

**FAR EAST ORCHARD LIMITED**  
(Incorporated in the Republic of Singapore)  
(Registration No: 196700511H)

**APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING  
OF FAR EAST ORCHARD LIMITED DATED 7 APRIL 2015**

This Appendix is circulated to shareholders of Far East Orchard Limited (the “**Company**”) together with the Company’s Annual Report. Its purpose is to provide shareholders with the relevant information relating to, and to seek shareholders’ approval for the renewal of the Shareholders’ Mandate for Interested Person Transactions to be tabled at Antica Ballroom, Level 2, Orchard Parade Hotel, 1 Tanglin Road, Singapore 247905 on Wednesday, 22 April 2015 at 11:00 a.m.

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 adviser immediately.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the accuracy of any statement made, opinions expressed or reports contained in this Appendix.

**To: The Shareholders of Far East Orchard Limited**

**THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS**

**1. INTRODUCTION**

- 1.1** Proposed Resolution No. 9 in the Notice of the Annual General Meeting (the “**AGM**”) to be held on 22 April 2015 relates to the renewal of the general mandate to authorise the Company and its subsidiaries (the “**Group**”) that are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual, to enter into, in the ordinary course of business, any of the mandated transactions with specified classes of the Company’s interested persons, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such transactions (the “**IPT Mandate**”).
- 1.2** At an Extraordinary General Meeting of the Company held on 9 July 2013 (the “**2013 EGM**”), the shareholders had, *inter alia*, approved the IPT Mandate to enable the Group to enter, in the ordinary course of business, into certain specified classes of transactions with certain specified interested persons.
- 1.3** At the Annual General Meeting of the Company held on 24 April 2014, (the “**2014 AGM**”), the Shareholders had, *inter alia*, approved the renewal of the IPT Mandate to enable the Group to enter, in the ordinary course of business, into certain specified classes of transactions with certain specified interested persons.
- 1.4** The IPT Mandate will expire on the date of the forthcoming AGM. Accordingly, it is proposed that the IPT Mandate be renewed at the AGM, to take effect until the next AGM of the Company.

General information pertaining to Chapter 9 of the Listing Manual is set out in Schedule I of this Appendix.

**2. DETAILS OF IPT MANDATE GRANTED AT THE 2014 AGM**

**2.1 Classes of Interested Person**

The IPT Mandate will apply to Interested Person Transactions which are carried out with the Interested Persons, being Far East Organization. Far East Organization comprises any company where more than 50 per cent of its issued share capital is collectively held or owned (directly or indirectly) by any one or more of the following (including their associates):

- (a) the Estate of the late Mr Ng Teng Fong;
- (b) Mdm Tan Kim Choo;
- (c) the children, grandchildren, and future descendents and issues of the late Mr Ng Teng Fong; or
- (d) any trust (discretionary or otherwise) where those listed in paragraphs (a) to (c) above comprise the majority of the beneficiaries of such trust;

and shall also include all future incorporated companies that meet the definition of Far East Organization (each, an “**Interested Person**”).

## 2.2 The Categories of Interested Person Transactions

The Interested Person Transactions with the Interested Persons to which the IPT Mandate applies and the benefits to be derived therefrom are set out below and in the Letter to Shareholders dated 9 April 2014 (the "**Letter to Shareholders 2014**") for purposes of the 2014 AGM. These Interested Person Transactions comprise recurrent transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, but are not in respect of the purchase and sale of assets, undertakings or businesses.

Further details of the Interested Person Transactions which were disclosed in the Letter to Shareholders 2014 have been extracted and set out in Schedule II of this Appendix for your ease of reference.

The IPT Mandate will not cover any transaction by a company in the Group with the Interested Person that is below S\$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such a transaction.

