

Aktieselskabet Det Østasistiske Kompagni
The East Asistic Company Limited

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The East Asiatic Company Limited (ØK) now

EAC Invest A/S

has as its activities a minority shareholder position in a Thai company and an interest in East Lake Villas in Beijing - there is no announced strategy for other future activities in EAC Invest A/S.

Is it possible to develop a new and sustainable vision, mission, core values, strategy and tactics with or without EAC Invest A/S.

A new start for a NEW EAC



“ I believe this nation should challenge itself to put a man on the moon, and return him safely to earth by the end of this decade.”

- John F. Kennedy, 1961

This is a great example of a
breakthrough objective

The creation of a greenfield NEW EAC is also a great example of a
breakthrough objective which can be achieved

It is the vision to initiate a process with a view to create a NEW EAC which will be based on the initial ideas of H.N. Andersen

“to pursue a business model based on interaction between the mercantile factors of shipping, trade and industry”

In order to embark on such a journey it is NEW EAC’s vision to create a corporate business platform where NEW EAC be the best corporate owner of the businesses it invest in within megatrends and which can create value for its investors via a business system “EACBS” where H.N. Andersens interaction model is a vital ingredient.

Current Megatrends

**Technological breakthrough**

Technology is driving exponential progress in the tech sector and far beyond. More than 75 bn internet-connected devices are expected by 2025, up from 30 bn today.¹

**Rapid urbanisation**

Mass migration to cities will require new business models and infrastructure. 2/3 of the world's population will reside in cities by 2050, double that from 1950.²

**Demographics and social change**

Longer lifespans and modern lifestyles will change medicine and consumer habits. Some estimates project a 45% increase worldwide in people aged 60 or older by 2030.³

**Climate change and resource scarcity**

Demand for a green tomorrow will advance energy & conservation. 50% of the world's energy is predicted to come from solar and wind by 2050, up from 7% in 2015.⁴

**Emerging global wealth**

Newly affluent consumers will expand in Asia & across emerging markets. Emerging markets today are predicted to represent 6 out of the 7 largest economies by 2050.⁵

Within the business area:

Acquisition of solid underperforming companies, with good market positions, within promising megatrend sectors, and with a quite large gap between current performance and potential.

NEW EAC will offer a value creating business process system "EACBS"

in order to fulfill the acquisition candidates needs to optimize their value chain thereby better serve their customers needs.

NEW EAC competitiveness will be based on a world class ability to implement its EACBS competences into the acquisitions it make,

and its basis for profitability is based on its ability to invest in underperforming businesses which is underpinned by identified megatrends.

EACBS

NEW EAC owns and participates as owner in a diversified portfolio of companies and NEW EAC creates value through an active and developing ownership via its EACBS.

EACBS – is a best practice system implemented in the entire value chain.

Success at NEW EAC doesn't happen by accident. NEW EAC have a proven system for achieving it. NEW EAC call it the EACBS, and it drives every aspect of NEW EAC's culture and performance. NEW EAC use EACBS to guide what it does, measure how well NEW EAC execute, and create options for doing even better—including improving EACBS itself.

Fueled by NEW EAC's core values, the EACBS engine drives NEW EAC through a never-ending cycle of change and improvement: exceptional **PEOPLE** develop outstanding **PLANS** and execute them using world-class tools to construct sustainable **PROCESSES**, resulting in superior **PERFORMANCE**. Superior performance and high expectations attract exceptional people, who continue the cycle. Guiding all efforts is a simple philosophy rooted in four customer-facing priorities:

Quality, Delivery, Cost, and Innovation.

The Best Team Wins

Exceptional people will thrive in NEW EAC's fast-paced, results-oriented culture, and NEW EAC's values start with its people.

- NEW EAC value its associates and their unique contributions, and NEW EAC invest in their growth.
- NEW EAC are passionate about recruiting, developing and retaining the most talented and diverse team possible.
- NEW EAC put the most skilled, collaborative, engaged team on the field of play every day.

Customers Talk, We Listen

One of the most important responsibilities is to listen to the customers.

- NEW EAC continually seek deep insights into both the explicit and implicit needs of its customers.
- NEW EAC's strong customer focus helps it create innovative solutions that directly address those needs.
- Through NEW EAC processes and its products, it seek to deliver greater value every day and to improve its customers' experience beyond their expectations.

Kaizen Is Our Way of Life

Through kaizen, or continuous improvement, NEW EAC address customer needs with actions that benefit the greater good.

