



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
Unaudited Quarterly Financial Information
For the 3rd Quarter Ended 18 September 2015

1.(a)(i) Consolidated Income Statement

| | Group | | | Group | | |
|---|----------------------|----------------------|---------------------------|---------------------|---------------------|---------------------------|
| | YTD 2015 US\$'000 | YTD 2014 US\$'000 | % Increase/ (Decrease) | Q3 2015 US\$'000 | Q3 2014 US\$'000 | % Increase/ (Decrease) |
| Continuing operations¹ | | | | | | |
| Revenue | 4,105,428 | 5,240,439 | (22) | 1,207,622 | 1,676,800 | (28) |
| Cost of sales | (3,799,789) | (5,021,927) | (24) | (1,161,646) | (1,561,060) | (26) |
| Gross profit | 305,639 | 218,512 | 40 | 45,976 | 115,740 | (60) |
| Other gains (net) | | | | | | |
| - Miscellaneous | 16,995 | 16,535 | 3 | 3,568 | 3,448 | 3 |
| - Finance and investment income | 5,597 | 3,826 | 46 | 1,931 | 1,176 | 64 |
| Expenses | | | | | | |
| - Administrative: IT | (60,271) | (56,731) | 6 | (18,524) | (18,105) | 2 |
| - Administrative: non-IT | (255,584) | (296,423) | (14) | (81,625) | (89,489) | (9) |
| - Finance | (103,129) | (98,927) | 4 | (28,610) | (34,299) | (17) |
| - Other operating | (51,432) | (32,565) | 58 | (13,755) | (24,749) | (44) |
| Share of results of associated companies | (167) | 770 | N/M | (531) | 298 | N/M |
| Share of results of joint venture | 1,809 | 959 | 89 | 617 | 664 | (7) |
| Loss before income tax from continuing operations | (140,543) | (244,044) | (42) | (90,953) | (45,316) | 101 |
| Income tax expense | (1,335) | (6,196) | (78) | (4,674) | (6,219) | (25) |
| Loss from continuing operations, net of tax | (141,878) | (250,240) | (43) | (95,627) | (51,535) | 86 |
| Discontinued operations¹ | | | | | | |
| Profit from discontinued operations, net of tax | 928,127 | 81,807 | 1,035 | - | 30,278 | (100) |
| Net profit/(loss) for the financial period | 786,249 | (168,433) | N/M | (95,627) | (21,257) | 350 |
| Profit/(loss) attributable to: | | | | | | |
| Equity holders of the Company | | | | | | |
| - From continuing operations | (143,170) | (252,059) | (43) | (96,070) | (52,255) | 84 |
| - From discontinued operations | 925,823 | 77,289 | 1,098 | - | 29,162 | (100) |
| | 782,653 | (174,770) | N/M | (96,070) | (23,093) | 316 |
| Non-controlling interest | | | | | | |
| - From continuing operations | 1,292 | 1,819 | (29) | 443 | 720 | (38) |
| - From discontinued operations | 2,304 | 4,518 | (49) | - | 1,116 | (100) |
| | 3,596 | 6,337 | (43) | 443 | 1,836 | (76) |
| | 786,249 | (168,433) | N/M | (95,627) | (21,257) | 350 |

¹ "Continuing operations" refers to Liner business while Logistics business, as a result of the sale, is classified as "Discontinued operations". Amounts under "Continuing operations" and "Discontinued operations" do not include trade transactions between Liner and Logistics business. Details of the reclassification are provided in 1.(a)(ii).

1.(a)(ii) Notes to the Consolidated Income Statement

| | Group | | | Group | | |
|--|----------------------|----------------------|---------------------------|---------------------|---------------------|---------------------------|
| | YTD 2015 US\$'000 | YTD 2014 US\$'000 | % Increase/ (Decrease) | Q3 2015 US\$'000 | Q3 2014 US\$'000 | % Increase/ (Decrease) |
| (A) Other Income Including Interest Income | 13,707 | 11,511 | 19 | 5,861 | 2,599 | 126 |
| (B) Net Interest on Borrowings | (91,468) | (89,615) | 2 | (24,664) | (32,516) | (24) |
| (C) Depreciation and Amortisation | (279,728) | (283,576) | (1) | (86,471) | (92,946) | (7) |
| (D) Allowance for Doubtful Debts and Bad Debts Written Off | (27,157) | (7,296) | 272 | (3,747) | (3,976) | (6) |
| (E) Foreign Exchange (Loss)/Gain | (12,183) | 12,771 | N/M | (7,161) | (7,496) | (4) |
| (F) Adjustment for Over Provision for Tax in Prior Years | 22,369 | 21,723 | 3 | 527 | 3,985 | (87) |
| (G) Profit/(Loss) on Sale of Subsidiaries, Investments, Property, Plant and Equipment and Other Assets | 891,613 | 4,853 | 18,272 | (1,842) | 1,478 | N/M |
| (H) Impairment Loss on Assets | - | (4,471) | (100) | - | (3,851) | (100) |
| (I) Net Write-off of Inventories | (52) | (315) | (83) | (3) | (276) | (99) |

N/M: Not meaningful

Discontinued operations

On 17 February 2015, the Company entered into a sale and purchase agreement with Kintetsu World Express, Inc. ("KWE") for the sale (the "Transaction") of the Company's Logistics business, APL Logistics to KWE for an aggregate purchase price of US\$1.2 billion. The Company effected the Transaction by selling all its shares in APL Logistics to KWE.

On 29 May 2015, the Company completed the sale of Logistics business to KWE for an aggregate purchase price of US\$1.2 billion, subject to adjustments for the net cash and net working capital of APL Logistics and its subsidiaries as at the completion date. These adjustments were finalised in Q2 2015 and the Group recorded a gain on disposal of the Logistics business of US\$887 million.

In accordance with "FRS 105 Non-current Assets Held for Sale and Discontinued Operations", the results of the Logistics business of the Group is presented separately on the Statement of Comprehensive Income as "discontinued operations". These results were consolidated as part of the Group's financial results till 29 May 2015.