Transactions with the Interested Person which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

## 3. RATIONALE FOR AND BENEFIT OF THE IPT MANDATE

### 3.1 Rationale

- (a) It is envisaged that the Group will in its ordinary course of business continue to enter into the Interested Person Transactions with the Interested Person of such aggregate value that requires our Shareholders' approval pursuant to Chapter 9 of the Listing Manual. Such transactions are recurring transactions that are likely to occur with some degree of frequency and are part of the day-to-day operations of the Group, and could arise at any time.
- (b) Given that the Interested Person Transactions are of an arm's length trading nature and are expected to be recurrent and occur at any time, and due to the time-sensitive nature of these transactions, to allow the Group to undertake such transactions in a more expeditious manner, our Directors are seeking the approval of our Shareholders for the renewal of the IPT Mandate for the purposes of Chapter 9 of the Listing Manual and for our Group to enter into the Interested Person Transactions, provided that such transactions are made on normal commercial terms, are in the interest of our Company and are not prejudicial to the interests of our Company and our minority Shareholders.

### 3.2 Benefits

- (a) The IPT Mandate and its subsequent renewal thereafter on an annual basis will enhance the ability of companies in the Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce or convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant company in the Group into such transactions. This will substantially reduce the expenses associated with the convening of the general meetings on an *ad hoc* basis, improve administrative efficacy considerably, and allow major manpower resources and time to be channeled towards attaining other corporate objectives.
- (b) The IPT Mandate is to facilitate transactions in the normal course of business of our Group that are transacted from time to time with the Interested Persons, provided that they are carried out on normal commercial terms, are in the interest of our Company and are not prejudicial to the interests of our Company and our minority Shareholders.

## 4. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

4.1 The Group has established the following procedures to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to or by unrelated third parties. The guidelines and review procedures put in place by the Group are as follows:

### 4.1.1 General

- (i) Regardless of value, all Interested Person Transactions (save for any Interested Person Transaction which has a value below S\$100,000 which will not be covered by the IPT Mandate) will be reviewed by a committee comprising the Executive Directors, the Chief Financial Officer ("**CFO**") and Group Chief Executive Officer ("**Group CEO**") of the Company (the "**Review Committee**") and recommended to the Audit & Risk Committee ("**ARC**") for approval.
- (ii) All Interested Person Transactions must be consistent with the usual practices and policies of the Group, and will be reviewed on a quarterly basis by the ARC.
- (iii) To assist the ARC in its review, the Group will maintain a Register of Interested Person Transactions (including any Interested Person Transaction below the value of S\$100,000) in which relevant particulars of all Interested Person Transactions will be recorded. The Register of Interested Person Transactions will be reviewed by the CFO and by the ARC on a quarterly basis.

- (iv) The ARC shall review the operation of the review procedures on a periodic basis, with the authority to delegate to individuals within the Company as it deems appropriate.
- (v) If any member of the Review Committee has an interest in an Interested Person Transaction to be reviewed or is related to any of the Interested Persons, such member of the Review Committee will abstain from any decision-making in respect of that transaction and the review of that transaction will be undertaken by the remaining members of the Review Committee. If a member of the ARC has an interest in an Interested Person Transaction to be reviewed by the ARC, he will abstain from any decision-making in respect of that transaction and the review and approval of that transaction will be undertaken by the remaining members of the ARC.
- (vi) Any member of the Review Committee or the ARC may, as 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.
- (vii) If, during the periodic reviews by the ARC, the ARC is of the view that the established review procedures are inadequate or inappropriate to ensure that the Interested Person Transactions will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Listing Manual, it will in consultation with the Board, take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to obtain the approval of Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Interested Persons.

