



NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
Unaudited Financial Information
For the Year Ended 25 December 2015

1.(a)(i) Consolidated Income Statement

	Group			Group		
	FY 2015 US\$'000	FY 2014 US\$'000	% Increase/ (Decrease)	Q4 2015 US\$'000	Q4 2014 US\$'000	% Increase/ (Decrease)
Continuing operations¹						
Revenue	5,382,596	7,025,575	(23)	1,277,168	1,785,136	(28)
Cost of sales	(5,029,914)	(6,723,377)	(25)	(1,230,125)	(1,701,450)	(28)
Gross profit	352,682	302,198	17	47,043	83,686	(44)
Other gains/(loss) (net)						
- Miscellaneous	31,376	12,970	142	14,381	(3,565)	N/M
- Finance and investment income	6,653	5,183	28	1,056	1,357	(22)
Expenses						
- Administrative: IT	(80,100)	(78,390)	2	(19,829)	(21,659)	(8)
- Administrative: non-IT	(344,551)	(397,556)	(13)	(88,967)	(101,133)	(12)
- Finance	(125,503)	(138,954)	(10)	(22,374)	(40,027)	(44)
- Other operating	(55,834)	(60,070)	(7)	(4,402)	(27,505)	(84)
Share of results of associated companies	(5,055)	1,559	N/M	(4,888)	789	N/M
Share of results of joint venture	2,632	1,798	46	823	839	(2)
Loss before tax from continuing operations	(217,700)	(351,262)	(38)	(77,157)	(107,218)	(28)
Tax (expense)/credit	(1,170)	(20,502)	(94)	165	(14,306)	N/M
Loss from continuing operations, net of tax	(218,870)	(371,764)	(41)	(76,992)	(121,524)	(37)
Discontinued operations¹						
Profit from discontinued operations, net of tax	929,946	120,267	673	1,819	38,460	(95)
Net profit/(loss) for the financial year/period	711,076	(251,497)	N/M	(75,173)	(83,064)	(9)
Net profit/(loss) attributable to:						
Equity holders of the Company						
- From continuing operations	(220,439)	(374,353)	(41)	(77,269)	(122,294)	(37)
- From discontinued operations	927,642	114,512	710	1,819	37,223	(95)
	707,203	(259,841)	N/M	(75,450)	(85,071)	(11)
Non-controlling interest						
- From continuing operations	1,569	2,589	(39)	277	770	(64)
- From discontinued operations	2,304	5,755	(60)	-	1,237	(100)
	3,873	8,344	(54)	277	2,007	(86)
	711,076	(251,497)	N/M	(75,173)	(83,064)	(9)

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		
	FY 2015 US\$'000	FY 2014 US\$'000	% Increase/ (Decrease)	Q4 2015 US\$'000	Q4 2014 US\$'000	% Increase/ (Decrease)
(A) Other Income Including Interest Income	21,338	19,509	9	7,631	7,998	(5)
(B) Interest on Borrowings	(120,010)	(125,926)	(5)	(28,542)	(36,311)	(21)
(C) Depreciation and Amortisation	(383,454)	(392,504)	(2)	(103,726)	(108,928)	(5)
(D) Allowance for Doubtful Debts and Bad Debts Written Off	(32,045)	(14,875)	115	(4,888)	(7,579)	(36)
(E) Foreign Exchange (Loss)/Gain	(12,487)	26	N/M	(304)	(12,745)	(98)
(F) Adjustment for Over Provision for Tax in Prior Years	28,866	26,308	10	6,497	4,585	42
(G) Profit/(Loss) on Sale of Subsidiaries, Investments, Property, Plant and Equipment and Other Assets	901,131	(2,138)	N/M	9,518	(6,991)	N/M
(H) Impairment Loss on Assets	-	(4,472)	(100)	-	-	-
(I) Net (Write-off)/Write-back of Inventories	(34)	(414)	(92)	18	(99)	N/M

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 the 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 and the Group recorded a gain on disposal of the Logistics business of US\$888 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 the Logistics business for FY 2015, FY 2014, Q4 2015 and Q4 2014 are as follows:

	Group			Group		
	FY 2015 US\$'000	FY 2014 US\$'000	% Increase/ (Decrease)	Q4 2015 US\$'000	Q4 2014 US\$'000	% Increase/ (Decrease)
Revenue	638,759	1,591,207	(60)	-	442,637	(100)
Expenses	(596,611)	(1,472,316)	(59)	-	(407,772)	(100)
Other gains (net)	2,566	15,495	(83)	-	8,139	(100)
Gain on disposal of subsidiaries	888,379	-	N/M	1,819	-	N/M
Profit before tax from discontinued operations	933,093	134,386	594	1,819	43,004	(96)
Tax expense	(3,147)	(14,119)	(78)	-	(4,544)	(100)
Profit from discontinued operations, net of tax	929,946	120,267	673	1,819	38,460	(95)

