Has the meaning ascribed to the term in paragraph 4 of this Appendix.
- “Interested Person Transactions”** : Has the meaning ascribed to the term in paragraph 5.1 of this Appendix.
- “Latest Practicable Date”** : 18 March 2015 being the latest practicable date prior to the printing of this Appendix.
- “Listing Manual”** : The SGX-ST listing manual, as amended or modified from time to time.
- “NTA”** : Net tangible assets.
- “PT MTCon”** : PT Masaji Tatanan Container.
- “PT Panurjwan”** : PT Perusahaan Pelayaran Nusantara Panurjwan.
- “PTSI”** : PT Samudera Indonesia Tbk, the immediate holding company of the Company.
- “PTSI Group”** : PTSI, its subsidiaries and/or associated companies (excluding the Group).
- “PTSISM”** : PT Samudera Indonesia Ship Management.
- “SGX-ST”** : Singapore Exchange Securities Trading Limited.
- “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.

- “Shareholders’ Mandate” or “IPT Mandate”** : A general mandate from Shareholders pursuant to Chapter 9 of the Listing Manual permitting the Group to enter into certain types of recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with specified classes of the Company’s interested persons.
- “Shares”** : Ordinary shares in the capital of the Company.
- “Tanggung”** : PT Samudera Indonesia Tangguh, the ultimate holding company of the Company.
- “Tanggung Group”** : Tangguh, its subsidiaries and associated companies (excluding the PTSI Group and the Group).
- “USD” and “US cents”** : United States dollars and cents, respectively.
- “%” or “per cent.”** : Percentage or per centum.
- “S\$” and “cents”** : Singapore Dollars and cents, respectively.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the 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 and vice versa. References to persons shall, where applicable, include corporations.

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

Any reference to a time of day and date in this Appendix is made by reference to Singapore time and date respectively, unless otherwise stated.

Unless otherwise stated, the average exchange rate between USD and S\$ for financial year 2014 was USD1.00: S\$1.26. This exchange rate should not be construed as a representation that the USD amounts would have been, or could be, converted into S\$ at the rate stated, or at all and vice versa.

LETTER TO SHAREHOLDERS

SAMUDERA SHIPPING LINE LTD

(Incorporated in the Republic of Singapore)
Company Registration Number: 199308462C

Date: 10 April 2015

Directors as at the Latest Practicable Date:

Masli Mulia (Executive Chairman)
Asmari Herry Prayitno (Executive Director and Chief Executive Officer)
Hermawan Fridiana Herman (Executive Director, Finance)
Lim Kee Hee (Executive Director, Commercial)
Nicholas Peter Ballas (Lead Independent and Non-Executive Director)
Chng Hee Kok (Independent and Non-Executive Director)
Quah Ban Huat (Independent and Non-Executive Director)
Ng Chee Keong (Independent and Non-Executive Director)

Registered Office:

6 Raffles Quay #25-01
Singapore 048580

To: Shareholders of
Samudera Shipping Line Ltd

Dear Sir / Madam

PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

- 1.1 The purpose of this Appendix is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval at the AGM for the renewal of the Shareholders' Mandate.
- 1.2 The Shareholders' Mandate was last obtained at the annual general meeting held on 24 April 2014, such Shareholders' Mandate being expressed to take effect until the date of the forthcoming annual general meeting. Accordingly, the Directors proposed that the Shareholders' Mandate be renewed at the AGM to be held on 28 April 2015, to take effect until the next annual general meeting of the Company.

2. CHAPTER 9 OF THE LISTING MANUAL

Under Chapter 9 of the Listing Manual, where an issuer or any of its subsidiaries (other than subsidiaries that are listed on the SGX-ST or an approved exchange) or associated companies (other than an associated company that is listed on the SGX-ST or on an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company) proposes to enter into a transaction with the issuer's interested persons, shareholders' approval and/or an immediate announcement is required in respect of the transaction if the value of the transaction is equal to or exceeds certain financial materiality thresholds. However, an issuer may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations which may be carried out with the listed company's interested persons. Transactions conducted under such a shareholders' mandate are subject to the disclosure requirements in Rule 920 of the Listing Manual but are not separately subject to the financial materiality thresholds. General information pertaining to Chapter 9 of the Listing Manual, including the said financial materiality thresholds and the meanings of certain terms, is summarised in the Annexure 1 to this Appendix.