The results of Logistics business for YTD 2015, YTD 2014 and Q3 2014 are as follows:

| | Group | | | Group | | |
|---|----------------------|----------------------|---------------------------|---------------------|---------------------|---------------------------|
| | YTD 2015 US\$'000 | YTD 2014 US\$'000 | % Increase/ (Decrease) | Q3 2015 US\$'000 | Q3 2014 US\$'000 | % Increase/ (Decrease) |
| Revenue | 638,759 | 1,148,570 | (44) | - | 382,763 | (100) |
| Expenses | (596,611) | (1,064,544) | (44) | - | (353,869) | (100) |
| Other gains (net) | 2,566 | 7,356 | (65) | - | 2,200 | (100) |
| Gain on disposal of subsidiaries | 886,560 | - | N/M | - | - | - |
| Profit before income tax from discontinued operations | 931,274 | 91,382 | 919 | - | 31,094 | (100) |
| Income tax expense | (3,147) | (9,575) | (67) | - | (816) | (100) |
| Profit from discontinued operations, net of tax | 928,127 | 81,807 | 1,035 | - | 30,278 | (100) |

1.(a)(iii) Consolidated Statement of Comprehensive Income

| | Group | | Group | |
|---|----------------------|----------------------|---------------------|---------------------|
| | YTD 2015 US\$'000 | YTD 2014 US\$'000 | Q3 2015 US\$'000 | Q3 2014 US\$'000 |
| Net profit/(loss) for the financial period | 786,249 | (168,433) | (95,627) | (21,257) |
| Continuing operations | | | | |
| Other comprehensive income: | | | | |
| Items that will not be reclassified to profit or loss: | | | | |
| Re-measurement of net defined benefits obligations | - | 3,136 | - | 3,136 |
| | - | 3,136 | - | 3,136 |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Fair value loss on cash flow hedges | (67,342) | (15,254) | (50,555) | (16,968) |
| Fair value loss/(gain) on cash flow hedges transferred to the income statement | 66,493 | (1,574) | 25,476 | 6,619 |
| Fair value loss on available-for-sale financial assets | - | - | - | (7) |
| Fair value gain on available-for-sale financial asset transferred to the income statement | - | (28) | - | (28) |
| Share of other comprehensive income of associated company | 1,423 | (3,043) | 10 | 181 |
| Currency translation differences | (5,704) | (4,862) | (1,908) | (3,625) |
| Tax on fair value gain and loss | - | 5 | - | (40) |
| | (5,130) | (24,756) | (26,977) | (13,868) |
| Discontinued operations | | | | |
| Other comprehensive income: | | | | |
| Items that will not be reclassified to profit or loss: | | | | |
| Re-measurement of net defined benefits obligations | (116) | - | - | - |
| | (116) | - | - | - |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Fair value (loss)/gain on cash flow hedges | (141) | 29 | - | 211 |
| Fair value (gain)/loss on cash flow hedges transferred to the income statement | (349) | 142 | - | 142 |
| Reclassification of hedging reserve on disposal of subsidiaries | 119 | - | - | - |
| Fair value gain/(loss) on available-for-sale financial assets | 36 | (6) | - | (4) |
| Reclassification of fair value reserve on disposal of subsidiaries | 8 | - | - | - |
| Currency translation differences | (513) | (10) | - | 2,507 |
| Reclassification of foreign currency translation reserve on disposal of subsidiaries | (1,614) | - | - | - |
| | (2,454) | 155 | - | 2,856 |
| Other comprehensive income for the financial period, net of tax | (7,700) | (21,465) | (26,977) | (7,876) |
| Total comprehensive income for the financial period | 778,549 | (189,898) | (122,604) | (29,133) |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | | | | |
| - From continuing operations | (148,030) | (273,707) | (122,857) | (62,949) |
| - From discontinued operations | 923,416 | 77,510 | - | 32,076 |
| | 775,386 | (196,197) | (122,857) | (30,873) |
| Non-controlling interest | | | | |
| - From continuing operations | 1,022 | 1,847 | 253 | 682 |
| - From discontinued operations | 2,141 | 4,452 | - | 1,058 |
| | 3,163 | 6,299 | 253 | 1,740 |
| | 778,549 | (189,898) | (122,604) | (29,133) |

1.(b)(i) Statement of Financial Position

| | Group | | | Company | | |
|--|-------------------------|-------------------------|---------------------------|-------------------------|-------------------------|---------------------------|
| | 18 Sep 2015 US\$'000 | 26 Dec 2014 US\$'000 | % Increase/ (Decrease) | 18 Sep 2015 US\$'000 | 26 Dec 2014 US\$'000 | % Increase/ (Decrease) |
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | 248,726 | 1,225,771 | (80) | 20,154 | 873,859 | (98) |
| Trade and other receivables ² | 601,899 | 1,080,359 | (44) | 4,565,117 | 3,560,275 | 28 |
| Available-for-sale financial assets | - | 24,516 | (100) | - | - | 0 |
| Inventories at cost | 113,275 | 175,244 | (35) | - | - | 0 |
| Derivative financial instruments | 1,769 | 726 | 144 | - | - | 0 |
| Other current assets | 86,336 | 103,206 | (16) | 2,331 | 4,377 | (47) |
| Total current assets | 1,052,005 | 2,609,822 | (60) | 4,587,602 | 4,438,511 | 3 |
| Non-current Assets | | | | | | |
| Investments in subsidiaries | - | - | 0 | 775,212 | 1,050,564 | (26) |
| Investments in associated companies | 121,990 | 160,835 | (24) | - | - | 0 |
| Investments in joint ventures | 21,194 | 21,220 | (0) | - | - | 0 |
| Property, plant and equipment | 5,691,953 | 6,012,433 | (5) | 8,975 | 9,852 | (9) |
| Deferred charges | 3,943 | 5,387 | (27) | 3,943 | 5,387 | (27) |
| Intangible assets | 17,124 | 31,100 | (45) | 2,107 | 2,324 | (9) |
| Land use rights | - | 817 | (100) | - | - | 0 |
| Goodwill arising on consolidation | 121,035 | 158,068 | (23) | - | - | 0 |
| Deferred income tax assets | 29,596 | 42,575 | (30) | - | - | 0 |
| Other non-current assets | 45,274 | 57,367 | (21) | 55 | 57 | (4) |
| Total non-current assets | 6,052,109 | 6,489,802 | (7) | 790,292 | 1,068,184 | (26) |
| TOTAL ASSETS | 7,104,114 | 9,099,624 | (22) | 5,377,894 | 5,506,695 | (2) |
| LIABILITIES | | | | | | |
| Current Liabilities | | | | | | |
| Trade and other payables | 949,383 | 1,178,233 | (19) | 136,409 | 107,364 | 27 |
| Current income tax liabilities | 75,005 | 132,448 | (43) | 2,740 | 2,722 | 1 |
| Borrowings | 526,508 | 615,095 | (14) | 300,000 | 300,000 | 0 |
| Provisions | 41,356 | 40,378 | 2 | 1,506 | 1,881 | (20) |
| Deferred income | 256 | 5,156 | (95) | - | - | 0 |
| Derivative financial instruments | 11,618 | 30,363 | (62) | 3 | 2,299 | (100) |
| Other current liabilities ³ | 157,957 | 226,949 | (30) | - | - | 0 |
| Total current liabilities | 1,762,083 | 2,228,622 | (21) | 440,658 | 414,266 | 6 |
| Non-current Liabilities | | | | | | |
| Borrowings | 2,346,475 | 4,676,308 | (50) | 964,647 | 2,024,509 | (52) |
| Provisions | 166,338 | 191,654 | (13) | - | - | 0 |
| Deferred income | 636 | 1,566 | (59) | - | - | 0 |
| Deferred income tax liabilities | 2,744 | 6,431 | (57) | 756 | 628 | 20 |
| Derivative financial instruments | 262,230 | 160,357 | 64 | 172,885 | 101,256 | 71 |
| Other non-current liabilities | 21,079 | 26,809 | (21) | - | - | 0 |
| Total non-current liabilities | 2,799,502 | 5,063,125 | (45) | 1,138,288 | 2,126,393 | (46) |
| TOTAL LIABILITIES | 4,561,585 | 7,291,747 | (37) | 1,578,946 | 2,540,659 | (38) |
| NET ASSETS | 2,542,529 | 1,807,877 | 41 | 3,798,948 | 2,966,036 | 28 |
| EQUITY | | | | | | |
| Share capital | 1,840,090 | 1,834,341 | 0 | 1,840,090 | 1,834,341 | 0 |
| Treasury shares | (5,216) | (5,216) | 0 | (5,216) | (5,216) | 0 |
| | 1,834,874 | 1,829,125 | 0 | 1,834,874 | 1,829,125 | 0 |
| Shares held by employee benefit trust | (4,947) | (5,719) | (13) | - | - | 0 |
| Treasury shares reserve | (1,195) | (1,195) | 0 | (1,195) | (1,195) | 0 |
| Retained earnings | 817,498 | 28,756 | 2,743 | 1,962,393 | 1,120,724 | 75 |
| Statutory and other reserves | (121,483) | (100,854) | 20 | 2,876 | 17,382 | (83) |
| Capital and reserves attributable to equity holders of the Company | 2,524,747 | 1,750,113 | 44 | 3,798,948 | 2,966,036 | 28 |
| Non-controlling interest | 17,782 | 57,764 | (69) | - | - | 0 |
| TOTAL EQUITY | 2,542,529 | 1,807,877 | 41 | 3,798,948 | 2,966,036 | 28 |
| Net current (liabilities)/assets | (710,078) | 381,200 | N/M | 4,146,944 | 4,024,245 | 3 |