N/M: Not meaningful

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

	Group		Group	
	FY 2015 US\$'000	FY 2014 US\$'000	Q4 2015 US\$'000	Q4 2014 US\$'000
Net profit/(loss) for the financial year/period	711,076	(251,497)	(75,173)	(83,064)
Continuing operations				
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Re-measurement of net defined benefit obligations	1,792	(15,637)	1,792	(18,773)
Tax on pension re-measurement	421	9,772	421	9,772
	2,213	(5,865)	2,213	(9,001)
Items that may be reclassified subsequently to profit or loss:				
Fair value (loss)/gain on cash flow hedges	(55,424)	(79,617)	11,918	(64,363)
Fair value loss on cash flow hedges transferred to the income statement	78,671	32,209	12,178	33,783
Fair value gain on available-for-sale financial asset transferred to the income statement	-	(28)	-	-
Share of other comprehensive income of associated company	785	(4,579)	(638)	(1,536)
Currency translation differences	(10,341)	(10,645)	(2,678)	(5,783)
Reclassification of foreign currency translation reserve on liquidation of subsidiary	1,959	-	-	-
Tax on fair value gain and loss	-	13	-	8
	15,650	(62,647)	20,780	(37,891)
Discontinued operations				
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Re-measurement of net defined benefit obligations	(116)	262	-	262
Tax on pension re-measurement	-	(716)	-	(716)
	(116)	(454)	-	(454)
Items that may be reclassified subsequently to profit or loss:				
Fair value (loss)/gain on cash flow hedges	(141)	479	-	450
Fair value gain on cash flow hedges transferred to the income statement	(349)	(108)	-	(250)
Reclassification of hedging reserve on disposal of subsidiaries	119	-	-	-
Fair value gain/(loss) on available-for-sale financial assets	36	(52)	-	(46)
Reclassification of fair value reserve on disposal of subsidiaries	8	-	-	-
Currency translation differences	(513)	(3,282)	-	(3,272)
Reclassification of foreign currency translation reserve on disposal of subsidiaries	(1,614)	-	-	-
	(2,454)	(2,963)	-	(3,118)
Other comprehensive income for the financial year/period, net of tax	15,293	(71,929)	22,993	(50,464)
Total comprehensive income for the financial year/period	726,369	(323,426)	(52,180)	(133,528)
Total comprehensive income attributable to:				
Equity holders of the Company				
- From continuing operations	(202,488)	(442,835)	(54,458)	(169,128)
- From discontinued operations	925,235	111,160	1,819	33,650
	722,747	(331,675)	(52,639)	(135,478)
Non-controlling interest				
- From continuing operations	1,481	2,559	459	712
- From discontinued operations	2,141	5,690	-	1,238
	3,622	8,249	459	1,950
	726,369	(323,426)	(52,180)	(133,528)

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

	Group			Company		
	25 Dec 2015 US\$'000	26 Dec 2014 US\$'000	% Increase/ (Decrease)	25 Dec 2015 US\$'000	26 Dec 2014 US\$'000	% Increase/ (Decrease)
ASSETS						
Current Assets						
Cash and cash equivalents	229,907	1,225,771	(81)	46,433	873,859	(95)
Trade and other receivables ²	520,458	1,080,359	(52)	4,415,043	3,560,275	24
Available-for-sale financial assets	-	24,516	(100)	-	-	0
Inventories at cost	91,720	175,244	(48)	-	-	0
Derivative financial instruments	435	726	(40)	-	-	0
Assets of group companies classified as held-for-sale	41,073	-	N/M	-	-	0
Other current assets	81,606	103,206	(21)	4,664	4,377	7
Total current assets	965,199	2,609,822	(63)	4,466,140	4,438,511	1
Non-current Assets						
Investments in subsidiaries	-	-	0	775,212	1,050,564	(26)
Investments in associated companies	107,462	160,835	(33)	-	-	0
Investments in joint ventures	21,970	21,220	4	-	-	0
Property, plant and equipment	5,590,142	6,012,433	(7)	8,870	9,852	(10)
Deferred charges	3,509	5,387	(35)	3,509	5,387	(35)
Intangible assets	12,277	31,100	(61)	2,172	2,324	(7)
Land use rights	-	817	(100)	-	-	0
Goodwill arising on consolidation	121,036	158,068	(23)	-	-	0
Deferred tax assets	39,773	42,575	(7)	-	-	0
Other non-current assets	47,368	57,367	(17)	125,256	57	219,647
Total non-current assets	5,943,537	6,489,802	(8)	915,019	1,068,184	(14)
TOTAL ASSETS	6,908,736	9,099,624	(24)	5,381,159	5,506,695	(2)
LIABILITIES						
Current Liabilities						
Trade and other payables	854,661	1,178,233	(27)	100,410	107,364	(6)
Current tax liabilities	78,509	132,448	(41)	2,794	2,722	3
Borrowings	572,551	615,095	(7)	350,000	300,000	17
Provisions	29,983	40,378	(26)	605	1,881	(68)
Deferred income	205	5,156	(96)	-	-	0
Derivative financial instruments	11,034	30,363	(64)	-	2,299	(100)
Liabilities of group companies classified as held-for-sale	15,988	-	N/M	-	-	0
Other current liabilities ³	140,532	226,949	(38)	-	-	0
Total current liabilities	1,703,463	2,228,622	(24)	453,809	414,266	10
Non-current Liabilities						
Borrowings	2,309,811	4,676,308	(51)	960,421	2,024,509	(53)
Provisions	147,838	191,654	(23)	-	-	0
Deferred income	581	1,566	(63)	-	-	0
Deferred tax liabilities	2,717	6,431	(58)	686	628	9
Derivative financial instruments	233,267	160,357	45	150,397	101,256	49
Other non-current liabilities	18,503	26,809	(31)	-	-	0
Total non-current liabilities	2,712,717	5,063,125	(46)	1,111,504	2,126,393	(48)
TOTAL LIABILITIES	4,416,180	7,291,747	(39)	1,565,313	2,540,659	(38)
NET ASSETS	2,492,556	1,807,877	38	3,815,846	2,966,036	29
EQUITY						
Share capital	1,840,260	1,834,341	0	1,840,260	1,834,341	0
Treasury shares	(5,216)	(5,216)	0	(5,216)	(5,216)	0
	1,835,044	1,829,125	0	1,835,044	1,829,125	0
Shares held by employee benefit trust	(4,326)	(5,719)	(24)	-	-	0
Treasury shares reserve	(1,195)	(1,195)	0	(1,195)	(1,195)	0
Retained earnings	741,348	28,756	2,478	1,956,477	1,120,724	75
Statutory and other reserves	(96,529)	(100,854)	(4)	25,520	17,382	47
Capital and reserves attributable to equity holders of the Company	2,474,342	1,750,113	41	3,815,846	2,966,036	29
Non-controlling interest	18,214	57,764	(68)	-	-	0
TOTAL EQUITY	2,492,556	1,807,877	38	3,815,846	2,966,036	29
Net current (liabilities)/assets	(738,264)	381,200	N/M	4,012,331	4,024,245	(0)