- Customers challenge NEW EAC, and NEW EAC challenge itself, to continuously improve. NEW EAC set the bar high for itself and each other.
- With NEW EAC's strong culture rooted in the **EAC Business System (EACBS)**, it constantly strive to make things better in a meaningful way—for the company, its customers, its associates and the world.
- NEW EAC's drive for continuous improvement keeps it ahead of its competitors, creating enduring value and lasting impact at a global scale.

Innovation Defines NEW EAC´S Future

One of the most important ways NEW EAC drive continuous improvement is through innovation that makes a difference.

- Customers look to NEW EAC to find opportunities and define the future—to deliver innovative products, services and solutions that address their most pressing needs.
- Innovation is NEW EAC´S ultimate competitive differentiator. NEW EAC pursue new and creative ideas, both large and small, to add value and advance innovation.
- NEW EAC improve people´s lives by delivering solutions and technologies that matter. By helping NEW EAC´S customers achieve amazing things, it enhance quality of life around the world.

- **NEW EAC Compete for Shareholders**

- *By living on NEW EAC'S core values, IT WILL deliver the highest possible value to its shareholders.*

- Based on a strong track record enables NEW EAC to continually invest back into its businesses and its people to help them realize their full potential.
- NEW EAC earn its shareholders' investment and confidence by maintaining the highest standards of integrity, outstanding service for its customers and a deep commitment to building a better business every day.

There are **four principles that support the EACBS approach**: people, plan, process and performance. When applying these principles for current or new businesses the emphasis should be focused on growth, lean methodology and leadership.

People: This principle requires routine talent assessments as part of standard business state reviews or usual acquisition due diligence, to identify individuals who might not fit in the NEW EAC culture.

Plan: A strategic plan is created for every business acquisition, to answer the questions "what game are we playing?" and "how do we win?". This plan should encourage managers to acknowledge opportunities for improvement and produce a vision for shared, long-term success.

Process: Indoctrinating managers into the NEW EACBS processes starts with a one-week training session and closes with a one week Kaizen event. The goal of this training is to offer managers the opportunity to take a deep dive into Kaizen methodologies such as single-piece flow, visual maps and benefit tracking.

Performance: Finally, a **policy deployment tool** is leveraged to drive and monitor the strategy implementation.

NEW EAC´ s three-stage plan for strategy deployment?

Initially, with any acquisition, NEW EAC would develop **three-year strategic plans** - a three step plan.

The first stage will be an operational **value stream analysis** (VSA). This is a team-building and eye-opening exercise, which requires top managers to split into groups, to conduct a value stream map and acknowledge any improvement opportunities in the supply chain. Managers looked for improvements that could offer reductions in process time and defect rates or increase service levels. This report provides a benchmark for organizations currently undergoing their own operational excellence (OPEX) journey.

The second stage will be the **strategy plan**. In strategy planning discussions, it becomes clear that the acquisition target might have excellent knowledge of its existing customers, but none of its competitors´ customers. Once the company realized this, it also noticed it might be due to lacking a solid growth strategy, due to uncertainty around market focus. The output of the strategy plan will eventually lead to a list of five to seven strategic priorities to be achieved in the mid-term.

The third stage, called policy deployment stage or ‘Hoshin Kanri’, is intended to improve the execution of the strategy plan and involves breaking down strategic priorities into a series of one-year goals. This is followed by the identification of processes that require adjustment or overhauling along with deciding on which metrics to apply to effectively monitor the progress of improvement. The first-level goals are translated into second-level goals for each department and then into individual action plans.

The key to the success of the execution comes in the **policy deployment meetings**, where target gaps are identified and root causes and countermeasures are defined.

The strategy will be implemented via a Policy Deployment Process.

A process that facilitates the creation of:

Results-Oriented Business Processes

With

Sustained Improvement

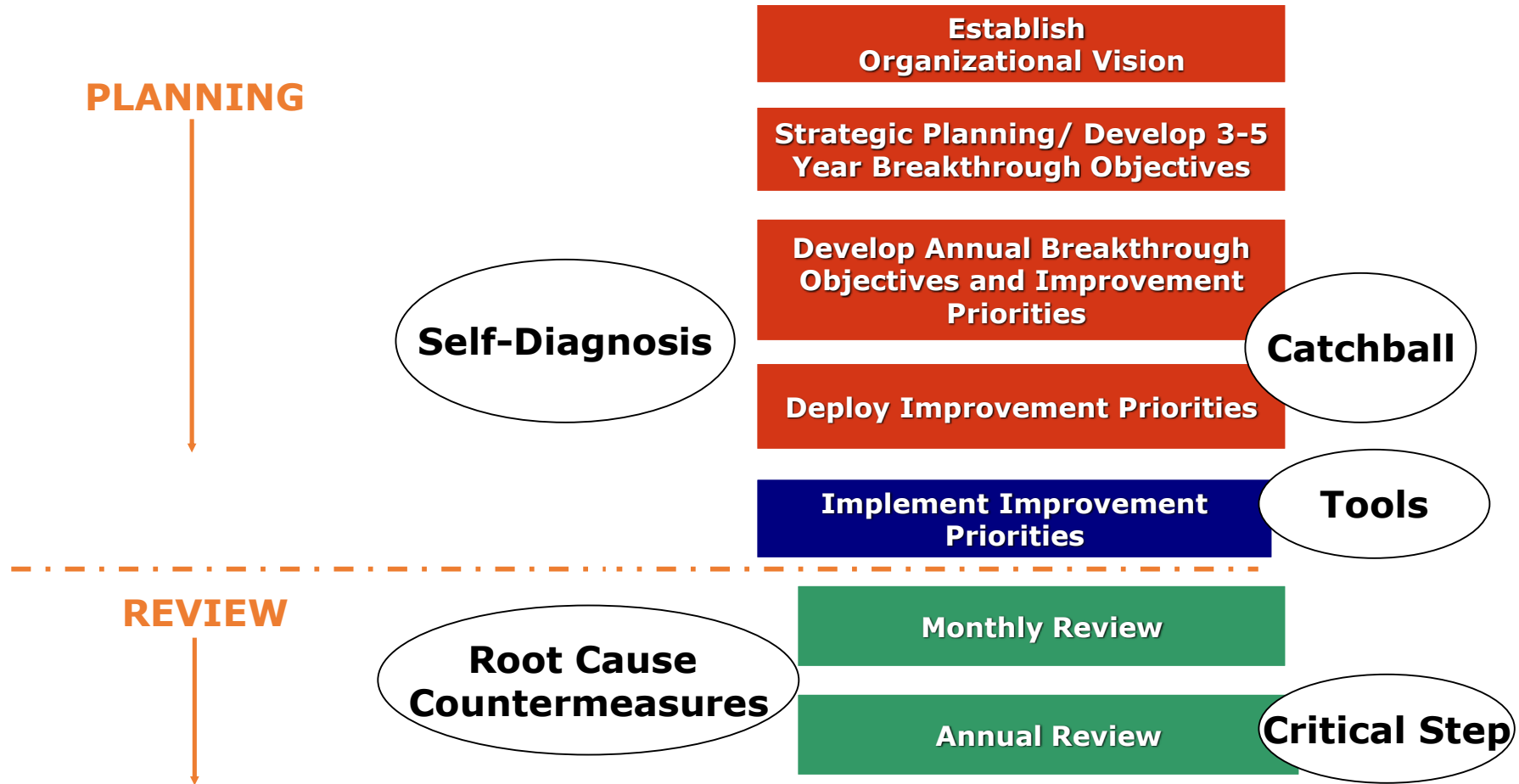
That Result In

Sustained Competitive Advantage In Quality, Delivery,
Cost, And Innovation

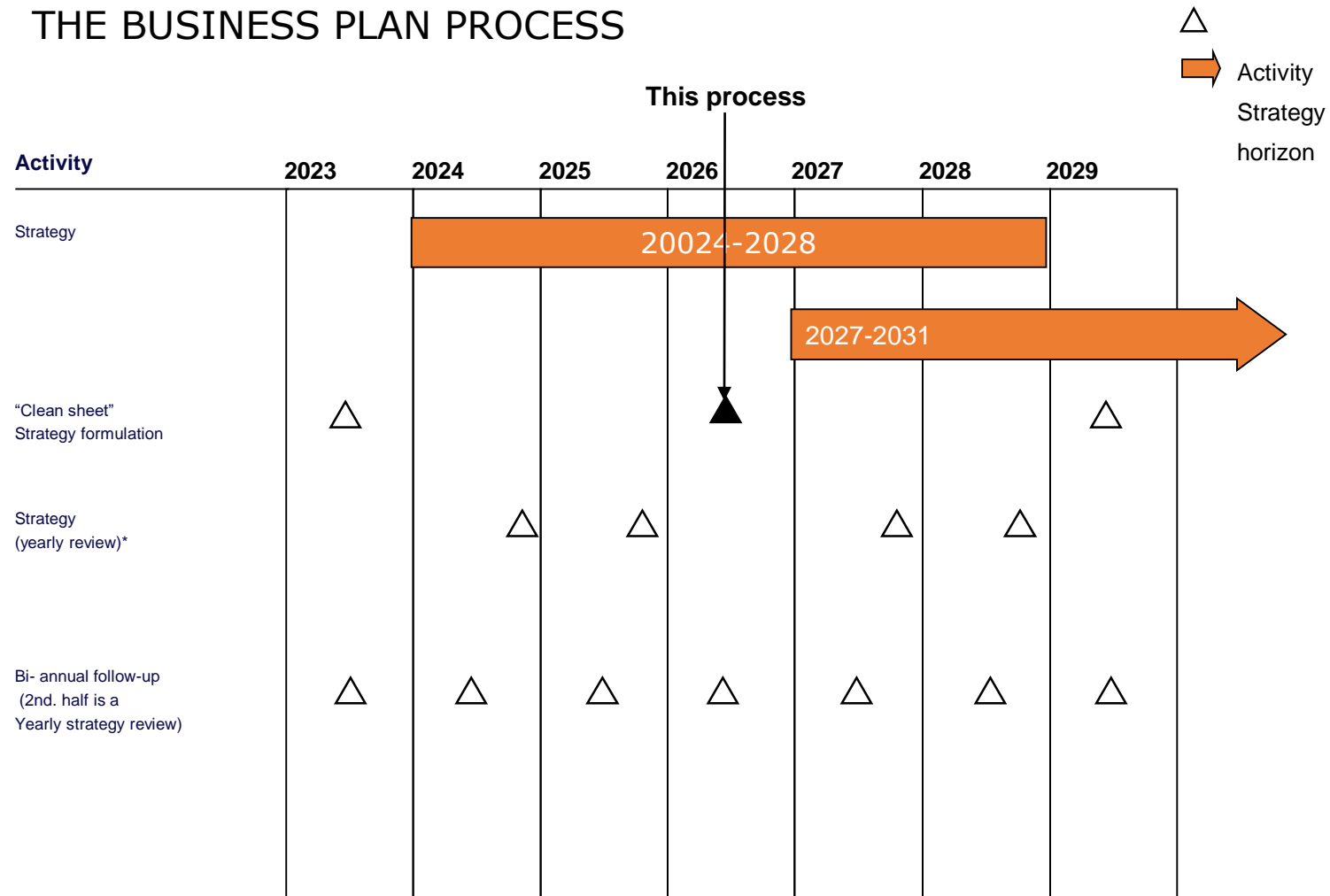


**It's The Process
That Converts NEW EAC's
Strategy For World
Class Performance
Into Reality.**

7 Phase Policy Deployment Process



THE BUSINESS PLAN PROCESS



*) In the yearly review session by- annual follow up will take place

Executives name:

XX

NEW EAC Corporate objectives:

Quality, 250 DPM	Delivery 97% to requested date	Innovation	Costs
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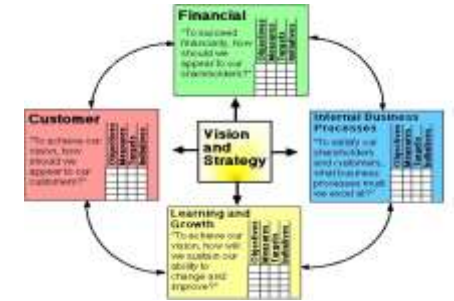
12% EBIT



20% RONA



12% CAGR



Q,D,I,C in each of the four Balanced Scorecard Dimensions

S-D Corporate objectives	Your Aligned goals Title	Goal description	Measures
Quality, 250 DPM	Improve product and service launch processes		
Delivery 97%	Improve channel mangement processes and tools		
Innovation	Improve focus on higher value segments		
Costs	Improve via implementation of EACBS		