² Trade receivables include the full freight revenue for voyages, which corresponds to the contractual rights stipulated in the standard Bill of Lading and is inclusive of the freight charges collectable at destination for Free on Board shipments.

³ Other current liabilities relate mainly to deferred revenue arising from the percentage-of-completion method for revenue recognition.

Disposal of subsidiaries

On 29 May 2015, the Company disposed of its Logistics business for a cash consideration of US\$1.2 billion.

The value of assets and liabilities of the Logistics business recorded in the consolidated financial statements as at 29 May 2015, and the effects of the disposal were:

| | Group |
|-------------------------------------|----------------|
| | 18 Sep 2015 |
| | US\$'000 |
| Cash and cash equivalents | 77,171 |
| Trade and other receivables | 316,022 |
| Available-for-sale financial assets | 24,355 |
| Inventories at cost | 213 |
| Derivative financial instruments | 183 |
| Other current assets | 20,262 |
| Investments in associated companies | 52,756 |
| Property, plant and equipment | 78,827 |
| Intangible assets | 11,792 |
| Land use rights | 824 |
| Goodwill arising on consolidation | 41,184 |
| Deferred income tax assets | 2,756 |
| Other non-current assets | 5,596 |
| Total assets | 631,941 |
| Trade and other payables | 229,858 |
| Current income tax liabilities | 22,724 |
| Borrowings | 31,852 |
| Provisions | 15,650 |
| Deferred income | 1,225 |
| Derivative financial instruments | 301 |
| Other current liabilities | 6,324 |
| Deferred income tax liabilities | 3,830 |
| Other non-current liabilities | 2,196 |
| Total liabilities | 313,960 |
| Net assets derecognised | 317,981 |
| Less: Non-controlling interests | (39,034) |
| Net assets disposed of | 278,947 |

| | Group |
|--|------------------|
| | 18 Sep 2015 |
| | US\$'000 |
| Cash consideration | 1,238,000 |
| Less: Transaction and transaction related costs paid/payable | (48,660) |
| Less: Cash and cash equivalents of subsidiaries | (77,171) |
| Net cash inflow on disposal of subsidiaries | 1,112,169 |

| | Group |
|---|----------------|
| | 18 Sep 2015 |
| | US\$'000 |
| Cash consideration | 1,238,000 |
| Less: Net assets disposed of | (278,947) |
| Less: Transaction and transaction related costs | (73,980) |
| Add: Reclassification of foreign currency translation reserve, hedging reserve and fair value reserve from equity on disposal of subsidiaries | 1,487 |
| Gain on disposal | 886,560 |

1.(b)(ii) Borrowings

| The Group | Secured borrowings | Unsecured borrowings | Secured finance lease liabilities | Total |
|---|--------------------|----------------------|-----------------------------------|------------------|
| As at 18 September 2015 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Amount repayable on or before 16 September 2016, or on demand | 104,867 | 411,430 | 10,211 | 526,508 |
| Amount repayable on or before: | | | | |
| 22 September 2017 | 111,736 | 279,165 | 11,789 | 402,690 |
| 21 September 2018 | 100,462 | 69,329 | 11,662 | 181,453 |
| 20 September 2019 | 96,386 | - | 12,498 | 108,884 |
| 18 September 2020 | 149,387 | 401,277 | 13,273 | 563,937 |
| Thereafter | 564,526 | 315,870 | 209,115 | 1,089,511 |
| | 1,127,364 | 1,477,071 | 268,548 | 2,872,983 |

| As at 26 December 2014 | Secured borrowings | Unsecured borrowings | Secured finance lease liabilities | Total |
|--|--------------------|----------------------|-----------------------------------|------------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Amount repayable in FY2015, or on demand | 204,394 | 399,955 | 10,746 | 615,095 |
| Amount repayable on or before: | | | | |
| FY 2016 | 229,091 | 427,644 | 11,432 | 668,167 |
| FY 2017 | 218,132 | 620,189 | 11,942 | 850,263 |
| FY 2018 | 208,803 | 225,000 | 12,647 | 446,450 |
| FY 2019 | 321,663 | 313,612 | 12,680 | 647,955 |
| Thereafter | 1,307,005 | 538,088 | 218,380 | 2,063,473 |
| | 2,489,088 | 2,524,488 | 277,827 | 5,291,403 |

The secured borrowings and finance lease liabilities are secured mainly on vessels.