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 25 Dec 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 company	52,756
Property, plant and equipment	78,827
Intangible assets	11,792
Land use rights	824
Goodwill arising on consolidation	41,184
Deferred tax assets	2,756
Other non-current assets	5,596
Total assets	631,941
Trade and other payables	229,858
Current tax liabilities	22,724
Borrowings	31,852
Provisions	15,650
Deferred income	1,225
Derivative financial instruments	301
Other current liabilities	6,324
Deferred 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 25 Dec 2015 US\$'000
Cash consideration	1,238,000
Less: Transaction and transaction related costs paid/payable	(46,841)
Less: Cash and cash equivalents of subsidiaries	(77,171)
Net cash inflow on disposal of subsidiaries	1,113,988

	Group 25 Dec 2015 US\$'000
Cash consideration	1,238,000
Less: Net assets disposed of	(278,947)
Less: Transaction and transaction related costs	(72,161)

Add: Reclassification of foreign currency translation reserve, hedging reserve and fair value reserve from equity on disposal of subsidiaries	1,487
Gain on disposal	888,379

1.(b)(ii) Borrowings

The Group As at 25 December 2015	Secured borrowings US\$'000	Unsecured borrowings US\$'000	Secured finance lease liabilities US\$'000	Total US\$'000
Amount repayable in FY2016, or on demand	112,708	460,669	11,139	584,516
Amount repayable in:				
FY 2017	105,716	347,473	11,751	464,940
FY 2018	96,386	-	12,498	108,884
FY 2019	155,460	199,875	12,715	368,050
FY 2020	92,884	199,407	13,539	305,830
Thereafter	542,250	315,037	204,820	1,062,107
	1,105,404	1,522,461	266,462	2,894,327
Reclassification to liabilities of group companies classified as held-for-sale	-	(11,965)	-	(11,965)
	1,105,404	1,510,496	266,462	2,882,362

As at 26 December 2014	Secured borrowings US\$'000	Unsecured borrowings US\$'000	Secured finance lease liabilities US\$'000	Total US\$'000
Amount repayable in FY2015, or on demand	204,394	399,955	10,746	615,095
Amount repayable in:				
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 25 December 2015	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others ⁴ US\$'000	Total US\$'000
Amount repayable in FY2016	172,157	15,004	65,789	679	25,228	278,857
Amount repayable in:						
FY 2017	123,442	6,804	56,837	-	15,312	202,395
FY 2018	116,626	5,274	49,056	-	9,688	180,644
FY 2019	113,003	2,533	49,056	-	8,244	172,836
FY 2020	69,455	2,533	49,056	-	5,020	126,064
Thereafter	142,909	4,014	267,337	-	3,167	417,427
	737,592	36,162	537,131	679	66,659	1,378,223

