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Composite Document dated 6 June 2016 relating to the

VOLUNTARY CONDITIONAL GENERAL OFFER

for and on behalf of

CMA CGM S.A.
(Incorporated in Marseilles, France under Company Registration No.: 562 024 422)

for

NEPTUNE ORIENT LINES LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 196800632D)

by

BNP PARIBAS, SINGAPORE BRANCH
(Registered as a foreign company in the Republic of Singapore)
(Company Registration No.: S71FC2142G)

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH
(Registered in the Republic of Singapore)
(Company Registration No.: S16FC0010A)

J.P. MORGAN (S.E.A.) LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 198500154W)

Financial Adviser to Neptune Orient Lines Limited

CITIGROUP GLOBAL MARKETS SINGAPORE PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199002673E)

Independent Financial Adviser to the Independent Directors

MAYBANK KIM ENG SECURITIES PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 197201256N)

S$1.30 IN CASH FOR EACH OFFER SHARE

Acceptances should be received by the close of the Offer at 5:30 p.m. (Singapore time) on 4 July 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

The procedures for the acceptance of the Offer are set out in **Appendix 2** to this Composite Document and in the relevant Acceptance Forms.



This Composite Document is important and requires your immediate attention. Please read it carefully.

If you are in any doubt about the Offer or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

*BNP Paribas, Singapore Branch ("**BNP Paribas**"), The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch ("**HSBC**") and J.P. Morgan (S.E.A.) Limited ("**J.P. Morgan**", and together with BNP Paribas and HSBC, the "**Offeror's Financial Advisers**") are acting for and on behalf of CMA CGM S.A. (the "**Offeror**") and do not purport to advise the shareholders (the "**Shareholders**") of Neptune Orient Lines Limited ("**NOL**", the "**Offeree**" or the "**Company**"). In preparing its letter to Shareholders for and on behalf of the Offeror, the Offeror's Financial Advisers have not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any individual Shareholder.*

*If you have sold or transferred all of your issued and paid up ordinary shares in the capital of the Company (the "**Company Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Composite Document and the accompanying Form of Acceptance and Authorisation ("**FAA**") to the purchaser or the transferee as CDP will arrange for a separate Composite Document and FAA to be sent to the purchaser or the transferee. If you have sold or transferred all of your Company Shares which are not deposited with CDP, you should immediately hand this Composite Document and the accompanying Form of Acceptance and Transfer ("**FAT**", and together with the FAA, the "**Acceptance Forms**") to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or the transferee.*

This Composite Document should be read in conjunction with the accompanying Acceptance Forms, the contents of which form part of the terms and conditions of the Offer.

*The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Composite Document.*

*A letter from the Offeror's Financial Advisers containing, among other things, the terms of the Offer, is set out on pages 18 to 61 of this Composite Document. A letter to Shareholders from the Board is set out on pages 62 to 210 of this Composite Document. A Fairness Opinion from the Offeree's Financial Adviser, dated and as at 5 December 2015, addressed solely to the Board, as to the fairness of the Offer Price for each Offer Share from a financial point of view to Shareholders (other than Temasek and its affiliates), subject to the assumptions made, procedures followed, matters considered, and qualifications and limitations set forth therein, is set out in **Appendix A** to this Composite Document. A letter from the IFA to the Independent Directors containing its advice and recommendation in respect of the Offer is set out in **Appendix B** to this Composite Document.*

All capitalised terms not defined herein shall bear the same meanings as ascribed to them in this Composite Document.

ABOUT THE OFFER

If you validly accept the Offer and once the Offer becomes unconditional (upon Temasek and its affiliates tendering their Company Shares in acceptance of the Offer), you will receive:

Offer Price: S$1.30 in cash for each Offer Share

Illustration of the consideration to be received by a Shareholder who validly accepts the Offer:

- 1,000 Offer Shares x S$1.30 = S$1,300 in cash
- 10,000 Offer Shares x S$1.30 = S$13,000 in cash
- 50,000 Offer Shares x S$1.30 = S$65,000 in cash

CMA CGM will NOT increase the Offer Price

CMA CGM does not intend to increase the Offer Price and will not be allowed to subsequently amend the terms of the Offer, including the Offer Price.

IMPORTANT DATES AND TIMES

Acceptances should be received by 5:30 p.m. (Singapore time) on 4 July 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Despatch Date	6 June 2016 ("Y")
Acceptance of the Offer under the Main Shareholder Irrevocable Undertaking[1]	By no later than 5:00 p.m. (Singapore time) on Y + 6 days (i.e. 12 June 2016)
Offer to be declared unconditional thereafter	
Closing date and time	**5:30 p.m. (Singapore time) on 4 July 2016** or such later date(s) as may be announced from time to time by or on behalf of the Offeror

[1] Pursuant to the Main Shareholder Irrevocable Undertaking, Lentor has provided an irrevocable undertaking to the Offeror to tender, and to procure the tender by Temasek and Startree, in acceptance of the Offer, of approximately 66.78% of the Company Shares, by no later than 5:00 p.m. (Singapore time) on the 6th day after the Despatch Date.





All capitalised terms not defined herein shall bear the same meanings as ascribed to them in this Composite Document.