1.(b)(iii) Operating Lease Commitments

The future aggregate minimum lease payable under non-cancellable operating leases of the Group are as follows:

The Group

| As at 18 September 2015 | Vessels US\$'000 | Containers US\$'000 | Terminals US\$'000 | Chassis US\$'000 | Others ⁴ US\$'000 | Total US\$'000 |
|--|---------------------|------------------------|-----------------------|---------------------|---------------------------------|-------------------|
| Amount repayable for the remainder of FY2015 | 61,095 | 11,506 | 5,165 | 526 | 7,030 | 85,322 |
| Amount repayable in: | | | | | | |
| FY 2016 | 164,580 | 15,021 | 66,873 | 679 | 24,108 | 271,261 |
| FY 2017 | 123,442 | 6,804 | 56,919 | - | 14,320 | 201,485 |
| FY 2018 | 116,626 | 5,274 | 49,056 | - | 9,077 | 180,033 |
| FY 2019 | 113,003 | 2,533 | 49,056 | - | 7,853 | 172,445 |
| Thereafter | 212,364 | 6,547 | 316,393 | - | 7,613 | 542,917 |
| | 791,110 | 47,685 | 543,462 | 1,205 | 70,001 | 1,453,463 |

| As at 26 December 2014 | Vessels US\$'000 | Containers US\$'000 | Terminals US\$'000 | Chassis US\$'000 | Others ⁴ US\$'000 | Total US\$'000 |
|-----------------------------|---------------------|------------------------|-----------------------|---------------------|---------------------------------|-------------------|
| Amount repayable in FY 2015 | 266,916 | 50,845 | 68,986 | 508 | 54,026 | 441,281 |
| Amount repayable in: | | | | | | |
| FY 2016 | 159,032 | 15,112 | 56,919 | - | 37,656 | 268,719 |
| FY 2017 | 123,442 | 6,804 | 57,047 | - | 22,805 | 210,098 |
| FY 2018 | 116,626 | 5,274 | 49,056 | - | 12,785 | 183,741 |
| FY 2019 | 113,003 | 2,533 | 49,056 | - | 10,486 | 175,078 |
| Thereafter | 212,364 | 6,547 | 321,733 | - | 10,619 | 551,263 |
| | 991,383 | 87,115 | 602,797 | 508 | 148,377 | 1,830,180 |

⁴ Others relate mainly to warehouse space, warehouse equipment, inland container yards, housing rental, office space and land.

1.(c) Consolidated Statement of Cash Flows

| | Group | | | |
|--|----------------------|----------------------|---------------------|---------------------|
| | YTD 2015 US\$'000 | YTD 2014 US\$'000 | Q3 2015 US\$'000 | Q3 2014 US\$'000 |
| Cash Flows from Operating Activities | | | | |
| Loss before income tax from continuing operations | (140,543) | (244,044) | (90,953) | (45,316) |
| Profit before income tax from discontinued operations | 931,274 | 91,382 | - | 31,094 |
| Adjustments for: | | | | |
| Depreciation and amortisation | 279,728 | 283,576 | 86,471 | 92,946 |
| Fair value loss/(gain) on financial instruments | 9 | 8,005 | 926 | (561) |
| Deferred charge expense | 1,495 | 1,940 | 455 | 599 |
| Net interest expense | 91,468 | 89,615 | 24,664 | 32,516 |
| Interest income | (4,396) | (3,981) | (1,155) | (1,428) |
| Share-based compensation costs | 2,656 | 2,472 | 1,401 | 1,611 |
| Net write-off of inventories | 52 | 315 | 3 | 276 |
| Fair value loss/(gain) on shares held by employee benefit trust | 375 | (602) | 304 | 116 |
| Net (profit)/loss on disposal of property, plant and equipment | (6,418) | (1,876) | 342 | (1,238) |
| Net profit on disposal of assets classified as held-for-sale | - | (2,737) | - | - |
| Net profit on disposal of other assets | (594) | (240) | (459) | (240) |
| Net (profit)/loss on disposal of subsidiaries | (884,601) | - | 1,959 | - |
| Fair value gain on interest retained in a former subsidiary | (974) | - | - | - |
| Dividend income from other investment | (1,564) | (670) | (776) | - |
| Net provision for impairment of assets | - | 4,471 | - | 3,851 |
| Net provision for liabilities | 19,495 | 36,153 | 1,498 | 23,959 |
| Share of results of associated companies | (1,357) | (5,857) | 531 | (1,242) |
| Share of results of joint ventures | (1,809) | (1,229) | (617) | (782) |
| Unrealised currency translation loss/(gain) | 2,458 | (8,372) | 3,392 | 424 |
| Operating cash flow before working capital changes | 286,754 | 248,321 | 27,986 | 136,585 |
| Changes in operating assets and liabilities | | | | |
| Receivables and other assets | 170,009 | (73,504) | 19,528 | (68,329) |
| Inventories | 61,704 | 21,593 | 28,078 | 8,872 |
| Payables | (76,200) | (12,533) | 25,433 | 49,709 |
| Provisions | (28,341) | (28,592) | (7,076) | (15,146) |
| Cash generated from operations | 413,926 | 155,285 | 93,949 | 111,691 |
| Interest paid | (92,234) | (78,633) | (24,110) | (22,371) |
| Interest received | 5,452 | 4,637 | 1,663 | 2,469 |
| Net income tax paid | (29,553) | (42,760) | (2,361) | (12,600) |
| Net cash inflow from operating activities | 297,591 | 38,529 | 69,141 | 79,189 |
| Cash Flows from Investing Activities | | | | |
| Acquisition of net identifiable assets | - | (6,151) | - | (6,151) |
| Acquisition of additional interest in a subsidiary, net of cash acquired | (9,985) | - | - | - |
| Investment in an associated company | (9,925) | (13,715) | (993) | - |
| (Additions in)/net proceeds from loans receivables | (2) | 66 | 13 | 16 |
| Dividends received from associated companies | - | 1,365 | - | 1,365 |
| Dividends received from joint venture | 762 | 654 | 762 | 629 |
| Dividends received from other investment | 1,564 | 670 | 776 | - |
| Purchase of property, plant and equipment | (95,354) | (314,189) | (13,218) | (29,828) |
| Purchase of available-for-sale financial assets | (7,372) | (8,192) | - | (8,192) |
| Purchase of intangible assets | (1,436) | (3,371) | (572) | (747) |
| Proceeds from disposal of subsidiaries, net of cash disposed of | 1,112,169 | - | - | - |
| Proceeds from disposal of assets classified as held-for-sale | - | 15,034 | - | - |
| Proceeds from disposal of property, plant and equipment | 37,165 | 35,147 | 913 | 22,845 |
| Proceeds from disposal of other assets | 9,517 | 16,224 | 1,747 | 13,338 |
| Net cash inflow/(outflow) from investing activities | 1,037,103 | (276,458) | (10,572) | (6,725) |
| Cash Flows from Financing Activities | | | | |
| Proceeds from borrowings | 948,851 | 3,356,631 | - | 814,809 |
| Net cash (outflow)/inflow contributed by employee benefit trust | (21) | 320 | (49) | 529 |
| Dividends paid to non-controlling interest | (1,937) | (2,204) | - | (329) |
| Return of capital to non-controlling interest | (247) | - | - | - |
| Proceeds from issue of new ordinary shares | 69 | - | - | - |
| Repayment of borrowings | (3,258,405) | (3,287,090) | (491,653) | (897,627) |
| Payment of costs incurred in connection with long term financing | (49) | (1,887) | - | (16) |
| Net cash (outflow)/inflow from financing activities | (2,311,739) | 65,770 | (491,702) | (82,634) |
| Net decrease in cash and cash equivalents | (977,045) | (172,159) | (433,133) | (10,170) |
| Cash and cash equivalents at beginning of financial period | 1,225,771 | 980,993 | 681,859 | 819,004 |
| Cash and cash equivalents at end of financial period | 248,726 | 808,834 | 248,726 | 808,834 |