#### **4.1.2 Support Services Transactions**

- (i) The Review Committee shall evaluate quotations that will be obtained from the Interested Person and at least one other unrelated third party in respect of the services or products to be obtained by any company within the Group from the Interested Person and recommend to the ARC for approval.
- (ii) The Interested Person Transactions shall not be approved unless such transactions are entered into at rates/prices of the service or product providers which are no less favourable than those extended by the Interested Person to unrelated third parties (including where applicable, preferential rates/prices/discounts accorded to corporate customers or bulk purchases), or on terms similar to the service or product providers' usual commercial terms, or otherwise in accordance with other applicable industry norms.
- (iii) In the event that it is not possible to obtain quotations from unrelated third parties (for example, when third party quotations are not available on the market in respect of the same package of services or products which the Interested Person offers to the Group) or to determine whether the terms of the Interested Person Transaction with the Interested Person are more or less favourable than the aggregate terms quoted by unrelated third parties:
  - (a) The Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the Interested Person to determine whether the terms offered by the Interested Person are fair and reasonable and recommend to the ARC for approval.
  - (b) In its evaluation, (i) the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the Interested Person compared with transacting with unrelated third parties and (ii) the ARC will evaluate the recommendation of the Review Committee in respect of the Interested Person Transaction before deciding whether to approve or reject the Interested Person Transaction.

#### **4.1.3 Hospitality Related Agreements**

- (i) The Review Committee shall evaluate all contracts entered into or transactions with the Interested Persons based on the prevailing market rates or prices of the services, on terms which are no more favourable to the Interested Person than usual commercial terms extended to unrelated third parties for the same or substantially similar services and recommend to the ARC for approval.
- (ii) In the event that the prevailing market rates or prices of such services are not available, the Review Committee will consider whether Group's pricing for such services to be provided to the Interested Persons is in accordance with the Group's usual business practices and pricing policies, in line with similar type of contract or transaction with unrelated third parties. The Review Committee will consider, amongst others, the following factors:
  - (a) scope of services;
  - (b) payment terms;
  - (c) contractual compliance;
  - (d) duration of the contract; and
  - (e) prevailing industry norms,and recommend to the ARC for approval.

The ARC will evaluate the recommendation from the Review Committee in respect of the Interested Person Transaction before deciding whether to approve or reject the Interested Person Transaction.

#### **4.2 Abstentions From Voting**

Rule 919 of the Listing Manual prohibits interested persons and their associates from voting on a resolution in relation to a matter in respect of which such persons are interested in the AGM. Given that members of Far East Organization are interested in the adoption of a Shareholders' Mandate for Interested Person Transactions, all persons who fall within the definition of "Far East Organization" set out in this Appendix, which shall include Far East Organisation Pte Ltd ("FEOPL"), have undertaken that (i) they will abstain, and will procure that their associates will abstain, from voting at the AGM on the renewal of a Shareholders' Mandate for Interested Person Transactions, and (ii) they will not, and will procure that their associates will not, accept appointments as proxies in relation to Resolution 9 on the renewal of a Shareholders' Mandate for Interested Person Transactions unless specific instructions as to voting are given.

The Directors who have interests in Far East Organization, as disclosed in paragraph 4.1 above, (a) will abstain, and will procure that their associates will abstain, from voting on Resolution 9 on the renewal of a Shareholders' Mandate for Interested Person Transactions at the AGM and (b) will not, and will procure that their associates will not, accept appointments as proxies in relation to Resolution 9 on the renewal of a Shareholders' Mandate for Interested Person Transactions unless specific instructions as to voting are given.

In addition, Mdm Ng Siok Keow, being (i) the immediate family of Mdm Tan Kim Choo and (ii) beneficiary of the Estate of Ng Teng Fong (Deceased), has undertaken that (a) she will abstain, and will procure that her associates will abstain, from voting at the AGM on Resolution 9 on the renewal of a Shareholders' Mandate for Interested Person Transactions, and (b) will not, and will procure that her associates will not, accept appointments as proxies in relation to Resolution 9 on the renewal of a Shareholders' Mandate for Interested Person Transactions unless specific instructions as to voting are given.

#### **4.3 Further Compliance**

The Board will ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the SGX-ST Listing Manual and accounting standards, are complied with.

### **5. VALIDITY PERIOD OF THE IPT MANDATE**

- 5.1** If approved by the Shareholders at this AGM, the IPT Mandate will take effect from the date of receipt of the Shareholders' approval, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company and will apply to Interested Person Transactions entered into from the date of receipt of the Shareholders' approval.
- 5.2** Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent AGM, subject to review by the ARC of its continued application to the Interested Person Transactions.
- 5.3** In the event that it is determined by the ARC that the review procedures set out in Paragraph 4 above have become inappropriate, a fresh mandate from the Shareholders shall be sought.