关于要约

如果您有效接受本要约，一旦本要约成为无条件要约（继Temasek及其关联公司接受本要约之后），您将获得:

要约价格：每要约股份现金1.30新元

下列例子说明有效接受本要约的股东所能获得的价款，作为参考:

- 1,000 要约股份 x 1.30新元 = 现金1,300新元
- 10,000 要约股份 x 1.30新元 = 现金13,000新元
- 50,000 要约股份 x 1.30新元 = 现金65,000新元

CMA CGM不会增加要约价格

CMA CGM没有意向提高要约价格，并且将不会被允许随后修改本要约的条款，包括要约价格。

重要日期和时间

要约接受表格必须于要约截止期限（为2016年7月4日下午5时30分（新加坡时间））前，或于要约方或要约方代表随时公布的较迟日期前收到。

本综合文件寄发日期	2016年6月6日 (“Y”)
主要股东不可撤销承诺下接受要约的限期[1] **此后要约将被宣布成为无条件要约**	不迟于Y + 6日 (2016年6月12日)下午5时00分（新加坡时间）
要约截止日期和时间	**2016年7月4日下午5时30分（新加坡时间）**，或要约方或要约方代表随时公布的较迟日期

[1] 按照主要股东不可撤销承诺，Lentor将就手上持有，并且促成Temasek和Startree将手上持有，共约66.78%的公司股份，在不迟于本综合文件寄发日期后的第6天的下午5时00分（新加坡时间）接受要约。





此中文版要约概要源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

WHEN WILL YOU RECEIVE THE CASH CONSIDERATION?

If you validly accept the Offer, you will receive S$1.30 in cash for each Offer Share:

- within seven (7) Business Days after the Offer Unconditional Date; OR
- within seven (7) Business Days after your valid acceptance is received,

whichever is later.

The Offer will become unconditional upon Temasek and its affiliates tendering their Company Shares in acceptance of the Offer.

Lentor has irrevocably committed to CMA CGM, to tender, and to procure the tender by Temasek and Startree, in acceptance of the Offer, of approximately 66.78% of the Company Shares, by no later than 5:00 p.m. (Singapore time) on the 6th day after the Despatch Date.





RECOMMENDATION OF THE INDEPENDENT DIRECTORS OF NOL

The Independent Directors concur with the recommendation of its independent financial adviser, Maybank Kim Eng Securities Pte. Ltd., in respect of the Offer, and accordingly, recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions.

The considerations of the Independent Directors in arriving at their recommendations are set out in the Offeree's Circular.

You are advised to read the Offeree's Circular and the IFA Letter set out in Appendix B to this Composite Document carefully.





All capitalised terms not defined herein shall bear the same meanings as ascribed to them in this Composite Document.

您将何时收到现金价款?

如果您有效接受本要约，您将会收到每要约股份现金1.30新元:

- 在要约成为无条件要约之后的7个工作日之内；或
- 在要约方收到您有效接受要约表格后的7个工作日之内，

以较迟者为准。

本要约将在Temasek及其关联公司接受要约之后成为无条件要约。

Lentor已对要约方做出了不可撤销的承诺，将就手上持有，并且促成Temasek和Startree将手上持有，共66.78%的公司股份，在不迟于本综合文件寄发日期后的第6天的下午5时00分（新加坡时间）接受要约。





NOL独立董事的建议

NOL独立董事同意其独立财务顾问Maybank Kim Eng Securities Pte. Ltd.就本要约的建议，并建议股东接受本要约，除非股东在考虑到于公开市场交易的所有经纪佣金或交易费用后，还能在公开市场上获取比要约价格更高的价格。

NOL独立董事接受要约建议的考量已载于受要约公司通函中。

建议您仔细阅读载于受要约公司通函以及综合文件附录B中独立财务顾问致NOL独立董事的书函。



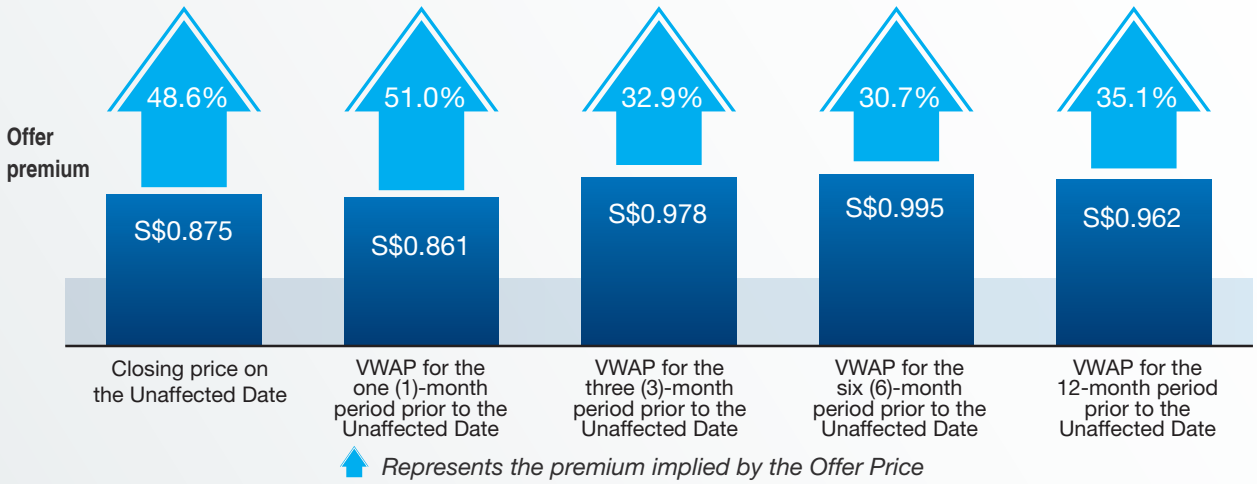


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ATTRACTIVENESS OF THE OFFER

The Offer Price is at a compelling premium to the following historical price benchmarks:

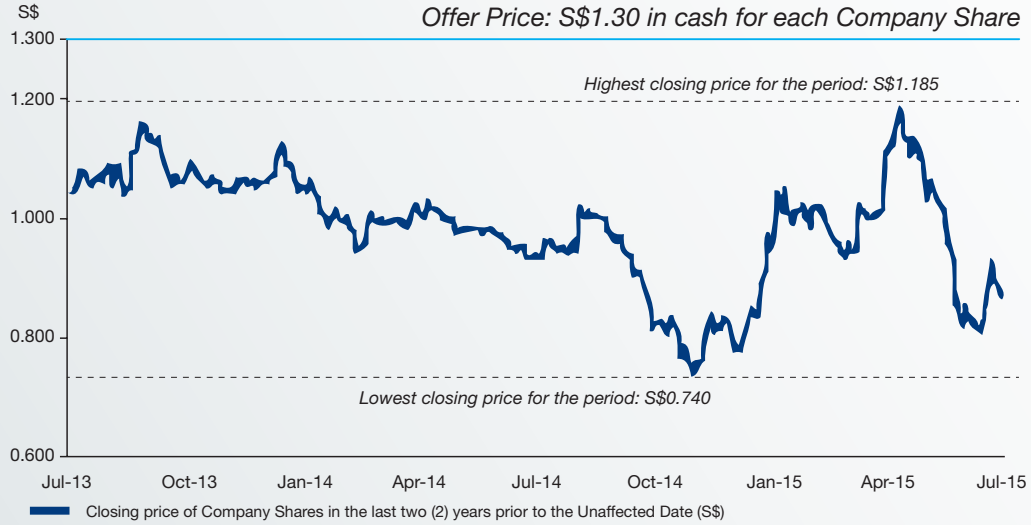
Offer Price: S$1.30 in cash for each Company Share



Notes:

(a) The Unaffected Date is defined as 16 July 2015, being the last full day of trading in the Company Shares on the SGX-ST immediately preceding the announcement by NOL on 19 July 2015 in relation to media reports regarding a potential sale of NOL.
(b) Based on data extracted from Bloomberg L.P..
(c) Company Share price figures are rounded to the nearest three (3) decimal places.
(d) Implied premium figures are rounded to the nearest one (1) decimal place.
(e) VWAP refers to the volume weighted average price of the Company Shares traded on the SGX-ST.

The Offer Price exceeds the highest closing price of the Company Shares in the last two (2) years prior to the Unaffected Date:



Notes:

(a) The Unaffected Date is defined as 16 July 2015, being the last full day of trading in the Company Shares on the SGX-ST immediately preceding the announcement by NOL on 19 July 2015 in relation to media reports regarding a potential sale of NOL.
(b) Based on data extracted from Bloomberg L.P..



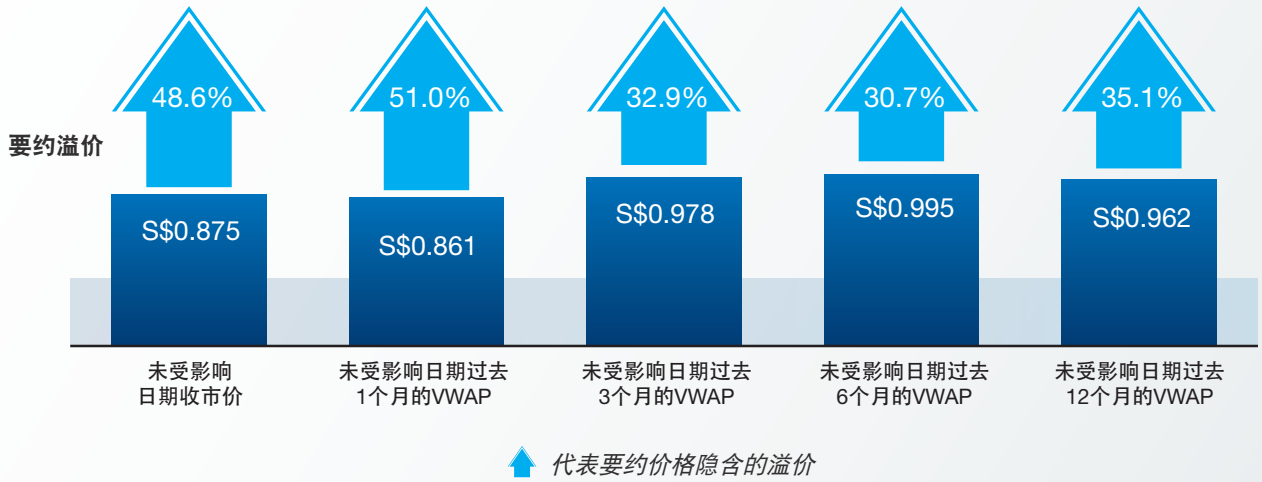


All capitalised terms not defined herein shall bear the same meanings as ascribed to them in this Composite Document.