In the consolidated statement of cash flows, the operating cash flows of the Logistics business (discontinued operations) has been aggregated with those of the continuing operations of the Liner business. The impact of the Logistics business on the cash flows of the Group is as follows:

| | Group | | Group | |
|-----------------------------------|----------------------|----------------------|---------------------|---------------------|
| | YTD 2015 US\$'000 | YTD 2014 US\$'000 | Q3 2015 US\$'000 | Q3 2014 US\$'000 |
| Operating cash inflows | 13,667 | 37,853 | - | 18,114 |
| Investing cash outflows | (13,518) | (9,104) | - | (2,507) |
| Financing cash inflows/(outflows) | 25,910 | (943) | - | 1,052 |
| Total cash inflows | 26,059 | 27,806 | - | 16,659 |

Capital and reserves attributable to equity holders of the Company

| GROUP | Share capital | Treasury shares | Shares held by employee benefit trust | Treasury shares reserve | Retained earnings | Statutory and other reserves | Non-controlling interest | Total equity |
|---|---------------|-----------------|---|----------------------------|----------------------|------------------------------------|-----------------------------|--------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance at 27 December 2014 | 1,834,341 | (5,216) | (5,719) | (1,195) | 28,756 | (100,854) | 57,764 | 1,807,877 |
| Dividends to non-controlling interest | - | - | - | - | - | - | (3,875) | (3,875) |
| Employee equity compensation schemes: | | | | | | | | |
| - value of employee services | - | - | - | - | - | 2,624 | - | 2,624 |
| - new shares issued | 5,737 | - | - | - | - | (5,668) | - | 69 |
| Sale of shares by employee benefit trust | - | - | 517 | - | - | - | - | 517 |
| Disposal of subsidiaries | - | - | - | - | 6,089 | (6,089) | (39,034) | (39,034) |
| Acquisition of non-controlling interest without a change in control | - | - | - | - | - | (5,672) | (4,313) | (9,985) |
| Capital contribution by non-controlling interest | - | - | - | - | - | - | 4,324 | 4,324 |
| Return of capital to non-controlling interest | - | - | - | - | - | - | (247) | (247) |
| Share of statutory reserves of associated company | - | - | - | - | - | 46 | - | 46 |
| Total comprehensive income for the financial period | - | - | - | - | 878,723 | 19,520 | 2,910 | 901,153 |
| Balance at 26 June 2015 | 1,840,078 | (5,216) | (5,202) | (1,195) | 913,568 | (96,093) | 17,529 | 2,663,469 |
| Employee equity compensation schemes: | | | | | | | | |
| - value of employee services | - | - | - | - | - | 1,401 | - | 1,401 |
| - new shares issued | 12 | - | - | - | - | (12) | - | - |
| Sale of shares by employee benefit trust | - | - | 255 | - | - | - | - | 255 |
| Share of statutory reserves of associated company | - | - | - | - | - | 8 | - | 8 |
| Total comprehensive income for the financial period | - | - | - | - | (96,070) | (26,787) | 253 | (122,604) |
| Balance at 18 September 2015 | 1,840,090 | (5,216) | (4,947) | (1,195) | 817,498 | (121,483) | 17,782 | 2,542,529 |

Capital and reserves attributable to equity holders of the Company

| GROUP | Share capital | Treasury shares | Shares held by employee benefit trust | Treasury shares reserve | Retained earnings | Statutory and other reserves | Non-controlling interest | Total equity |
|---|---------------|-----------------|---|----------------------------|----------------------|------------------------------------|-----------------------------|--------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance at 28 December 2013 | 1,830,222 | (5,216) | (6,146) | (1,195) | 288,733 | (29,295) | 53,708 | 2,130,811 |
| Dividends to non-controlling interest | - | - | - | - | - | - | (3,750) | (3,750) |
| Employee equity compensation schemes: | | | | | | | | |
| - value of employee services | - | - | - | - | - | 861 | - | 861 |
| - new shares issued | 3,838 | - | - | - | - | (3,838) | - | - |
| Purchase of shares by employee benefit trust | - | - | (50) | - | - | - | - | (50) |
| Share of statutory reserves of associated company | - | - | - | - | - | 41 | - | 41 |
| Total comprehensive income for the financial period | - | - | - | - | (151,677) | (13,647) | 4,559 | (160,765) |
| Balance at 27 June 2014 | 1,834,060 | (5,216) | (6,196) | (1,195) | 137,056 | (45,878) | 54,517 | 1,967,148 |
| Dividends to non-controlling interest | - | - | - | - | - | - | (329) | (329) |
| Employee equity compensation schemes: | | | | | | | | |
| - value of employee services | - | - | - | - | - | 1,611 | - | 1,611 |
| Sale of shares by employee benefit trust | - | - | 467 | - | - | - | - | 467 |
| Share of statutory reserves of associated company | - | - | - | - | - | 17 | - | 17 |
| Total comprehensive income for the financial period | - | - | - | - | (23,093) | (7,780) | 1,740 | (29,133) |
| Transfer from retained earnings to statutory and other reserves | - | - | - | - | (136) | 136 | - | - |
| Balance at 19 September 2014 | 1,834,060 | (5,216) | (5,729) | (1,195) | 113,827 | (51,894) | 55,928 | 1,939,781 |