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			
	FY 2015 US\$'000	FY 2014 US\$'000	Q4 2015 US\$'000	Q4 2014 US\$'000
Cash Flows from Operating Activities				
Loss before tax from continuing operations	(217,700)	(351,262)	(77,157)	(107,218)
Profit before tax from discontinued operations	933,093	134,386	1,819	43,004
Adjustments for :				
Depreciation and amortisation	383,454	392,504	103,726	108,928
Fair value (gain)/loss on financial instruments	(7,262)	7,031	(7,271)	(974)
Deferred charge expense	1,927	2,424	432	484
Interest expense	120,010	125,926	28,542	36,311
Interest income	(5,452)	(5,604)	(1,056)	(1,623)
Share-based compensation costs	4,193	4,313	1,536	1,841
Net write-off/(write-back) of inventories	34	414	(18)	99
Fair value loss/(gain) on shares held by employee benefit trust	1,555	(1,178)	1,180	(576)
Net (profit)/loss on disposal of property, plant and equipment	(6,809)	6,305	(391)	8,181
Net profit on disposal of assets classified as held-for-sale	-	(2,737)	-	-
Net profit on disposal of other assets	(1,843)	(283)	(1,249)	(43)
Net profit on disposal of joint venture	-	(1,147)	-	(1,147)
Net profit on disposal of subsidiaries	(892,479)	-	(7,878)	-
Fair value gain on interest retained in a former subsidiary	(974)	-	-	-
Dividend income from other investment	(1,564)	(670)	-	-
Net provision for impairment of assets	-	4,472	-	-
Net provision/(write-back) for liabilities	10,828	41,486	(8,667)	5,333
Share of results of associated companies	3,531	(9,700)	4,888	(3,843)
Share of results of joint ventures	(2,632)	(2,073)	(823)	(844)
Unrealised currency translation loss/(gain)	2,190	(8,706)	(266)	(333)
Operating cash flow before working capital changes	324,100	335,901	37,347	87,580
Changes in operating assets and liabilities				
Receivables and other assets	245,808	811	75,799	74,315
Inventories	83,277	78,574	21,573	56,981
Payables	(176,968)	(125,058)	(100,768)	(112,525)
Provisions	(48,059)	(42,079)	(19,718)	(12,987)
Cash generated from operations	428,158	248,149	14,233	93,364
Interest paid	(126,690)	(117,262)	(34,456)	(38,629)
Interest received	10,447	6,692	4,995	2,055
Net taxes paid	(35,041)	(68,829)	(5,488)	(26,069)
Net cash inflow/(outflow) from operating activities	276,874	68,750	(20,716)	30,721
Cash Flows from Investing Activities				
Acquisition of business	-	(5,651)	-	-
Acquisition of additional interest in a subsidiary, net of cash acquired	(9,985)	-	-	-
Investment in associated companies	(11,923)	(18,692)	(1,998)	(4,977)
Proceeds from loans receivables	5	208	7	142
Loan to an associated company	(4,127)	-	(4,127)	-
Proceeds from disposal of joint venture, net of cash disposed of	-	2,500	-	2,500
Dividends received from associated companies	-	1,365	-	-
Dividends received from joint venture	762	721	-	67
Dividends received from other investment	1,564	670	-	-
Purchase of property, plant and equipment	(110,465)	(350,304)	(15,111)	(36,115)
Purchase of available-for-sale financial assets	(7,372)	(24,885)	-	(16,693)
Purchase of intangible assets	(2,062)	(3,717)	(626)	(346)
Proceeds from disposal of subsidiaries, net of cash disposed of	1,119,747	-	7,578	-
Proceeds from disposal of assets classified as held-for-sale	-	15,034	-	-
Proceeds from disposal of property, plant and equipment	38,414	42,558	1,249	7,411
Proceeds from disposal of other assets	10,884	23,404	1,367	7,180
Net cash inflow/(outflow) from investing activities	1,025,442	(316,789)	(11,661)	(40,831)
Cash Flows from Financing Activities				
Proceeds from borrowings	999,643	4,639,269	50,792	1,282,638
Net cash inflow/(outflow) contributed by employee benefit trust	60	(157)	81	(477)
Dividends paid to non-controlling interest	(10,263)	(4,193)	(8,327)	(1,989)
Return of capital contribution to non-controlling interest	(247)	-	-	-
Proceeds from issue of new ordinary shares	200	-	131	-
Repayment of borrowings	(3,285,110)	(4,140,056)	(26,705)	(852,966)
Payment of costs incurred in connection with long term financing	(49)	(2,046)	-	(159)
Net cash (outflow)/inflow from financing activities	(2,295,766)	492,817	15,972	427,047
Net (decrease)/increase in cash and cash equivalents	(993,450)	244,778	(16,405)	416,937
Cash and cash equivalents at beginning of financial year/period	1,225,771	980,993	248,726	808,834
Cash and cash equivalents at end of financial year/period	232,321	1,225,771	232,321	1,225,771

	Group	
	FY 2015 US\$'000	FY 2014 US\$'000
Cash and cash equivalents from continuing operations	229,907	1,225,771
Cash and cash equivalents classified as held-for-sale	2,414	-
Cash and cash equivalents at end of financial year	232,321	1,225,771

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	
	FY 2015 US\$'000	FY 2014 US\$'000	Q4 2015 US\$'000	Q4 2014 US\$'000
Operating cash inflows	13,667	52,395	-	14,542
Investing cash outflows	(13,518)	(22,905)	-	(13,801)
Financing cash inflows/(outflows)	25,910	(6,072)	-	(5,129)
Total cash inflows/(outflows)	26,059	23,418	-	(4,388)

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	-	-	-	-	-	4,025	-	4,025
- new shares issued	5,749	-	-	-	-	(5,680)	-	69
Sale of shares by employee benefit trust	-	-	772	-	-	-	-	772
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	-	-	-	-	-	54	-	54
Total comprehensive income for the financial period	-	-	-	-	782,653	(7,267)	3,163	778,549
Balance at 18 September 2015	1,840,090	(5,216)	(4,947)	(1,195)	817,498	(121,483)	17,782	2,542,529
Dividends to non-controlling interest	-	-	-	-	-	-	(8,327)	(8,327)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,536	-	1,536
- new shares issued	170	-	-	-	-	(39)	-	131
Sale of shares by employee benefit trust	-	-	621	-	-	-	-	621
Disposal of subsidiaries	-	-	-	-	(700)	700	8,300	8,300
Share of statutory reserves of associated company	-	-	-	-	-	(54)	-	(54)
Total comprehensive income for the financial period	-	-	-	-	(75,450)	22,811	459	(52,180)
Balance at 25 December 2015	1,840,260	(5,216)	(4,326)	(1,195)	741,348	(96,529)	18,214	2,492,556