要约的吸引力

要约价格与过往股价基准相比，显示可观溢价：

要约价格：每公司股份现金1.30新元



备注：

(a) 未受影响日期被定义为2015年7月16日，紧接NOL在2015年7月19日对于媒体报道有关NOL有可能被售出所做的宣布，可在新加坡交易所进行公司股份买卖的最后一个全天交易日。

(b) 根据Bloomberg L.P.摘取的数据。

(c) 公司股价数字四舍五入取小数点后3位。

(d) 要约价格隐含的溢价百分比四舍五入取小数点后1位。

(e) VWAP是指公司股份在新加坡交易所进行买卖的成交量加权平均价。

要约价格超出了公司股份在未受影响日期前的过去2年的最高收市价：



备注：

(a) 未受影响日期被定义为2015年7月16日，紧接NOL在2015年7月19日对于媒体报道有关NOL有可能被售出所做的宣布，可在新加坡交易所进行公司股份买卖的最后一个全天交易日。

(b) 根据Bloomberg L.P.摘取的数据。





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ATTRACTIVENESS OF THE OFFER

The Offer represents an attractive opportunity for Shareholders to monetise their Company Shares

- The Company has not paid any dividends to Shareholders since its last dividend in respect of FY2010[1]. In addition, the Company's liner operating segment has not been profitable since its last reported profits for FY2010[1].
- The Offer represents an opportunity for Shareholders to sell their Company Shares at a price that represents a compelling premium to historical price benchmarks, and without incurring brokerage fees.
- There is no guarantee that Shareholders will be able to sell their Company Shares for a price as high as S$1.30 per Company Share after the close of the Offer.
- CMA CGM already owns 10.50% of the Company Shares and will control at least 77.28% of the Company Shares after Temasek and its affiliates tender their Company Shares in acceptance of the Offer pursuant to the Main Shareholder Irrevocable Undertaking.
- CMA CGM intends to delist the Company after the close of the Offer and does not intend to take steps for any trading suspension of the Company Shares by the SGX-ST to be lifted.
- There is no guarantee that the Company Shares will continue to be traded on the SGX-ST after the close of the Offer. Hence, Shareholders who do not accept the Offer may face difficulties in selling their Company Shares after the close of the Offer.

HOW DO I ACCEPT THE OFFER?

If you wish to accept the Offer:

- **Locate the relevant Acceptance Form in this Composite Document:**
  - **FAA: For the use of Depositors whose Securities Accounts are and/or will be credited with Company Shares.**
  - **FAT: For the use of Shareholders who hold Company Shares which are not deposited with the CDP.**

  A copy of the Acceptance Forms can also be downloaded from the website of the SGX-ST at www.sgx.com or on the website for the Offer at www.ccn-web.com.

  On the website of the SGX-ST, click on the "Company Information" tab → "Company Announcements". Select "NEPTUNE ORIENT LINES LIMITED". The Acceptance Forms are appended to the announcement dated 6 June 2016 relating to the despatch of this Composite Document.

FILLING OUT THE FAA	FILLING OUT THE FAT
• Check or fill in your personal particulars and Securities Account number. • State in Part A the number of Offer Shares in respect of which you wish to accept the Offer. You can tender all, or part of, your Offer Shares. • Sign, date and return the FAA.	• Check or fill in your personal particulars. • State in (A) the number of Offer Shares in respect of which you wish to accept the Offer. You can tender all, or part of, your Offer Shares. • State in (B) the share certificate number(s) of the relevant share certificate(s) of the Offer Shares you wish to tender. • Sign and return the FAT along with the share certificate(s), other document(s) of title and/or relevant document(s) relating to the Offer Shares in respect of which you wish to accept the Offer.

CPFIS / SRS investors who wish to accept the Offer should contact their respective CPF / SRS Agent Banks.

Acceptances should be received by the close of the Offer at 5:30 p.m. (Singapore time) on 4 July 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Details of the procedures for the acceptance of the Offer are set out in **Appendix 2** to this Composite Document and in the relevant Acceptance Forms.

[1] NOL's financial year ended 31 December 2010.





要约的吸引力

本要约为股东提供了一个套现的良机

- 公司经对2010财政年[1]做出的股息支付后就没再给股东分发任何股息。此外，公司的班轮营运自2010财政年[1]最后所报的盈利之后就没有再实现盈利。
- 本要约能让股东以比过往股价基准显示可观溢价的价格，在无需付任何经纪费情况下，套现手持的公司股份。
- 不能保证股东能在要约截止后以每股1.30新元同样高的价格出售手持的公司股份。
- CMA CGM已持有10.50%的公司股份，并且一旦Temasek及其关联公司按照主要股东不可撤销承诺下接受要约，将会控制至少77.28%的公司股份。
- CMA CGM打算在要约截止后将公司除牌，并不打算采取任何措施使新加坡交易所解除公司停牌。
- 不能保证公司股份会在要约截止后继续在新加坡交易所进行交易。因此，不接受要约的股东将可能在要约截止后为售出手持的公司股份面临困难。

如何接受本要约?

如果您愿意接受本要约：

- **请找出本综合文件附带的相关要约接受表格：**
  - **FAA：对于已将公司股份记入证券账户者。**
  - **FAT：对于没把持有公司股份存入中央托收的股东。**

    接受表格的副本也能在新加坡交易所于www.sgx.com网站或在www.ccn-web.com要约网站下载。

    在新加坡交易所网站点击“Company Information”选项卡➔“Company Announcements”。选择“NEPTUNE ORIENT LINES LIMITED”。该接受表格被附加到日期为2016年6月6日有关该综合文件寄发的公告。

填写FAA	填写FAT
• 请核对或填写您的个人信息及证券账户号。 • 请在Part A填写您有意接受要约的要约股数量。您可以选择出售您全部或部分的股份。 • 请在表格上填写适用日期、签名并寄出。	• 请核对或填写您的个人信息。 • 请在(A)填写您有意接受要约的要约股数量。您可以选择出售您全部或部分的股份。 • 请在(B)填写有关您有意接受要约的股份的股票证书号码。 • 请在表格上签名并连同股票证书、其他相关文件和/或对于您有意接受要约有关的文件一并寄出。