3. RATIONALE FOR THE SHAREHOLDERS' MANDATE

The Shareholders' Mandate and its renewal on an annual basis will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential transactions with the specified interested persons arise, thereby avoiding the loss of business opportunities and reducing substantially, the administrative time, inconvenience and expenses associated with the convening of such meetings on an ad hoc basis. Specifically, in relation to each of the Interested Persons:

Tanggung Group

Indonesian cabotage rules require domestic sea transportation of all goods and persons to be carried out by Indonesian flagged vessels owned by Indonesian companies. This restricts the pool of vessels that the Group could charter to service its customers in Indonesia. Further and in addition to the Indonesian cabotage rules, the Group's selection of available vessel is further restricted by the specification and size of the vessel required by the Group to service its customers.

The ability to charter vessel(s) from Tangguh Group as and when the need arises enables the Group to achieve costs efficiency and at the same time free up existing capacity of the Group to service other customer.

PTSI Group

PTSI was established in 1964 and the PTSI Group has since built a strong network and is renowned in the shipping industry. It has experienced and competent staff, a professional management team and provides a wide range of services. Engaging the PTSI Group allows the Group to tap on PTSI Group's goodwill, market share, expertise and resources in Indonesia. This benefits the Group in terms of its sales and marketing and is cost effective as it reduces the recruitment, training and administration costs which the Group would otherwise have to incur.

4. CLASSES OF INTERESTED PERSONS

The Interested Person Transactions which are to be covered by the Shareholders' Mandate consist of transactions for the provision to and obtaining of services from the following Interested Persons:

- (a) PTSI Group. PTSI is a controlling shareholder of SSL and holds approximately 65.27% of the issued shares of SSL as at the Latest Practicable Date;
- (b) PTSISM, a 99.93% subsidiary of PTSI;
- (c) Tangguh Group. Tangguh is a controlling shareholder of PTSI and holds approximately 57.98% of the issued shares of PTSI as at the Latest Practicable Date.
- (d) PT Panurjwan, a subsidiary of Tangguh;
- (e) PT MTCon, a 99.99% subsidiary of PTSI.

5. TYPES OF INTERESTED PERSON TRANSACTIONS

5.1 The interested person transactions that will be covered by this Shareholders' Mandate are set out below ("Interested Person Transactions"). Transactions by the Group with Interested Persons which do not fall within the ambit of this proposed IPT Mandate or such other Interested Person Transactions mandate as approved by Shareholders shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

- (a) The provision of shipping agency services by PTSI Group to the Group;
- (b) The provision of ship management services by PTSISM to the Group;
- (c) The charter-in of vessels by the Group from the PTSI Group;

- (d) The charter-in of vessels by the Group from Tangguh Group;
- (e) The leasing of office premises by the Group from PTSI Group and/or PT Panurjwan (as the case may be);
- (f) The provision of stevedoring services by PTSI Group to the Group; and
- (g) The provision of container depot services by PTSI Group to the Group.

6. CONTROLS AND REVIEW PROCEDURES FOR THE INTERESTED PERSON TRANSACTIONS UNDER THE SHAREHOLDERS' MANDATE

The Company has in place internal control procedures to ensure that transactions with the Interested Persons are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The Audit Committee confirms that the procedures have not changed since the last renewal of the Shareholders' Mandate at the annual general meeting held on 24 April 2014.

(a) Internal Guidelines

The Audit Committee has worked with management to establish internal guidelines in relation to such transactions so as to enhance the Company's corporate governance and internal controls. The Audit Committee has and may from time to time modify the internal guidelines set out below to adapt to the circumstances and/or businesses of the Group.

In respect of a renewal or revision of an existing transaction or if a new transaction is to be entered into pursuant to the Shareholders' Mandate, the management will assess, for purposes of submitting a report to the Audit Committee (as provided for below), whether the existing terms, revised terms or the terms of the new transaction (as the case may be) are on normal commercial terms by adopting the following procedures:

(i) Ship Agency Services

The ship agency services commission payable by the Group to PTSI Group would consist of variable and fixed components.

The commission rates payable by the Group to PTSI Group in respect of the variable component of the ship agency services is reviewed yearly to ensure that they are consistent with normal commercial rates by comparing such rates against the commission rates that the Group pays to other third party agents for similar services. The primary factor that is taken into consideration in selecting PTSI Group is that PTSI Group is already an established group of companies with a strong network in Indonesia.

The commission rates payable to PTSI Group in respect of the fixed component of the ship agency services is reviewed yearly to ensure that they are purely on reimbursement basis. The above fixed reimbursement has been approved by the Audit Committee.