| COMPANY | Share capital | Treasury shares | Treasury shares reserves | Retained earnings | Other reserves | Total equity |
|---|---------------|-----------------|-----------------------------|----------------------|----------------|--------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance at 27 December 2014 | 1,834,341 | (5,216) | (1,195) | 1,120,724 | 17,382 | 2,966,036 |
| Employee equity compensation schemes: | | | | | | |
| - value of employee services | - | - | - | - | 2,624 | 2,624 |
| - new shares issued | 5,737 | - | - | - | (5,668) | 69 |
| Total comprehensive income for the financial period | - | - | - | 853,963 | (1,983) | 851,980 |
| Balance at 26 June 2015 | 1,840,078 | (5,216) | (1,195) | 1,974,687 | 12,355 | 3,820,709 |
| Employee equity compensation schemes: | | | | | | |
| - value of employee services | - | - | - | - | 1,401 | 1,401 |
| - new shares issued | 12 | - | - | - | (12) | - |
| Total comprehensive income for the financial period | - | - | - | (12,294) | (10,868) | (23,162) |
| Balance at 18 September 2015 | 1,840,090 | (5,216) | (1,195) | 1,962,393 | 2,876 | 3,798,948 |

| COMPANY | Share capital | Treasury shares | Treasury shares reserves | Retained earnings | Other reserves | Total equity |
|---|---------------|-----------------|-----------------------------|----------------------|----------------|--------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Balance at 28 December 2013 | 1,830,222 | (5,216) | (1,195) | 1,168,368 | 33,237 | 3,025,416 |
| Employee equity compensation schemes: | | | | | | |
| - value of employee services | - | - | - | - | 861 | 861 |
| - new shares issued | 3,838 | - | - | - | (3,838) | - |
| Total comprehensive income for the financial period | - | - | - | (24,541) | (6,079) | (30,620) |
| Balance at 27 June 2014 | 1,834,060 | (5,216) | (1,195) | 1,143,827 | 24,181 | 2,995,657 |
| Employee equity compensation schemes: | | | | | | |
| - value of employee services | - | - | - | - | 1,611 | 1,611 |
| Total comprehensive income for the financial period | - | - | - | (12,868) | (419) | (13,287) |
| Balance at 19 September 2014 | 1,834,060 | (5,216) | (1,195) | 1,130,959 | 25,373 | 2,983,981 |

- 1.(d)(ii) **Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Issued and paid up capital

As at 26 June 2015, the Company's issued and paid-up capital (including treasury shares) comprised 2,602,929,144 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,601,202,427 ordinary shares.

During the 3 months ended 18 September 2015, the Company issued and allotted 16,000 ordinary shares upon the vesting of restricted shares granted and awarded under the NOL Restricted Share Plan 2010 ("NOL RSP 2010").

As at 18 September 2015, the Company's issued and paid-up capital (including treasury shares) comprised 2,602,945,144 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,601,218,427 (26 December 2014: 2,593,821,492) ordinary shares.

Share options

As at 26 June 2015, there were 29,983,645 outstanding share options to subscribe for unissued ordinary shares exercisable at any time during the exercise periods under the NOL Share Option Plan ("NOL SOP").

During the 3 months ended 18 September 2015, 5,536,433 share options were cancelled.

As at 18 September 2015, share options to subscribe for 24,447,212 (19 September 2014: 35,031,098) ordinary shares remain outstanding under the NOL SOP.

Restricted shares

As at 26 June 2015, there were 8,975,051 outstanding restricted shares under the NOL RSP 2010.

During the 3 months ended 18 September 2015, 16,000 restricted shares were vested and 290,286 restricted shares were cancelled.

As at 18 September 2015, 8,668,765 (19 September 2014: 8,857,597) restricted shares remain outstanding under the NOL RSP 2010.

Performance shares

As at 26 June 2015, there were 7,700,137 outstanding performance shares under the NOL Performance Share Plan 2010 ("NOL PSP 2010").

During the 3 months ended 18 September 2015, 134,000 performance shares were cancelled.

As at 18 September 2015, 7,566,137 (19 September 2014: 7,787,696) performance shares remain outstanding under the NOL PSP 2010.

Treasury shares

As at 26 June 2015, there were 1,726,717 treasury shares that may be re-issued upon the exercise of options under the NOL SOP and the vesting of restricted shares and performance shares under the NOL RSP 2010 and NOL PSP 2010 respectively.

During the 3 months ended 18 September 2015, no treasury shares were sold, transferred, disposed, cancelled and/or re-issued by the Company pursuant to the NOL SOP, NOL RSP 2010 and NOL PSP 2010.

In addition, no shares were purchased for the purposes of fulfilling the Company's obligations under the NOL SOP, NOL RSP 2010 and NOL PSP 2010.

As at 18 September 2015, there were 1,726,717 (19 September 2014: 1,726,717) treasury shares remaining that have not been re-issued.

2. Basis of Preparation

The preparation of the third quarter 2015 interim financial information in conformity with Singapore Financial Reporting Standards requires management to exercise its judgement in the process of applying the Neptune Orient Lines Limited Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities as at 18 September 2015 and the reported amounts of revenue and expenses during the financial period from 27 December 2014 to 18 September 2015. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Negative Assurance Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual

On behalf of the board of directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the board of directors of the Company which may render the interim financial information for the third quarter ended 18 September 2015 to be false or misleading in any material aspect.

On behalf of the board of directors

QUEK SEE TIAT
Director

NG YAT CHUNG
Director

Dated this 30 October 2015

4. Audit or Review of Figures

The figures have not been audited or reviewed by our auditors.

5. Auditors' Report (including any qualifications or emphasis of matter)

N.A.