### **6. DISCLOSURE TO SHAREHOLDERS**

- 6.1** Pursuant to Chapter 9 of the Listing Manual, our Company will disclose the IPT Mandate in our annual report, giving details of the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the current financial year.
- 6.2** In addition, our Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the 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.
- 6.3** Pursuant to Rules 907 and 920(1) of the Listing Manual, our Company is required to:
  - (a) disclose in our Company's annual report the aggregate value of transactions conducted pursuant to the IPT Mandate during the current financial year, as well as in the annual reports for the subsequent financial years during which the IPT Mandate is in force; and
  - (b) announce the aggregate value of transactions conducted pursuant to the IPT Mandate for the relevant financial periods which it is required to report.
- 6.4** The Board will ensure that all disclosures, approvals and other requirements on the Mandated Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.

## 7. STATEMENT OF THE AUDIT & RISK COMMITTEE (“ARC”)

- 7.1 As at the date of this Appendix, the ARC of the Company comprises Mr Cheng Hong Kok, Mr Heng Chiang Meng, Ms Chua Kheng Yeng, Jennie and Mdm Ee Choo Lin Diana.
- 7.2 The ARC of the Company has reviewed the terms of the proposed IPT Mandate and confirms that:
- (a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the last Shareholders’ approval; and
  - (b) the methods and procedures referred to in (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.
- 7.3 However, should the ARC subsequently no longer be of the opinion or the methods or procedures become inappropriate, the Company will revert to the Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Interested Persons.

## 8. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

### 8.1 Interests of Directors in Far East Organization

The Non-Executive Chairman of the Company, Mr Koh Boon Hwee, is currently also Non-Executive Chairman of Yeo Hiap Seng Limited, FEO Hospitality Asset Management Pte. Ltd. and FEO Hospitality Trust Management Pte. Ltd.

Mr Lui Chong Chee and Mr Kiong Kim Hock Arthur are Executive Directors of the Company.

Mdm Ng Siok Keow, a Non-Executive Director of the Company, is an Executive Director of Far East Organization, a Director of Far East Management Pte Ltd (“FEM”) and also holds a direct interest in 3,195 shares of Yeo Hiap Seng Limited and a deemed interest in 15,978 shares of Yeo Hiap Seng Limited.

Mdm Tan Siok Hwee, a Non-Executive Director of the Company, is an Executive Director of Far East Organization.

Each of Mr Koh Boon Hwee, Mr Lui Chong Chee, Mr Kiong Kim Hock Arthur, Mdm Ng Siok Keow and Mdm Tan Siok Hwee is also a Director and/or an Executive of several members of Far East Organization. Accordingly, the said Directors will be abstaining from making any recommendation on the proposed renewal of a Shareholders’ Mandate for Interested Person Transactions to Shareholders.

Further, the abovementioned Directors will abstain, and will procure that their associates will abstain, from voting on Resolution 9 on the renewal of a Shareholders’ Mandate for Interested Person Transactions at the AGM.

### 8.2 Interests of Directors in the Shares

The interests of Directors in the Shares as recorded in the Register of Directors’ Shareholdings as at 9 March 2015 (the “Latest Practicable Date”) are set out below:

Name of Director	Direct Interest		Deemed Interest		Total no. of shares held	
	No. of shares held	%	No. of shares held	%		%
Ng Siok Keow	14,469	0.004	77,038	0.019	91,507	0.023

### 8.3 Interests of Substantial Shareholders

As at the Latest Practicable Date, FEOPL holds an interest in 239,770,297 Shares, representing approximately 59.85% of the issued share capital of the Company. FEOPL is therefore considered to be a controlling shareholder and a Substantial Shareholder of the Company.