愿意接受要约的CPFIS / SRS投资者应联系各自的CPF / SRS代理银行。

要约表格接受必须于要约截止期限（为2016年7月4日下午5时30分（新加坡时间））前，或于要约方或要约方代表随时公布的较迟日期前收到。

接受要约的详细流程载列于本综合文件**附录2**及相关要约接受表格内。

[1] NOL截至2010年12月31日财政年度。





此中文版要约概要源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

FREQUENTLY ASKED QUESTIONS

1. What has happened since the release of the Pre-Conditional Offer Announcement on 7 December 2015?

- On 7 December 2015, the Offeror's Financial Advisers announced, for and on behalf of CMA CGM, that subject to the satisfaction or waiver of the Pre-Conditions, CMA CGM intends to make the Offer for all the Offer Shares.
- On 30 May 2016, the Offeror's Financial Advisers announced, for and on behalf of CMA CGM, that all the Pre-Conditions had been satisfied or waived (as the case may be) and accordingly, announced the Offeror's firm intention to make the Offer for all the Offer Shares at the Offer Price of S$1.30 in cash for each Offer Share.

2. What is the condition to the Offer?

- The Offer is conditional upon CMA CGM having received, by the Closing Date, valid acceptances in respect of such number of Offer Shares which, together with the Company Shares owned, controlled or agreed to be acquired by or on behalf of CMA CGM and parties acting in concert with it either before or during the Offer and pursuant to the Offer or otherwise, will result in CMA CGM and parties acting in concert with it holding such number of Company Shares carrying more than 50% of the issued shares in the Company as at the Closing Date.
- Save for the above, the Offer is not subject to any other condition.
- Lentor has provided an irrevocable undertaking to CMA CGM to tender, and to procure the tender by Temasek and Startree, in acceptance of the Offer, of approximately 66.78% of the Company Shares, by no later than 5:00 p.m. (Singapore time) on the 6th day after the Despatch Date. Accordingly, the Offer will become unconditional as to acceptances no later than 5:00 p.m. (Singapore time) on such date.

3. What are CMA CGM's intentions for NOL?

- **CMA CGM intends to make NOL its wholly-owned subsidiary and does not intend to preserve the listing status of NOL.**
- After Temasek and its affiliates have tendered their Company Shares pursuant to the Main Shareholder Irrevocable Undertaking, CMA CGM will control at least 77.28% of the Company Shares.
- If CMA CGM receives sufficient acceptances, it will exercise its right of compulsory acquisition to compulsorily acquire all the Company Shares of Shareholders who have not accepted the Offer, at a price equal to the Offer Price.
- CMA CGM intends to seek a voluntary delisting of NOL even if it has not received sufficient acceptances for a compulsory acquisition.

4. What happens if I do not accept the Offer?

- You will continue to own your Company Shares unless CMA CGM receives sufficient acceptances and exercises its rights of compulsory acquisition. There is no assurance that the price of the Company Shares will remain at current levels after the close of the Offer.
- If less than 10% of the Company Shares (excluding treasury shares) are held by the public at the close of the Offer, the trading of the Company Shares on the SGX-ST will be suspended. In such event, CMA CGM does not intend to take steps for any trading suspension of the Company Shares by the SGX-ST to be lifted.
- Therefore, there is no assurance that NOL will remain listed on the SGX-ST.
- **Shareholders who do not accept the Offer may encounter lower trading liquidity and/or difficulties in selling their Company Shares.**





常问问题

1. 自2015年12月7日发布的前置条件要约公告之后发生了什么事?

- 在2015年12月7日，要约方的财务顾问代表CMA CGM公布，受制于前置条件的满足或豁免，CMA CGM打算收购所有要约股份。
- 在2016年5月30日，要约方的财务顾问代表CMA CGM公布前置条件已完全满足或豁免（视情况而定），并宣布要约方为所有要约股份提出收购要约价为每股现金1.30新元的决意。

2. 要约含有什么条件?

- 根据要约条件，CMA CGM与一致行动人必须在要约截止日之前，已经以合适方式收到本要约收购的要约股份，加上由其或以其名义在要约之前或期间，依据要约或其他方式拥有，控制，或同意收购的公司股份，将导致CMA CGM及其一致行动人持有公司在要约截止日期所发行总股数超过50%的股份。
- 除了上述，要约不受任何其他条件约束。
- Lentor已对要约方做出了不可撤销的承诺，将手上持有，并且促成Temasek和Startree将手上持有，共约66.78%的公司股份，在不迟于本综合文件寄发日期后的第6天的下午5时00分（新加坡时间）接受要约。因此，本要约将在不迟于当天下午5时00分（新加坡时间）成为无条件要约。

3. CMA CGM对NOL有什么计划?

- **CMA CGM有意将NOL纳为旗下的全资子公司，并且不打算保留NOL的上市牌照。**
- 在Temasek及其关联公司按照主要股东不可撤销承诺接受要约之后，要约方将控制至少77.28%的公司股份。
- 若要约方收到了足够的要约接受，将会行使其强制收购权利，以与要约价格相等的价格强制收购所有未接受要约的股东手持的公司股份。
- 要约方打算在未收到足够要约接受的情况下，申请NOL的自愿除牌。

4. 如果我不接受要约会怎么样?

- 您将继续拥有手上所持有的公司股份，除非要约方收到足够的要约接受并行使强制收购权利。对于公司股价会不会在要约截止后保留在现水平的价格并无保证。
- 如果在要约截止时，公司股份（不包括库存股份）少过10%由公众人士持有，公司股份在新加坡交易所的交易将被暂停。若出现此情况，要约方不打算采取任何措施使新加坡交易所解除公司停牌。
- 因此，NOL是否继续在新加坡交易所上市是没有任何保证的。
- **不接受要约的股东将可能面对较低的交易流动量和/或在出售手持的公司股份时面临困难。**





此中文版要约概要源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

WHO CAN YOU CALL IF YOU NEED HELP?