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	-	-	-	-	-	-	(4,079)	(4,079)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	2,472	-	2,472
- new shares issued	3,838	-	-	-	-	(3,838)	-	-
Sale of shares by employee benefit trust	-	-	417	-	-	-	-	417
Share of statutory reserves of associated company	-	-	-	-	-	58	-	58
Total comprehensive income for the financial period	-	-	-	-	(174,770)	(21,427)	6,299	(189,898)
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
Dividends to non-controlling interest	-	-	-	-	-	-	(114)	(114)
Employee equity compensation schemes:								
- value of employee services	-	-	-	-	-	1,841	-	1,841
- new shares issued	281	-	-	-	-	(281)	-	-
Sale of shares by employee benefit trust	-	-	10	-	-	-	-	10
Share of statutory reserves of associated company	-	-	-	-	-	(113)	-	(113)
Total comprehensive income for the financial period	-	-	-	-	(85,071)	(50,407)	1,950	(133,528)
Balance at 26 December 2014	1,834,341	(5,216)	(5,719)	(1,195)	28,756	(100,854)	57,764	1,807,877

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	-	-	-	-	4,025	4,025
- new shares issued	5,749	-	-	-	(5,680)	69
Total comprehensive income for the financial period	-	-	-	841,669	(12,851)	828,818
Balance at 18 September 2015	1,840,090	(5,216)	(1,195)	1,962,393	2,876	3,798,948
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,536	1,536
- new shares issued	170	-	-	-	(39)	131
Total comprehensive income for the financial period	-	-	-	(5,916)	21,147	15,231
Balance at 25 December 2015	1,840,260	(5,216)	(1,195)	1,956,477	25,520	3,815,846

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	-	-	-	-	2,472	2,472
- new shares issued	3,838	-	-	-	(3,838)	-
Total comprehensive income for the financial period	-	-	-	(37,409)	(6,498)	(43,907)
Balance at 19 September 2014	1,834,060	(5,216)	(1,195)	1,130,959	25,373	2,983,981
Employee equity compensation schemes:						
- value of employee services	-	-	-	-	1,841	1,841
- new shares issued	281	-	-	-	(281)	-
Total comprehensive income for the financial period	-	-	-	(10,235)	(9,551)	(19,786)
Balance at 26 December 2014	1,834,341	(5,216)	(1,195)	1,120,724	17,382	2,966,036

- 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 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 ordinary shares.

During the 3 months ended 25 December 2015, the Company issued and allotted 182,098 ordinary shares upon the exercise of share options granted under the NOL Share Option Plan ("NOL SOP") and vesting of restricted shares awarded under the NOL Restricted Share Plan 2010 ("NOL RSP 2010").

As at 25 December 2015, the Company's issued and paid-up capital (including treasury shares) comprised 2,603,127,242 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,601,400,525 (26 December 2014: 2,593,821,492) ordinary shares.

Share options

As at 18 September 2015, there were 24,447,212 outstanding share options to subscribe for unissued ordinary shares exercisable at any time during the exercise periods under the NOL SOP.

During the 3 months ended 25 December 2015, 174,764 share options were exercised and 626,916 share options were cancelled.

As at 25 December 2015, share options to subscribe for 23,645,532 (26 December 2014: 34,371,729) ordinary shares remain outstanding under the NOL SOP.

Restricted shares

As at 18 September 2015, there were 8,668,765 outstanding restricted shares under the NOL RSP 2010.

During the 3 months ended 25 December 2015, 7,334 restricted shares were vested and 299,282 restricted shares were cancelled.

As at 25 December 2015, 8,362,149 (26 December 2014: 8,424,595) restricted shares remain outstanding under the NOL RSP 2010.

Performance shares

As at 18 September 2015, there were 7,566,137 outstanding performance shares under the NOL Performance Share Plan 2010 ("NOL PSP 2010").

During the 3 months ended 25 December 2015, 119,390 performance shares were cancelled.

As at 25 December 2015, 7,446,747 (26 December 2014: 7,749,696) performance shares remain outstanding under the NOL PSP 2010.

Treasury shares

As at 18 September 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 25 December 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 25 December 2015, there were 1,726,717 (26 December 2014: 1,726,717) treasury shares remaining that have not been re-issued.

2. Basis of Preparation

The preparation of the FY2015 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 25 December 2015 and the reported amounts of revenue and expenses during the financial year from 27 December 2014 to 25 December 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. Audit or Review of Figures

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

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

N.A.

5. 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 4, 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.

6. 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 7(a), the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements as at 26 December 2014.

7.(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.

7.(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.

8.

	FY 2015	FY 2014	Q4 2015	Q4 2014
GROUP				
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	(8.50 US cts)	(14.47 US cts)	(2.98 US cts)	(4.73 US cts)
- From discontinued operations	35.77 US cts	4.42 US cts	0.07 US cts	1.44 US cts
b) On a fully diluted basis (detailing any adjustments made to the earnings)				
- From continuing operations	(8.50 US cts)	(14.47 US cts)	(2.98 US cts)	(4.73 US cts)
- From discontinued operations	35.77 US cts	4.42 US cts	0.07 US cts	1.44 US cts

9. Net Asset Value

	Group			Company		
	25 Dec 2015 US\$	26 Dec 2014 US\$	Inc / (Dec) %	25 Dec 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	0.95	0.67	41.79	1.47	1.14	28.95

10. Review of the Performance of the Group

Income Statement:
Continuing operations:

FY 2015 vs FY 2014

NOL Group achieved revenue of US\$5.38 billion (FY 2014: US\$7.03 billion), a decrease of US\$1.64 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\$1.69 billion or 25% YoY to US\$5.03 billion mainly due to operational cost efficiencies and lower bunker costs.