The interests of the Substantial Shareholders in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Name of Substantial Shareholder	Direct Interest		Deemed Interest		Total no. of shares held	
	No. of shares held	%	No. of shares held	%		%
Far East Organisation Pte Ltd	239,770,297	59.85	-	-	239,770,297	59.85
The Estate of Khoo Teck Puat, deceased <sup>(1)</sup>	10,543,400	2.63	10,407,600	2.60	20,951,000	5.23
Tan Kim Choo <sup>(2)</sup>	224,659	0.06	239,770,297	59.85	239,994,956	59.91
The Estate of Ng Teng Fong, deceased <sup>(3)</sup>	-	-	239,770,297	59.85	239,770,297	59.85

Notes:

- (1) The Estate of Khoo Teck Puat, deceased, is deemed to be interested in the shares held by Daiwa (Malaya) Private Limited, Goodwood Park Hotel Limited, Hotel Holdings (Private) Limited, Industrial Syndicate (Private) Ltd and Luxor Hotel Limited.
- (2) Mdm Tan Kim Choo is deemed to be interested in the shares of the Company held by FEOPL through her 50% shareholding in the issued share capital of FEOPL.
- (3) The Estate of Ng Teng Fong, deceased, is deemed to be interested in the shares of the Company held by FEOPL through the Estate's 50% shareholding in the issued share capital of FEOPL.

**8.4** Save as disclosed in this paragraph 8 and based on information available to the Company as at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Shares.

## **9. DIRECTORS' RECOMMENDATION**

The Directors of the Company who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Mr Cheng Hong Kok, Mr Heng Chiang Meng, Ms Chua Kheng Yeng, Jennie and Mdm Ee Choo Lin Diana. They are of the opinion that the renewal of the IPT Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 9 relating to the renewal of the IPT Mandate at the AGM.

## **10. 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, this Appendix constitute full and true disclosure of all material facts about the IPT Mandate, 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 the Appendix in its proper form and context.

## SCHEDULE I to Appendix

### GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE SGX-ST LISTING MANUAL

1. The rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) governing transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be “at risk”, with the listed company’s interested persons, are contained in Chapter 9 of the Listing Manual of the SGX-ST.
2. Except for any transaction which is below S\$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person, and hence, are excluded from the ambit of Chapter 9 of the Listing Manual, when this Chapter applies to a transaction with a listed company’s interested person and the value of the transaction alone or on aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company’s latest audited consolidated net tangible assets (“**NTA**”)), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:
  - (a) 5% of the listed company’s latest audited consolidated NTA (Note); or
  - (b) 5% of the listed company’s latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed 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.

*(Note: Based on the audited consolidated accounts of the Group for the financial year ended 31 December 2014, the NTA of the Group was approximately \$1,029,728,000. Accordingly, in relation to the Company, for the purpose of Chapter 9 of the Listing Manual, 5% of the Group’s latest consolidated NTA would be approximately \$51,486,000).*

3. Chapter 9 of the Listing Manual allows a listed company to seek a 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 (but not for the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company’s interested persons. Chapter 9 also requires a general mandate to be subject to annual renewal.
4. For the purposes of Chapter 9 of the Listing Manual:
  - (i) an “**entity at risk**” means:
    - (a) the listed company;
    - (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange;
    - (c) 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;
  - (ii) 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;
  - (iii) an “**associate**” in relation to any director, chief executive officer, substantial shareholder or controlling shareholder, (being an individual), means:
    - (a) his immediate family (that is, his spouse, child, adopted child, step-child, sibling or parent);
    - (b) 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
    - (c) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
  - (iv) an “**associate**” 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.
  - (v) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;
  - (vi) an “**interested person transaction**” means a transaction between an entity at risk and an interested person;
  - (vii) a “**transaction**” includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and 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 (for example, through one or more interposed entities); and
  - (viii) “**financial assistance**” includes the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and the forgiving of a debt, the releasing of or neglect in enforcing an obligation or another, or the assuming of the obligations of another.