Please contact any of the Offeror's Financial Advisers at the following hotlines during Singapore office hours if you have any enquiries about the Offer or if you need assistance to complete the relevant Acceptance Forms.

- BNP Paribas: +65 6461 2399
- HSBC: +65 6658 6696
- J.P. Morgan: +65 6882 8933

WEBSITE FOR THE OFFER

Copies of this Composite Document, the Acceptance Forms and other information pertaining to the Offer may also be found on the website of the SGX-ST at www.sgx.com or on the website for the Offer at www.ccn-web.com.

IMPORTANT NOTICE

The information in this section is a summary of the Offer and is qualified by, and should be read in conjunction with, the full information contained in the rest of this Composite Document. In the event of any inconsistency or conflict between the terms of this section and the rest of this Composite Document, the terms set out in the rest of this Composite Document shall prevail.

Nothing in this section is intended to be, or shall be taken as, advice, recommendation or solicitation to Shareholders. The Offeror's Financial Advisers are acting for and on behalf of the Offeror and do not purport to advise any Shareholder.

Shareholders are advised to exercise caution when dealing in their Offer Shares and refrain from taking any action in relation to their Offer Shares which may be prejudicial to their interests.

The recommendation of the Independent Directors, and advice and recommendation of the IFA to the Independent Directors, in respect of the Offer, are each set out in this Composite Document. Shareholders are advised to read the IFA Letter set out in **Appendix B** to this Composite Document carefully.









All capitalised terms not defined herein shall bear the same meanings as ascribed to them in this Composite Document.

若需要帮助您能致电给谁?

如果您对本要约有任何疑问或需要协助填写有关接受表格，请在新加坡办公时间致电以下热线号码联络要约方的财务顾问。

- BNP Paribas: +65 6461 2399
- HSBC: +65 6658 6696
- J.P. Morgan: +65 6882 8933

要约网站

本综合文件、接受表格的副本及其他关于要约的资料也能在新加坡交易所网站于www.sgx.com或在要约网站于www.ccn-web.com下载。



重要声明

本节所载资料仅为本要约的概要，故应受本综合文件其他部分所载的全部内容所限，并与其一同阅读。若概要与本综合文件其他部分存在任何不一致或相冲突的条款，则应以本综合文件其他部分中的所列条款为准。

本节所列的任何信息并未意在或可被作为提供给股东的意见、推荐或游说。要约方财务顾问代表要约方行事，而并非旨在向任何股东提供意见。

建议股东在处置其要约股份时谨慎行事，并避免采取任何可能对其不利的有关其股份的行为。

NOL独立董事的建议和独立财务顾问致NOL独立董事的意见和建议分别载于本综合文件。建议股东要仔细阅读载于本综合文件**附录B**中独立财务顾问致NOL独立董事的书函。







此中文版要约概要源自于英文版。如中文版和英文版存在不一致之处，皆以英文版为准。

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Unless otherwise defined or where the context otherwise requires, the following definitions shall apply throughout this Composite Document (including the cover page and section on summary of the Offer) and the Acceptance Forms:

"**1Q2016**"	:	(a) In relation to the NOL Group, the first financial quarter of 2016 ended 1 April 2016; and (b) in relation to the CMA CGM Group, the first financial quarter of 2016 ended 31 March 2016
"**1Q2016 Results**"	:	Unaudited consolidated financial statements of the NOL Group for 1Q2016
"**Acceptance Forms**"	:	The FAA and the FAT, collectively or either one of them, as the case may be
"**ADR Depositary**"	:	Shall have the meaning ascribed to it in **paragraph 11.6** of the Offeror's Letter
"**ADRs**"	:	Shall have the meaning ascribed to it in **paragraph 11.6** of the Offeror's Letter
"**ADSs**"	:	Shall have the meaning ascribed to it in **paragraph 11.6** of the Offeror's Letter
"**ANL**"	:	Australian National Line
"**Articles**"	:	The articles of association comprising part of the constitution of the Company
"**BNP Paribas**"	:	BNP Paribas, Singapore Branch
"**Board**"	:	The board of directors of NOL
"**BPIFrance**"	:	Shall have the meaning ascribed to it in **paragraph 4** of **Appendix 3** to this Composite Document
"**Business Day**"	:	A day which is not a Saturday, Sunday or public holiday in Singapore
"**CDP**"	:	The Central Depository (Pte) Limited
"**CEO**"	:	Chief Executive Officer
"**CGM**"	:	Compagnie Générale Maritime
"**Citi**"	:	Citigroup Global Markets Singapore Pte. Ltd., the Offeree's Financial Adviser

"**Closing Date**"	:	**5:30 p.m. (Singapore time)** on 4 July 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last date for the lodgement of acceptances of the Offer
"**CMA**"	:	Compagnie Maritime d'Affrètement
"**CMA CGM Group**"	:	The Offeror and its subsidiaries
"**CMA CGM Shares**"	:	Ordinary shares in the share capital of CMA CGM
"**CMA CGM-PSA Joint Venture Arrangements**"	:	Shall have the meaning ascribed to it in **paragraph 1.5** of **Appendix 5** to this Composite Document
"**CNC Line**"	:	Cheng Lie Navigation Co., Ltd
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore
"**Company Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**Company Options**"	:	Share options granted under the Company SOP
"**Company PSP**"	:	NOL Performance Share Plan 2010 approved by the Shareholders on 30 August 2010
"**Company PSP Awards**"	:	Share awards granted under the Company PSP
"**Company RSP**"	:	NOL Restricted Share Plan 2010 approved by the Shareholders on 30 August 2010
"**Company RSP Awards**"	:	Share awards granted under the Company RSP
"**Company Securities**"	:	(a) Company Shares; (b) securities which carry voting rights in the Company; and (c) convertible securities, warrants, options and derivatives in respect of Company Shares or securities which carry voting rights in the Company
"**Company Shares**"	:	Issued and paid up ordinary shares in the capital of the Company (excluding issued and paid up ordinary shares held by the Company as treasury shares but including shares issued and paid up upon the valid exercise of Company Options or the vesting of Company PSP Awards and Company RSP Awards)