(ii) Ship Management Services

The management will endeavour to obtain comparative quotes from the market where possible and review annually the ship management fees payable by the Group. In the event that comparative quotes cannot be obtained, the management will determine whether the ship management fees payable are on normal commercial terms based on the management's industry knowledge and experience and their understanding of the general industry practice.

(iii) Leases

The rates and terms of leases with PTSI Group and/or PT Panurjwan (as the case may be) are reviewed before enter into the leases or at the point of renewals. As at the Latest Practicable Date, Leases with PTSI Group are in relation to office space in Jakarta. In ascertaining the rentals for the leases with the PTSI Group and/or PT Panurjwan (as the case may be) are factors such as the available facilities, tenure of the lease, the area of the leased premises and any other relevant factors that may affect the rental rates or terms of the lease would be taken into consideration.

Leases between PTSI Group and/or PT Panurjwan (as the case may be) and their other third party tenants in the same building(s) will be used as a basis for comparison to ensure that the terms of the leases with PTSI Group and/or PT Panurjwan (as the case may be) are not more favourable to PTSI Group and/or PT Panurjwan (as the case may be) than those terms extended to such third parties.

The Group may also obtain quotes from third party lessors for similar space or buildings that are of similar or comparable standing within the same vicinity.

(iv) Stevedoring Services

The stevedoring rates payable by the Group to PTSI Group are reviewed yearly by comparing quotes obtained through the following process:

- Firstly, the Group will endeavor to obtain quotes from third party service providers such as the port authority or other stevedoring companies operating in the same or nearby location.
- Alternatively, the Group may obtain the rates that PTSI Group charges to other customers for its operations in the same or nearby locations, to its third party customers may also be obtained or the standard tariffs published by the Association of Indonesian Stevedoring Companies. This option will also be used particularly when certain stevedoring facilities are not available from the other third party service providers such as the Harbour Mobile Crane.

The stevedoring rates obtained will then be used as a comparison to ensure that the rates charged/proposed by PTSI Group are comparable to normal commercial rates taking into account relevant factors such as the types of services and the existing infrastructure (access roads and the remoteness/location of the facility) which would have an effect on costs and efficiencies.

(v) Container Depot Services

The rates for container depot, container storage, maintenance and repair services payable by the Group to PT MTCon is reviewed yearly by comparison against quotes from third parties to the Group. A factor that is taken into consideration in determining the rates is the range of services that the vendor is able to provide. If a vendor is able to provide a more comprehensive range of services such as chemical cleaning, storage, lift on/lift off and trucking, it would be more efficient to acquire the services from one vendor.

Alternatively, when quotations cannot be obtained from third parties, the rates for container depot services are compared against the prevailing rates PT MTCon charges to its other third party customers.

(vi) Charter Hire Agreements with Tangguh Group and/or PTSI Group

The Group will endeavour to obtain at least one (1) quote from independent shipbrokers or other ship owners for vessels which are of similar specifications and age to the vessels to be chartered-in from the Tangguh Group and/or PTSI Group before entering into or renewing a time charter agreement.

If such quotes from independent shipbrokers or other ship owners are not available, the management of the Company will conduct a comparison between the charter rates for the particular vessel in issue against charter rates for similar vessels operated by the Group.

In the event quotes from independent shipbrokers or other ship owners are not available and the Group does not operate similar vessels, the management of the Company (the Company will designate any one of its executive directors at that material time to be responsible for these actions) will:

- (a) In respect of tanker vessel, ensure that the gross revenue that the Group is likely to earn from the vessel exceeds the charter rates that the Group is paying to PTSI Group and/or Tangguh Group (as the case may be) for the time chartering (charter-in) of the vessel ("**Charter Rates**").

The Company will first compare the gross revenue that the Company will receive against the Charter Rates, being the revenue margin. If the revenue margin is acceptable to the Company, the Company will then analyse the components of the Charter Rates which consist of (i) the ownership costs of the vessel; and (ii) the profit margin that can be expected for the charter-out of such a vessel.

- (b) In respect of container vessel, use a cost plus margin or revenue minus costs approach to determine the charter hire rates which will be based on industry knowledge and negotiations with Tangguh Group and/or PTSI Group (as the case may be).

In determining whether the above margin is reasonable, the management will form its commercial view on the potential revenue that the Group will make from chartering of a particular vessel and whether the charter hire fees payable by the Group to Tangguh Group and/or PTSI Group are on normal commercial terms, based on the management's industry knowledge and experience and their understanding of the general industry practice. The Audit Committee will take into account the commercial view of the management to determine whether the margin is reasonable.