Other miscellaneous gains increased by US\$18 million or 142% YoY to US\$31 million mainly due to gain on disposal of assets and a subsidiary during FY2015.

Administrative expenses decreased by US\$51 million or 11% YoY to US\$425 million mainly due to lower personnel costs.

Finance expenses decreased by US\$13 million or 10% YoY to US\$126 million mainly due to fair value gains on financial instruments in FY2015.

Tax expense decreased by US\$19 million or 94% YoY mainly due to write-back of provision relating to prior years and lower tax expense in current year due to lower taxable income of certain subsidiaries.

Net loss attributable to equity holders of the Company decreased by US\$154 million or 41% to US\$220 million mainly due to operational cost efficiencies.

Q4 2015 vs Q4 2014

NOL Group achieved revenue of US\$1.28 billion (Q4 2014: US\$1.79 billion), a decrease of US\$0.51 billion. This was mainly due to decrease in Liner revenue from void sailings, weak container trade demand and challenging freight rate environment.

The Group's cost of sales decreased by US\$0.47 billion or 28% YoY to US\$1.23 billion mainly due to operational cost efficiencies and lower bunker costs.

Other miscellaneous gains increase by US\$18 million mainly due to gain on disposal of assets and a subsidiary in Q4 2015.

Administrative expenses decreased by US\$14 million or 11% YoY to US\$109 million mainly due to lower personnel costs.

Finance expenses decreased by US\$18 million or 44% YoY to US\$22 million mainly due to lower interest expense from lower average loan balances in Q4 2015 compared to Q4 2014 and fair value gains on financial instruments in Q4 2015.

Other operating expenses decreased by US\$23 million or 84% YoY to US\$4 million mainly due to decrease in foreign exchange loss and write-back of provisions in Q4 2015.

Tax expense decreased by US\$14 million mainly due to write-back of provision relating to prior years.

Net loss attributable to equity holders of the Company decreased by US\$45 million or 37% to US\$77 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\$2.19 billion from US\$9.10 billion as at 26 December 2014 to US\$6.91 billion as at 25 December 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 FY 2015.

The Group's total liabilities decreased by US\$2.88 billion from US\$7.29 billion as at 26 December 2014 to US\$4.42 billion as at 25 December 2015. The decrease in total liabilities was mainly due to decrease in borrowings [see Note 1(b)(ii)] during FY 2015.

The Group's total equity increased by US\$685 million from US\$1.81 billion as at 26 December 2014 to US\$2.49 billion as at 25 December 2015 mainly due to net profit for FY 2015.

As at 25 December 2015, the Group was in a net current liabilities position mainly due to decrease in cash and cash equivalents. As at 25 December 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\$0.99 billion from US\$1.23 billion as at 26 December 2014 to US\$0.23 billion as at 25 December 2015 mainly due to net cash outflow from financing activities of US\$2.30 billion, partially offset by net cash inflow from investing activities of US\$1.03 billion and net cash inflow from operating activities of US\$0.28 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 FY 2015.

	FY 2015 US\$m	Q4 2015 US\$m	Q3 2015 US\$m	Q2 2015 US\$m	Q1 2015 US\$m
(a) Revenue					
Liner ⁵	5,410	1,277	1,207	1,325	1,601
Logistics (Discontinued operations) ⁵	643	-	-	237	406
Elimination ⁵	(32)	-	-	(10)	(22)
Total	6,021	1,277	1,207	1,552	1,985
(b) Core EBIT⁶					
Liner ⁵	(98)	(65)	(66)	20	13
Logistics (Discontinued operations) ⁵	26	-	-	9	17
Total	(72)	(65)	(66)	29	30
	FY 2014 US\$m	Q4 2014 US\$m	Q3 2014 US\$m	Q2 2014 US\$m	Q1 2014 US\$m
(a) Revenue					
Liner ⁵	7,100	1,807	1,695	1,704	1,894
Logistics (Discontinued operations) ⁵	1,593	443	383	362	405
Elimination ⁵	(76)	(22)	(18)	(16)	(20)
Total	8,617	2,228	2,060	2,050	2,279
(b) Core EBIT⁶					
Liner ⁵	(139)	(36)	7	(28)	(82)
Logistics (Discontinued operations) ⁵	63	19	14	13	17
Total	(76)	(17)	21	(15)	(65)

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 FY 2014 have been restated.

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

(c) **Analysis by Business Units**

(i) **Liner**

FY 2015 vs FY 2014

Liner achieved FY 2015 revenue of US\$5.41 billion, a year-on-year (YoY) decrease of 24% 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, lowered average revenue per FEU to US\$1,887 or 17% lower YoY.

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

Cost of sales per FEU decreased by 14% 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 29% YoY to US\$98 million in FY 2015.

Q4 2015 vs Q4 2014

Liner achieved Q4 2015 revenue of US\$1.28 billion, a year-on-year (YoY) decrease of 29% mainly due to lower volume and Revenue/FEU.

Volume decreased by 12%YoY mainly due to void sailings and weak container trade demand.

Weaker freight rates across all trade lanes lowered average revenue per FEU to US\$1,699 or 22% 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\$65 million in Q4 2015.