"**Company SOP**"	:	NOL Share Option Plan approved by the Shareholders on 10 November 1999
"**Composite Document**"	:	This document, comprising the Offer Document (including the Acceptance Forms) and the Offeree's Circular
"**CPF**"	:	The Central Provident Fund
"**CPF Agent Banks**"	:	Agent banks included under the CPFIS
"**CPFIS**"	:	The Central Provident Fund Investment Scheme
"**CPFIS Investors**"	:	Investors who have purchased Company Shares using their CPF contributions pursuant to the CPFIS
"**Date of Receipt**"	:	The date of receipt of the FAA by CDP
"**Delmas**"	:	Delmas
"**derivative**"	:	Shall mean any financial product whose value in whole or in part is determined, directly or indirectly, by reference to the price of an underlying security or securities which causes the holder to have a long economic exposure to the underlying securities
"**Despatch Date**"	:	6 June 2016, being the date of despatch of this Composite Document
"**Electronic Acceptance**"	:	The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents
"**Encumbrance**"	:	Shall have the meaning ascribed to it in **paragraph 2.1(a)** of the Offeror's Letter
"**ERCC**"	:	Executive Resource and Compensation Committee of the Board
"**FAA**"	:	The Form of Acceptance and Authorisation which forms part of this Composite Document and which is issued to Shareholders whose Company Shares are deposited with CDP

"**Fairness Opinion**"	:	The fairness opinion from the Offeree's Financial Adviser dated and as at 5 December 2015, addressed solely to the Board, as to the fairness of the Offer Price for each Offer Share from a financial point of view to Shareholders (other than Temasek and its affiliates), subject to the assumptions made, procedures followed, matters considered, and qualifications and limitations set forth therein, which is set out in **Appendix A** to this Composite Document
"**FAT**"	:	The Form of Acceptance and Transfer which forms part of this Composite Document and which is issued to Shareholders whose Company Shares are not deposited with CDP and are registered in such Shareholder's name in the Register
"**Final Day Rule**"	:	Shall have the meaning ascribed to it in **paragraph 1(f)** of **Appendix 1** to this Composite Document
"**FSMA**"	:	Shall have the meaning ascribed to it in **paragraph 11.4** of the Offeror's Letter
"**FY2010**"	:	In relation to the NOL Group, the financial year ended 31 December 2010
"**FY2013**"	:	(a) In relation to the NOL Group, the financial year ended 27 December 2013; and (b) in relation to the CMA CGM Group, the financial year ended 31 December 2013
"**FY2014**"	:	(a) In relation to the NOL Group, the financial year ended 26 December 2014; and (b) in relation to the CMA CGM Group, the financial year ended 31 December 2014
"**FY2015**"	:	(a) In relation to the NOL Group, the financial year ended 25 December 2015; and (b) in relation to the CMA CGM Group, the financial year ended 31 December 2015
"**Georgeson**"	:	Georgeson Inc.
"**Group**"	:	Shall have the meaning ascribed to it in **paragraph 7.1** of the Offeror's Letter
"**HSBC**"	:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch

"**IFA**"	:	MKES, being the independent financial adviser to the Independent Directors in respect of the Offer
"**IFA Letter**"	:	The letter dated 6 June 2016 from the IFA to the Independent Directors containing their advice and recommendation in respect of the Offer as set out in **Appendix B** to this Composite Document
"**Independent Directors**"	:	The directors of the Company who are considered independent for the purposes of the Offer, namely, all the Company Directors (except Mr. Ng Yat Chung)
"**Interested Person**"	:	As defined in Note 1 on Rule 23.12 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or substantial shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
"**J.P. Morgan**"	:	J.P. Morgan (S.E.A.) Limited
"**JV Berths**"	:	Shall have the meaning ascribed to it in **paragraph 1.5(a)** of **Appendix 5** to this Composite Document
"**JVCo**"	:	Shall have the meaning ascribed to it in **paragraph 1.5** of **Appendix 5** to this Composite Document

"**Key Retention Employee**"	:	Shall have the meaning ascribed to it in **paragraph 6.2(c)** of **Appendix C** to this Composite Document
"**Key Transaction Employee**"	:	Shall have the meaning ascribed to it in **paragraph 6.2(b)** of **Appendix C** to this Composite Document
"**Latest Practicable Date**"	:	26 May 2016, being the latest practicable date prior to the printing of this Composite Document
"**Lentor**"	:	Lentor Investments Pte. Ltd.
"**Listing Manual**"	:	The listing manual of the SGX-ST in force as at the Latest Practicable Date
"**Main Shareholder Irrevocable Undertaking**"	:	Shall have the meaning ascribed to it in **paragraph 4.1** of the Offeror's Letter
"**Market Day**"	:	A day on which the SGX-ST is open for trading of securities
"**maximum potential issued shares in the Company**"	:	Shall have the meaning ascribed to it in **paragraph 2.2(a)** of the Offeror's Letter
"**Maybank Group**"	:	Malayan Banking Berhad, its subsidiaries and associated companies
"**Memorandum**"	:	The memorandum of association comprising part of the constitution of the Company
"**Minimum Acceptance Condition**"	:	Shall have the meaning ascribed to it in **paragraph 2.2(a)** of the Offeror's Letter
"**MKES**"	:	Maybank Kim Eng Securities Pte. Ltd.
"**New Awards**"	:	Shall have the meaning ascribed to it in **paragraph 6.2(a)** of the Offeror's Letter
"**NOL**", "**Offeree**" or the "**Company**"	:	Neptune Orient Lines Limited
"**NOL Group**"	:	NOL and its subsidiaries
"**NOL Group Employees**"	:	Employees of the NOL Group
"**Offer**"	:	The voluntary conditional general offer made by the Offeror's Financial Advisers, for and on behalf of the Offeror, to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document and the Acceptance Forms