illustrative

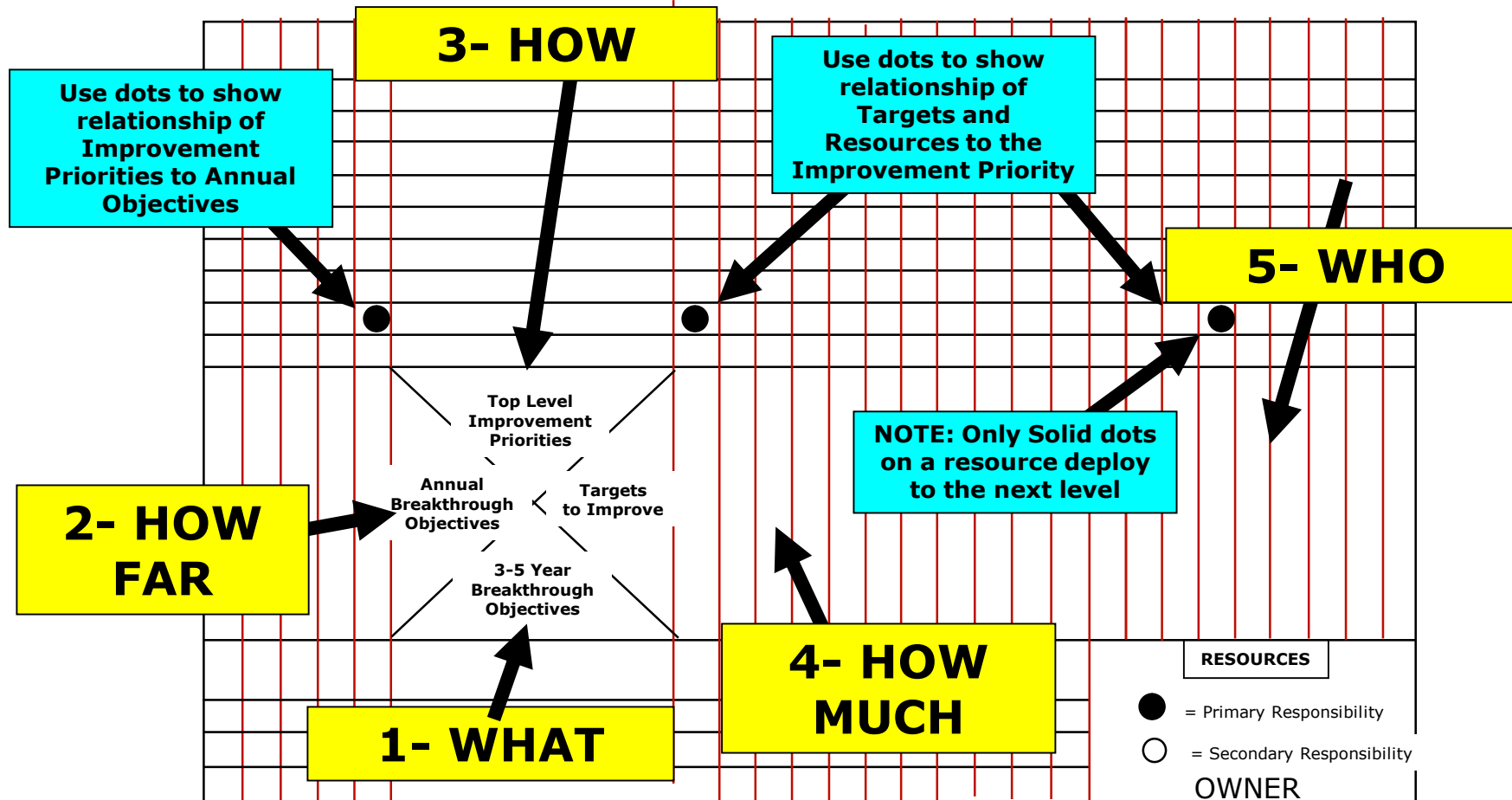
The Voice of Our Customers Will be Heard via Our Focus on



**Q: Quality
D: Delivery
I: Innovation
C: Costs**

Complete Top Level PD Matrix

The whole picture of EAC on one sheet of paper!



An idea generation process initiated by a Group of 5-8 person with the right skills dedicated to the idea of a NEW EAC.

The Agenda for the Group:

- Confirm the rationale for the business plan for a NEW EAC.
- Financing – the preparation of a prospectus for NEW EAC which can attract investors to inject DKK 1. billion as equity.
- Corporate set up – Can EAC Foundation initially provide facilities and man power??
- Creation of a deal flow (Acquisition candidates): (EAC Invest A/S) Market Cap. App. 112 million DKK. Can it be acquired and how? – other candidates.
- Would it be possible to initiate at dialog with EAC Invest A/S with a view to refocus EAC Invest A/S on a new strategy as outlined above. The advantage is that EAC Invest A/S is listed and with the right strategy it can act as the vehicle for necessary capital expansions.
- Initiate the implementation of NEW EAC BS starting with the standardization of the M&A process.
- Etc. etc.