LINER FULL YEAR RESULTS 2015 and 2014

Unaudited

	FY 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Load Factors %					
Transpacific and Asia-Latin America/Mexico Eastbound	89%	85%	89%	87%	95%
Intra-Asia Westbound	99%	99%	97%	100%	99%
Asia-Europe Westbound	90%	87%	93%	91%	87%
Transatlantic Westbound	89%	91%	93%	79%	92%
Headhaul	92%	90%	93%	92%	94%
Volume ('000 FEU)					
Transpacific	685	178	160	167	180
Intra-Asia	1,180	316	274	273	317
Asia-Europe	397	98	93	94	112
Latin America	159	39	39	37	44
Transatlantic	48	12	11	11	14
Total Volume ⁷	2,469	643	577	582	667
Average Revenue/FEU (US\$/FEU)					
Transpacific	3,026	2,809	3,071	3,075	3,153
Intra-Asia	1,130	1,010	1,067	1,178	1,262
Asia-Europe	1,723	1,451	1,596	1,671	2,111
Latin America	2,746	2,513	2,644	2,744	3,052
Transatlantic	2,770	2,661	2,846	2,884	2,717
Total	1,887	1,699	1,847	1,933	2,063
	FY 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Load Factors %					
Transpacific and Asia-Latin America/Mexico Eastbound	91%	89%	90%	91%	92%
Intra-Asia Westbound	99%	100%	99%	100%	96%
Asia-Europe Westbound	95%	92%	95%	94%	98%
Transatlantic Westbound	90%	94%	83%	90%	93%
Headhaul	94%	93%	93%	95%	95%
Volume ('000 FEU)					
Transpacific	814	204	192	194	224
Intra-Asia	1,252	334	282	292	344
Asia-Europe	442	117	105	101	119
Latin America	188	50	42	43	53
Transatlantic	131	29	25	32	45
Total Volume ⁷	2,827	734	646	662	785
Average Revenue/FEU (US\$/FEU)					
Transpacific	3,308	3,197	3,393	3,361	3,292
Intra-Asia	1,355	1,334	1,414	1,430	1,264
Asia-Europe	2,383	2,259	2,444	2,433	2,410
Latin America	3,160	3,139	3,120	3,089	3,271
Transatlantic	2,784	2,781	2,974	2,771	2,689
Total	2,264	2,179	2,343	2,320	2,233

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

11. **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.

12. **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.**

Weak trade growth and overcapacity led to historically low freight rates in major trade lanes in Q4 2015. Freight rates are expected to remain under pressure. The Group will continue its focus on cost and operational efficiencies, as well as yield and network capacity management.

13. **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 year.

14. Interested Person Transactions

Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual	FY 2015 US\$'000
Transactions for the Purchase of Goods and Services	
PSA Corporation Limited and its associates	156,724
Singapore Telecommunications Limited and its associates	267
Certis CISCO Security Pte. Ltd	73
Transactions for the Sale of Goods and Services	
Olam International Limited	3,168
Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual	
Q4 2015 US\$'000	
Transactions for the Purchase of Goods and Services	
PSA Corporation Limited and its associates	38,918
Singapore Telecommunications Limited and its associates	107
Transactions for the Sale of Goods and Services	
Olam International Limited	713

The above relates to cumulative value of transactions (inclusive of GST) more than S\$100,000 (approximately US\$72,817).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segment Information
Segment Reporting By Operating Segments

For management purposes, the Group is organised into business units based on their services, and has two reportable operating segments as follows:

1. Liner - Global liners provide operations of container transportation, terminals and provision of other related services. It offers container shipping services in major trade lanes such as Transpacific, Intra-Asia, Transatlantic, Latin America and Asia-Europe.
2. Logistics (discontinued operations) - Global logistics provider with a comprehensive network of facilities and services to support the global supply chain management needs of customers. The range of services include consolidation, warehousing, global freight management (ocean, air, truck and rail), domestic distribution networks, international deconsolidation and information technologies that provide timely and accurate information to effectively manage supply chain activities.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The terms of inter-segment sales are established by negotiation between the various business units.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on earnings before net finance and tax items.

Unallocated income statement items represent certain finance items which are managed on a group basis and are not allocated to operating segments. However, costs are sometimes incurred at the enterprise level on behalf of a segment. Such costs are segment expenses if they relate to the segment's operating activities and they can be directly attributed or allocated to the segment on a reasonable basis.

Segment assets comprise primarily property, plant and equipment, intangible assets, goodwill arising on consolidation, inventories, receivables, operating cash and other investments and exclude fixed and demand deposits. Segment liabilities comprise primarily operating liabilities and exclude certain borrowings which are managed on a group basis and not allocated to operating segments.

Capital expenditure comprises additions to property, plant and equipment, and intangible assets, excluding those acquired through business combinations and finance leases.

FY 2015	Liner US\$'000	Logistics (Discontinued operations) US\$'000	Elimination US\$'000	Total US\$'000
Revenue				
External sales	5,382,596	638,759	-	6,021,355
Inter-segment sales	27,873	4,355	(32,228)	-
Total revenue	5,410,469	643,114	(32,228)	6,021,355
Segment result	(79,686)	914,836	-	835,150
Share of results of associated companies	(5,055)	1,524	-	(3,531)
Share of results of joint ventures	2,632	-	-	2,632
Non-controlling interest	(1,569)	(2,304)	-	(3,873)
(Loss)/Earnings before net finance and tax items	(83,678)	914,056	-	830,378
Net finance expense	(107,513)	(258)	-	(107,771)
Tax expense	(1,170)	(3,147)	-	(4,317)
Unallocated finance expense				(11,087)
Net profit attributable to equity holders of the Company				707,203
Segment assets	6,779,304	-	-	6,779,304
Associated companies	107,462	-	-	107,462
Joint ventures	21,970	-	-	21,970
Consolidated total assets				6,908,736
Segment liabilities	4,416,180	-	-	4,416,180
Consolidated total liabilities				4,416,180
Other segment items:				
Capital expenditures				
- property, plant & equipment	96,400	14,065	-	110,465
- intangible assets	1,783	279	-	2,062
Depreciation	382,925	1,000	-	383,925
Amortisation	(499)	28	-	(471)
Net provision for impairment	31,420	525	-	31,945
Other non-cash expenses	6,931	4,344	-	11,275