6. Contingent Liability

Tax Exposures

The U.S. Internal Revenue Service ("the IRS") audited the 2007, 2008 and 2009 US federal tax returns of APL Limited, a subsidiary company within the NOL Group ("the Group"). In May 2014, the IRS issued a Revenue Agent Report ("RAR") with certain adjustments. APL Limited disagrees with the IRS's adjustments and consequently filed its protest letter on 12 June 2014, requesting the matter be referred to the IRS Office of Appeals. The IRS has audited the 2010, 2011 and 2012 US federal tax returns of APL Limited and has issued a Notice of Proposed Adjustments ("NOPA") in July 2015, raising the same issues that were raised in the 2007 to 2009 cycle. APL Limited has requested for these issues to be considered and resolved in connection with the appeals proceedings for 2007 to 2009 cycle. The Group is not able to determine with certainty the ultimate outcome of the IRS eventual assessment. As of end of Quarter 3, 2015, based on available facts and information, the Group believes that it has provided adequate provisions for the open matters referred to in the RAR and NOPA.

7. Accounting Policies

Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under Note 8(a), the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 26 December 2014.

8.(a) If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, to disclose what has changed, as well as the reasons for, and the effect of, the change.

On 27 December 2014, the Group and the Company adopted the new or revised Singapore Financial Reporting Standards ("FRS"), which are effective for the Group's financial period beginning 27 December 2014.

The following are the FRS that are relevant to the Group and the Company:

Amendments to FRS 102 : Share-based Payment (Effective for annual periods beginning on or after 1 July 2014)
Amendments to FRS 108 : Operating Segments (Effective for annual periods beginning on or after 1 July 2014)

The adoption of the above FRS did not result in substantial changes to the Group's accounting policies and did not have any significant impact on the financial position and results of the Group and the Company.

8.(b) Comparatives

With effect from Q1 2015 and pursuant to "FRS 105 Non-current Assets Held for Sale and Discontinued Operations", the results of the Logistics business of the Group have been reclassified as "discontinued operations". Accordingly, certain comparative figures have been restated.

| GROUP | YTD 2015 | YTD 2014 | Q3 2015 | Q3 2014 |
|---|--|---------------|---------------|---------------|
| | Earnings/(Loss) per ordinary share after deducting any provision for preference dividends (adjusted to exclude shares held by employee benefit trust and treasury shares) | | | |
| a) Based on the weighted average number of ordinary shares on issue | | | | |
| - From continuing operations | (5.53 US cts) | (9.75 US cts) | (3.70 US cts) | (2.02 US cts) |
| - From discontinued operations | 35.77 US cts | 2.99 US cts | - | 1.13 US cts |
| b) On a fully diluted basis (detailing any adjustments made to the earnings) | | | | |
| - From continuing operations | (5.53 US cts) | (9.75 US cts) | (3.70 US cts) | (2.02 US cts) |
| - From discontinued operations | 35.77 US cts | 2.99 US cts | - | 1.13 US cts |

| 10. Net Asset Value | Group | | | Company | | |
|---|---------------------|---------------------|------------------|---------------------|---------------------|------------------|
| | 18 Sep 2015 US\$ | 26 Dec 2014 US\$ | Inc / (Dec) % | 18 Sep 2015 US\$ | 26 Dec 2014 US\$ | Inc / (Dec) % |
| Net Asset Value per ordinary share based on issued share capital (adjusted to exclude treasury shares) of the issuer | 0.97 | 0.67 | 44.78 | 1.46 | 1.14 | 28.07 |

11. Review of the Performance of the Group

Income Statement:

Continuing operations:

YTD 2015 vs YTD 2014

NOL Group achieved revenue of US\$4.11 billion (YTD 2014: US\$5.24 billion), a decrease of US\$1.13 billion. This was mainly due to decrease in Liner revenue from planned capacity cuts, void sailings, weak container trade demand and challenging freight rate environment.

The Group's cost of sales decreased by US\$1.22 billion or 24% YoY to US\$3.80 billion mainly due to operational cost efficiencies and lower bunker costs.

Administrative expenses decreased by US\$37 million or 11% YoY to US\$316 million mainly due to lower personnel costs.

Other operating expenses increased by US\$19 million mainly due to higher provision for doubtful debts made in YTD 2015.

Tax expense decreased by US\$5 million mainly due to write-back of provision relating to prior years.

Net loss attributable to equity holders of the Company decreased by US\$109 million or 43% to US\$143 million mainly due to operational cost efficiencies.

Q3 2015 vs Q3 2014

NOL Group achieved revenue of US\$1.21 billion (Q3 2014: US\$1.68 billion), a decrease of US\$0.47 billion. This was mainly due to decrease in Liner revenue from void sailings, absence of peak summer season, weak container trade demand and challenging freight rate environment.

The Group's cost of sales decreased by US\$0.40 billion or 26% YoY to US\$1.16 billion mainly due to operational cost efficiencies and lower bunker costs.

Administrative expenses decreased by US\$7 million or 7% YoY to US\$100 million mainly due to lower personnel costs.

Finance expenses decreased by US\$6 million or 17% YoY to US\$29 million mainly due to lower interest expense from lower average loan balances in Q3 2015 compared to Q3 2014.

Other operating expenses decreased by US\$11 million or 44% YoY to US\$14 million mainly due to write-back of bad debts in Q3 2015 and impairment of assets in Q3 2014.

Net loss attributable to equity holders of the Company increased by US\$44 million or 84% to US\$96 million mainly due to decrease in Liner revenue from void sailings, absence of peak summer season, weak container trade demand and challenging freight rate environment.

Balance Sheet:

NOL Group's total assets decreased by US\$2.00 billion from US\$9.10 billion as at 26 December 2014 to US\$7.10 billion as at 18 September 2015. The decrease in total assets was mainly due to disposal of Logistics business and decrease in cash and cash equivalents and property, plant and equipment. Please refer to the explanation below for the decrease in cash and cash equivalents. Decrease in property, plant and equipment was mainly due to depreciation during YTD 2015.

The Group's total liabilities decreased by US\$2.73 billion from US\$7.29 billion as at 26 December 2014 to US\$4.56 billion as at 18 September 2015. The decrease in total liabilities was mainly due to decrease in borrowings [see Note 1(b)(ii)] during YTD 2015.

The Group's total equity increased by US\$735 million from US\$1.81 billion as at 26 December 2014 to US\$2.54 billion as at 18 September 2015 mainly due to net profit for YTD 2015.

As at 18 September 2015, the Group was in a net current liabilities position mainly due to decrease in cash and cash equivalents. As at 18 September 2015, the Group had sufficient undrawn financing facilities committed from large reputable financial institutions to meet its commitments as well as to repay any debts as and when they fall due.