## SCHEDULE II to Appendix

### EXTRACT OF DETAILS OF THE INTERESTED PERSON TRANSACTIONS

*(all defined terms used herein shall have the meaning ascribed to them in the Letter to Shareholders dated 9 April 2014 issued to Shareholders for purposes of the 2014 AGM)*

#### “THE PROPOSED IPT MANDATE

##### Background to the IPT Mandate

The Group engages in a diversified range of activities with interests in property development, hospitality real estate development and management, and healthcare real estate. It is envisaged that in the Company's ordinary course of business, transactions between the Group and the Interested Persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provisions of services in the ordinary course of business of the Group to the Interested Persons or the obtaining of goods and services from them for day-to-day operational needs.

In view of the time-sensitive nature of commercial transactions and the frequency of commercial transactions between members of the Group and the Interested Persons, obtaining the IPT Mandate will enable:

- (a) the Company;
- (b) subsidiaries of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange and its subsidiaries); or
- (c) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Group or the Group and its interested persons has or have control,

to enter into the Interested Person Transactions with the Interested Persons which are necessary for the day-to-day operations of the Group, provided that such Interested Person Transactions are made on normal commercial terms.

If approval is obtained from Shareholders, the IPT Mandate will take effect from the date of passing of the ordinary resolution at the AGM to be held on 22 April 2015 until the next AGM of the Company. Thereafter, it is intended that approval from Shareholders for subsequent renewals of the IPT Mandate will be sought at each subsequent annual general meeting of the Company, subject to satisfactory review by the ARC of its continued application to the transactions with the Interested Persons.

##### Scope of the IPT Mandate

The IPT Mandate will cover the Interested Person Transactions, the further details of which are set out below.

The IPT Mandate will not cover any interested person transaction which has a value below S\$100,000 as the threshold and aggregate requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

Transactions with interested persons (including the Interested Persons) which do not come within the ambit of the IPT Mandate will be subject to applicable provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

##### Classes of Interested Persons

The IPT Mandate will apply to Interested Person Transactions which are carried out with the Interested Persons, being Far East Organization. Far East Organization comprises any company where more than 50 per cent of its issued share capital is collectively held or owned (directly or indirectly) by any one or more of the following (including their associates):

- (a) the Estate of the late Mr Ng Teng Fong;
- (b) Mdm Tan Kim Choo;
- (c) the children, grandchildren, and future descendants and issues of the late Mr Ng Teng Fong; or
- (d) any trust (discretionary or otherwise) where those listed in paragraphs (a) to (c) above comprise the majority of the beneficiaries of such trust; and shall also include all future incorporated companies that meet the definition of Far East Organization (each, an “Interested Person”).

##### The Categories of Interested Person Transactions

The Interested Person Transactions with the Interested Persons to which the IPT Mandate applies and the benefits to be derived therefrom are set out below. These Interested Person Transactions comprise recurrent transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, but are not in respect of the purchase and sale of assets, undertakings or businesses.

###### a. Support Services Transactions

These transactions relate to the receipt of accounting and management advisory, finance and treasury, tax, internal audit, human resource, corporate affairs, information technology and computer-related services, engineering, housekeeping, marketing communications, project management, property development, sales and marketing, arrears management and lease administration services in the normal course of business of the Group (the “Support Services Transactions”).

By having access to such services, the Group will derive operational and financial leverage through savings in terms of reduced overheads and greater economies of scale. In addition, the Group will be able to obtain expertise in the areas of investment risk review, governmental relations and business development through its Interested Persons. The ability to tap on such expertise and experience, especially in relation to matters which are highly confidential, commercially sensitive or involve historical data, is particularly important to the Group's ability to respond in a timely manner to take advantage of opportunities as and when they arise.

###### b. Hospitality Related Agreements

Transactions in this category comprise the hospitality management agreements, the technical services agreements and property management agreements for the hotels and serviced residences that are owned by Far East Organization (the “Hospitality Related Agreements”).

Through the transactions, the Group will be able to grow its current businesses and enhance its portfolio of hotel management agreements. The Group will also derive synergies, cost savings and management know-how, which will allow the Group to further its abilities and skills.

(together, the “Interested Person Transactions”).