15. Segment Information (continued)

Segment Reporting By Operating Segments (continued)

FY2014	Liner US\$'000	Logistics (Discontinued operations) US\$'000	Elimination US\$'000	Total US\$'000
Revenue				
External sales	7,025,575	1,591,207	-	8,616,782
Inter-segment sales	74,719	2,234	(76,953)	-
Total revenue	7,100,294	1,593,441	(76,953)	8,616,782
Segment result	(156,219)	61,033	-	(95,186)
Share of results of associated companies	1,559	8,141	-	9,700
Share of results of joint ventures	1,798	275	-	2,073
Non-controlling interest	(2,589)	(5,755)	-	(8,344)
(Loss)/Earnings before net finance and tax items	(155,451)	63,694	-	(91,757)
Net finance expense	(112,717)	(95)	-	(112,812)
Tax expense	(20,502)	(14,119)	-	(34,621)
Unallocated finance expense				(20,651)
Net loss attributable to equity holders of the Company				(259,841)
Segment assets	8,261,087	607,801	(69,580)	8,799,308
Associated companies	110,560	50,275	-	160,835
Joint ventures	21,220	-	-	21,220
Unallocated assets				118,261
Consolidated total assets				9,099,624
Segment liabilities	5,044,679	363,731	(69,580)	5,338,830
Unallocated liabilities				1,952,917
Consolidated total liabilities				7,291,747
Other segment items:				
Capital expenditures				
- property, plant & equipment	327,937	19,141	-	347,078
- intangible assets	2,150	1,567	-	3,717
Depreciation	384,660	9,504	-	394,164
Amortisation	(3,121)	1,461	-	(1,660)
Net provision for impairment	14,476	3,066	-	17,542
Other non-cash expenses	46,747	7,743	-	54,490

In respect of liner activities which covers the world's major shipping lanes, the geographical segment of external sales are reported as follows:

<u>Geographical segment</u>	<u>Trade Lanes</u>
Asia/Middle East	Intra-Asia
Europe	Asia-Europe Transatlantic
Americas	Transpacific Latin America

In respect of logistics activities, the geographical segments of external sales are reported based on the country where the services were significantly performed.

In respect of other activities, the geographical segments of external sales are reported based on the country of domicile of customers.

The Directors of the Company consider that the nature of the Group's business precludes a meaningful allocation of vessels, drydocking costs and containers to specific geographical segments as defined under FRS 108 Operating Segments. These vessels, together with the related drydocking costs, and containers are primarily utilised across geographic markets for shipment of cargoes throughout the world. This is in line with the industry practice.

	Sales			Non-current Assets		
	FY 2015 US\$'000	FY 2014 US\$'000	% Increase/ (Decrease)	FY 2015 US\$'000	FY 2014 US\$'000	% Increase/ (Decrease)
Asia/Middle East	1,749,515	2,411,955	(27)	395,230	514,854	(23)
Europe	974,134	1,650,248	(41)	68,914	82,539	(17)
Americas	3,297,706	4,554,579	(28)	264,082	327,620	(19)
Discontinued operations	(638,759)	(1,591,207)	(60)	-	-	-
Subtotal	5,382,596	7,025,575		728,226	925,013	
Vessels				4,490,518	4,704,897	(5)
Containers				611,108	725,557	(16)
Drydocking costs				53,291	61,199	(13)
Total				5,883,143	6,416,666	

Non-current assets information presented above consisted mainly of property, plant and equipment, intangible assets, goodwill arising on consolidation, and deferred charges as presented in the consolidated statement of financial position.

16. Factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Note 10 for an analysis by business units.

17. Breakdown of sales as follows:

	Group		
	FY 2015 US\$'000	FY 2014 US\$'000	% Increase/ (Decrease)
<u>Continuing operations</u>			
Sales reported for the first half year	2,897,806	3,563,639	(19)
Operating loss after tax before deducting non-controlling interest reported for the first half year	(46,251)	(198,705)	(77)
Sales reported for the second half year	2,484,790	3,461,936	(28)
Operating loss after tax before deducting non-controlling interest reported for the second half year	(172,619)	(173,059)	(0)
<u>Discontinued operations</u>			
Sales reported for the first half year	638,759	765,807	(17)
Operating profit after tax before deducting non-controlling interest reported for the first half year	928,127	51,529	1701
Sales reported for the second half year	-	825,400	(100)
Operating profit after tax before deducting non-controlling interest reported for the second half year	1,819	68,738	(97)

18. A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows:-

	FY 2015 US\$'000	FY 2014 US\$'000
Ordinary	Nil	Nil

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Listing Rule 704(13).

There is no person occupying any managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

LOOI LEE HWA AND WONG KIM WAH
Company Secretaries

Dated this 23 February 2016