Cashflow:

NOL Group's cash and cash equivalents decreased by US\$0.98 billion from US\$1.23 billion as at 26 December 2014 to US\$0.25 billion as at 18 September 2015 mainly due to net cash outflow from financing activities of US\$2.31 billion, partially offset by net cash inflow from investing activities of US\$1.04 billion and net cash inflow from operating activities of US\$0.30 billion. Net cash outflow from financing activities was mainly due to net repayment of borrowings. Net cash inflow from investing activities was mainly due to net proceeds from disposal of Logistics business. Net cash inflow from operating activities was mainly due to cash profits generated in YTD 2015.

| | YTD 2015 US\$m | YTD 2014 US\$m | Q3 2015 US\$m | Q3 2014 US\$m |
|--|-------------------|-------------------|------------------|------------------|
| (a) Revenue | | | | |
| Liner ⁵ | 4,133 | 5,293 | 1,207 | 1,695 |
| Logistics (Discontinued operations) ⁵ | 643 | 1,150 | - | 383 |
| Elimination ⁵ | (32) | (54) | - | (18) |
| Total | 4,744 | 6,389 | 1,207 | 2,060 |
| (b) Core EBIT⁶ | | | | |
| Liner ⁵ | (33) | (103) | (66) | 7 |
| Logistics (Discontinued operations) ⁵ | 26 | 44 | - | 14 |
| Total | (7) | (59) | (66) | 21 |

⁵ In accordance with the sale and purchase agreement of 17 February 2015 for the proposed sale of NOL's logistics business to KWE, certain companies in the logistics segment have been carved out from the proposed sale. With effect from Q1 2015 and pursuant to FRS 105 (Non-current Assets Held for Sale and Discontinued Operations), the logistics segment excludes the carved-out companies and the results of these carved-out companies are included in the liner segment. Accordingly, the comparative figures in YTD 2014 and Q3 2014 have been restated.

⁶ Earnings before Net Finance, Tax and Exceptional (Non-Recurring) Items.

(c) **Analysis by Business Units**

(i) **Liner**

YTD 2015 vs YTD 2014

Liner achieved YTD 2015 revenue of US\$4.1 billion, a year-on-year (YoY) decrease of 22% mainly due to lower volume and Revenue/FEU.

Volume decreased by 13%YoY mainly due to:
(i) planned capacity reduction and void sailings;
(ii) US West Coast port congestion; and
(iii) weak container trade demand.

Weaker freight rates across all trade lanes except for Transatlantic trade lane, lowered average revenue per FEU to US\$1,954 or 15% lower YoY.

Liner maintained high headhaul utilisation rate of >90% through active capacity management.

Cost of sales per FEU decreased by 13% YoY mainly due to operational cost efficiencies and lower bunker costs.

As a result of cost & operational efficiencies, Liner reduced its Core EBIT loss by 68% YoY to US\$33 million in YTD 2015.

Q3 2015 vs Q3 2014

Liner achieved Q3 2015 revenue of US\$1.2 billion, a year-on-year (YoY) decrease of 29% mainly due to lower volume and Revenue/FEU.

Volume decreased by 11%YoY mainly due to void sailings, absence of peak summer season and weak container trade demand.

Weaker freight rates across all trade lanes lowered average revenue per FEU to US\$1,847 or 21% lower YoY.

Liner maintained high headhaul utilisation rate of >90% through active capacity management.

Cost of sales per FEU decreased by 17% YoY mainly due to operational cost efficiencies and lower bunker costs.

As a result, Liner recorded a Core EBIT loss of US\$66 million in Q3 2015.

LINER Q3 RESULTS 2015 and 2014

Unaudited

| | YTD 2015 | YTD 2014 | Q3 2015 | Q3 2014 |
|--|--------------|--------------|--------------|--------------|
| Load Factors % | | | | |
| Transpacific and Asia-Latin America/Mexico Eastbound | 90% | 91% | 89% | 90% |
| Intra-Asia Westbound | 98% | 98% | 97% | 99% |
| Asia-Europe Westbound | 90% | 96% | 93% | 95% |
| Transatlantic Westbound | 88% | 89% | 93% | 83% |
| Headhaul | 93% | 94% | 93% | 93% |
| Volume ('000 FEU) | | | | |
| Transpacific | 507 | 610 | 160 | 192 |
| Intra-Asia | 864 | 918 | 274 | 282 |
| Asia-Europe | 299 | 325 | 93 | 105 |
| Latin America | 120 | 138 | 39 | 42 |
| Transatlantic | 36 | 102 | 11 | 25 |
| Total Volume ⁷ | 1,826 | 2,093 | 577 | 646 |
| Average Revenue/FEU (US\$/FEU) | | | | |
| Transpacific | 3,102 | 3,345 | 3,071 | 3,393 |
| Intra-Asia | 1,174 | 1,363 | 1,067 | 1,414 |
| Asia-Europe | 1,812 | 2,428 | 1,596 | 2,444 |
| Latin America | 2,824 | 3,168 | 2,644 | 3,120 |
| Transatlantic | 2,805 | 2,785 | 2,846 | 2,974 |
| Total | 1,954 | 2,294 | 1,847 | 2,343 |

⁷ Represents volume recognised from each Bill of Lading upon commencement of shipment on vessels.

12. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable as no forecast or prospect statement has been previously made.

13. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

Traditional peak season in Europe and North America did not materialise in Q3 2015. This led to severe deterioration in freight rates and volume. Freight rates are expected to remain under pressure due to persistent overcapacity and weak trade growth. The Group will continue its focus on cost efficiency, as well as yield and network capacity management.

14. **Dividend**

(a) **Any dividend recommended for the current financial year reported on?**

Nil

(b) **Any dividend declared for the corresponding period of the immediately preceding financial year?**

Nil

(c) **Date payable**

N.A.

(d) **Books closure date**

N.A.

(e) **If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended for the current financial period.

15. Interested Person Transactions

| Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual | YTD 2015 US\$'000 |
|--|------------------------------|
| Transactions for the Purchase of Goods and Services | |
| PSA Corporation Limited and its associates | 117,806 |
| Singapore Telecommunications Limited and its associates | 160 |
| Certis CISCO Security Pte. Ltd | 73 |
| Transactions for the Sale of Goods and Services | |
| Olam International Limited | 2,455 |
| Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual | Q3 2015 US\$'000 |
| Transactions for the Purchase of Goods and Services | |
| PSA Corporation Limited and its associates | 33,132 |
| Transactions for the Sale of Goods and Services | |
| Olam International Limited | 772 |

The above relates to cumulative value of transactions (inclusive of GST) more than S\$100,000 (approximately US\$73,000).

BY ORDER OF THE BOARD

LOOI LEE HWA AND WONG KIM WAH
Company Secretaries

Dated this 30 October 2015