With their findings (with or without the quote from independent shipbrokers or other ship owners as stated above (as applicable)), the management will submit a report with the relevant supporting documents to the Audit Committee for the Audit Committee's consideration. The Audit Committee will then authorise the continuation of the Interested Person Transaction and/or changes to existing transactions and/or the entering into of new transactions if the Audit Committee is satisfied that the transactions are on normal commercial terms and will not be prejudicial to the interest of the Company and its minority Shareholders.

Further to the above, whenever the Audit Committee is required to authorise the continuation of the Interested Person Transaction and/or changes to existing transaction and/or the entering into of new transactions, the Audit Committee together with the management will also conduct reviews to ensure that the procedures have been adhered to and if at any time the Audit Committee is of the view that the review procedures have become insufficient and/or inappropriate, the Audit Committee will take such action as it deems appropriate and/or institute additional procedure as necessary to ensure that the future transactions of a similar nature are on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders. If at any time the Audit Committee is of the view that the review procedures are insufficient, inappropriate and/or are unable to ensure that the transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to its Shareholders to seek a fresh mandate.

(b) Abstention from Participating in Review Process

If a member of the Board has an interest in an Interested Person Transaction, he shall abstain from participating in the Company's internal review and approval process in relation to that Interested Person Transaction.

(c) Register and Internal Audit Plan

The Company will maintain a register of Interested Person Transactions carried out with Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into) pursuant to the Shareholders' Mandate and the Company's annual internal audit plan will incorporate a review of such Interested Person Transaction entered into in the relevant financial year and report the results to Audit Committee. The Audit Committee will review these Interested Person Transaction on a quarterly basis. Other than the above, there will also be periodic reporting to the Audit Committee as and when the Company enters into and/or renew an Interested Person Transaction.

(d) Disclosures

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will:

- (i) disclose the Shareholders' Mandate in its annual report, giving details of the aggregate value of the transactions conducted pursuant to the Shareholders' Mandate during the financial year; and
- (ii) announce the aggregate value of transactions conducted pursuant to the Shareholders' Mandate for the relevant financial periods which it is required to report on (pursuant to Rule 705 of the Listing Manual) within the time required for the announcement of such report.

The disclosure will include the name of the interested person and the corresponding aggregate value of the interested person transactions, presented to indicate the aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the Shareholders' Mandate) and the aggregate value of all interested person transactions, conducted under the Shareholders' Mandate (excluding transactions less than S\$100,000).

7. VALIDITY PERIOD OF THE SHAREHOLDERS' MANDATE

The proposed Shareholders' Mandate will take effect from the date of the passing of the ordinary resolution relating thereto to be proposed at the AGM and will continue in force until the next annual general meeting of the Company. Where relevant, approval from Shareholders will be sought for the subsequent renewal of the Shareholders' Mandate, subject to satisfactory review by the Audit Committee of its continued application to the Interested Person Transactions.

8. STATEMENT FROM THE AUDIT COMMITTEE

The Audit Committee (comprising Independent Directors Nicholas Peter Ballas, Chng Hee Kok, Quah Ban Huat and Ng Chee Keong) is of the view that the terms of the Interested Person Transactions set out in paragraph 5.1 above are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The Audit Committee is also of the view that the procedures referred to in paragraph 6 of this Appendix are sufficient to ensure that the Interested Person Transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. However, should the Audit Committee subsequently find that the existing procedures require material changes and are no longer relevant, the Audit Committee will recommend to the Board that a Shareholders' meeting be convened for Shareholders' approval in respect of a fresh mandate.

9. DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN THE INTERESTED PERSON TRANSACTIONS

As at the Latest Practicable Date:

(a) Directors' Interest

Masli Mulia is the President Director of PTSI. He also holds the following positions:

- (i) Director of Ocean Shipping Pte. Ltd.
- (ii) President Commissioner of Tangguh and PT Silkargo Indonesia

Asmari Herry Prayitno is a director of PTSI, Ocean Shipping Pte. Ltd. and PT Panurjwan. He also holds the following positions:

- (i) President Commissioner of PTSISM.
- (ii) Commissioner of PT Tankindo Perdana.

(b) Controlling Shareholder's Interests

PTSI is an Interested Person and a controlling shareholder of the Company (PTSI's shareholding interests in SSL is set out in page 135 of the Annual Report). Accordingly, PTSI and its associates shall abstain from voting on the resolution in respect of the Shareholders' Mandate.

Save as set out in the Annual Report and this Appendix, none of the Directors or controlling shareholders of the Company or any of their associates have any interest in the Interested Person Transactions set out in paragraph 5.1 above. The Directors or controlling shareholders of the Company or any of their associates who are required to abstain from voting in respect of the Shareholders' Mandate shall decline to accept appointment as proxies for Shareholders to vote on the resolution in respect of the Shareholders' Mandate unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of the resolution.

10. DIRECTORS' RECOMMENDATION

For the reasons set out in paragraph 3, the Directors (save for Masli Mulia and Asmari Herry Prayitno who are abstaining from making recommendations), are of the opinion that the proposed Shareholders' Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the resolution relating to the renewal of the Shareholders' Mandate, to be proposed at the AGM. For this purpose, the Directors are Hermawan Fridiana Herman, Lim Kee Hee, Nicholas Peter Ballas, Chng Hee Kok, Quah Ban Huat and Ng Chee Keong.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, the Appendix constitutes full and true disclosure of all material facts about the Interested Person Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts, the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office, 6 Raffles Quay #25-01, Singapore 048580 during normal business hours from the date of this Appendix up to and including the date of the AGM.

- (a) Memorandum and Articles of Association; and
- (b) The audited accounts of the Company for the financial year ended 31 December 2014.

Yours faithfully

for and on behalf of
the Board of Directors of
Samudera Shipping Line Ltd

Hermawan Fridiana Herman
Executive Director, Finance

ANNEXURE 1

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

The following is a summary of Chapter 9 of the Listing Manual ("Chapter 9"). This summary does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, the more detailed information contained in the Listing Manual.

1. INTRODUCTION

Chapter 9 applies to transactions entered into between a listed company or any of its subsidiaries (other than a subsidiary that is listed on the SGX-ST or an approved exchange (as defined below)) or associated companies (other than an associated company that is listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s) (as defined below), has control over the associated company) with a party who is an interested person of the listed company.

2. TERMS USED IN CHAPTER 9 OF THE LISTING MANUAL

"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;

"associate": (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:

- (i) his immediate family (i.e. spouse, children, adopted children, step-children, siblings and parents);
- (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

(b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

"associated company": means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

<i>“chief executive officer”:</i>	means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the issuer;
<i>“control”:</i>	means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
<i>“controlling shareholder”:</i>	means a person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company (unless otherwise excepted by SGX-ST); or (b) in fact exercises control over a company;
<i>“interested person”:</i>	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.

3. MATERIALITY THRESHOLDS, DISCLOSURE REQUIREMENTS AND SHAREHOLDERS’ APPROVAL

Save for certain interested person transactions which are excluded under Chapter 9, an immediate announcement and/or Shareholders’ approval would be required in respect of transactions with interested persons if the value of the interested person transaction is equal to or exceeds certain financial materiality thresholds.

An immediate announcement is required where:

- (a) the value of a proposed interested person transaction is equal to, or more than, 3% of the listed group’s latest audited consolidated NTA; or
- (b) the aggregate value of all interested person transactions entered into with the same interested person during the same financial year, is equal to, or more than, 3% of the listed group’s latest audited consolidated NTA. An announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the financial year.

Shareholders’ approval (in addition to an immediate announcement) is required where:

- (a) the value of a proposed interested person transaction is equal to, or more than, 5% of the listed group’s latest audited consolidated NTA; or
- (b) the value of a proposed interested person transaction, when aggregated with other interested person transaction entered into with the same interested person during the same financial year, is equal to, or more than, 5% of the listed group’s latest audited consolidated NTA. The aggregation will exclude any interested person transaction that has been approved by Shareholders previously, or is the subject of aggregation with another interested person transaction that has been previously approved by Shareholders.

The requirements for an immediate announcement and/or shareholders' approval do not apply to interested person transactions below S\$100,000 each.

For illustration purposes, based on the Company's latest audited accounts for the financial year ended 31 December 2014, the Group's latest audited NTA as at 31 December 2014 was USD250,725,000 or equivalent to S\$315,913,000. Accordingly, in relation to the Company, for the purposes of Chapter 9 in the current financial year, Shareholders' approval would be required where:

- (a) the interested person transaction is of a value equal to, or more than, USD12,536,000 or equivalent to S\$15,795,000 being 5% of the Group's latest audited NTA; or
- (b) the interested person transaction, when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, USD12,536,000 or equivalent to S\$15,795,000. The aggregation will exclude any interested person transaction that has been approved by Shareholders previously, or is the subject of aggregation with another interested person transaction that has been approved by Shareholders.

4. SHAREHOLDERS' MANDATE

Part VIII of Chapter 9 permits a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons 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, but not in respect of the purchase or sale of assets, undertakings or businesses.