"**Offer Announcement**"	:	The announcement of the Offer released by the Offeror's Financial Advisers, for and on behalf of the Offeror, on the Offer Announcement Date
"**Offer Announcement Date**"	:	30 May 2016, being the date of the Offer Announcement
"**Offer Document**"	:	The cover page and section on summary of the Offer, the Offeror's Letter and **Appendices 1 to 5** (inclusive), as set out in Part 1 of this Composite Document, and the Acceptance Forms
"**Offer Implementation Agreement**"	:	The agreement entered into between the Offeror and the Company on 7 December 2015, setting out, *inter alia*, the steps to be taken to effect the acquisition of all the Company Shares and the Offer, and to record their respective rights and obligations relating to such matters
"**Offer Period**"	:	The period commencing on the Possible Offer Announcement Date and ending on the Closing Date or the date the Offer is declared to have lapsed
"**Offer Price**"	:	Shall have the meaning ascribed to it in **paragraph 2.1(a)** of the Offeror's Letter
"**Offer Shares**"	:	Company Shares other than those already owned, controlled or agreed to be acquired by the Offeror
"**Offer Unconditional Date**"	:	The date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms
"**Offeree's Circular**"	:	The letter to Shareholders from the Board in relation to the Offer and **Appendices A to H** (inclusive), as set out in Part 2 of this Composite Document
"**Offeree's Financial Adviser**"	:	Citi, being the financial adviser to the Company in connection with the Offer
"**Offeror**" or "**CMA CGM**"	:	CMA CGM S.A.
"**Offeror Directors**"	:	Shall have the meaning ascribed to it in **paragraph 5.2** of the Offeror's Letter
"**Offeror Securities**"	:	(a) Shares and securities which carry voting rights in the Offeror; and (b) convertible securities, warrants, options and derivatives in respect of shares or securities which carry voting rights in the Offeror

"**Offeror's Financial Advisers**"	:	BNP Paribas, HSBC and J.P. Morgan
"**Offeror's Letter**"	:	The letter from the Offeror's Financial Advisers, for and on behalf of the Offeror, to the Shareholders, in connection with the Offer and as set out in the Offer Document
"**Official List**"	:	The list of issuers maintained by the SGX-ST in relation to the SGX-ST Mainboard or Catalist
"**Optionholders**"	:	Shall have the meaning ascribed to it in **paragraph 6.3** of the Offeror's Letter
"**Outstanding PSP Awards**"	:	Shall have the meaning ascribed to it in **paragraph 6.2(b)(i)** of the Offeror's Letter
"**Outstanding RSP Awards**"	:	Shall have the meaning ascribed to it in **paragraph 6.2(b)(ii)** of the Offeror's Letter
"**Overseas Shareholders**"	:	Shareholders whose addresses are outside Singapore, as shown on the Register or in the records of CDP, as the case may be
"**Possible Offer Announcement**"	:	The announcement by the Company on the Possible Offer Announcement Date regarding a potential acquisition of the Company
"**Possible Offer Announcement Date**"	:	7 November 2015, being the date of the Possible Offer Announcement
"**Pre-Conditional Offer Announcement**"	:	The announcement released by the Offeror's Financial Advisers, for and on behalf of the Offeror, on the Pre-Conditional Offer Announcement Date, in connection with the pre-conditional voluntary general offer for all the Offer Shares
"**Pre-Conditional Offer Announcement Date**"	:	7 December 2015, being the date of the Pre-Conditional Offer Announcement
"**Pre-Conditions**"	:	Shall have the meaning ascribed to it in **paragraph 2.1** of the Pre-Conditional Offer Announcement
"**Press Releases**"	:	Shall have the meaning ascribed to it in **paragraph 1.2** of the Offeror's Letter
"**Proposed New Directors**"	:	Shall have the meaning ascribed to it in **paragraph 6.1** of the Offeror's Letter
"**PSA Corp**"	:	Shall have the meaning ascribed to it in **paragraph 1.5(a)** of **Appendix 5** to this Composite Document

"**PSA ST**"	:	Shall have the meaning ascribed to it in **paragraph 1.5** of **Appendix 5** to this Composite Document
"**PSATM**"	:	Shall have the meaning ascribed to it in **paragraph 1.5(c)** of **Appendix 5** to this Composite Document
"**Purchaser**"	:	Shall have the meaning ascribed to it in **paragraph 1(a)** of **Appendix 2** to this Composite Document
"**Reconstitution Date**"	:	The Offer Unconditional Date
"**Register**"	:	Register of members of the Company maintained by the Registrar
"**Registrar**"	:	B.A.C.S. Private Limited, in its capacity as receiving agent of the Offeror or the share registrar of the Company, as the case may be
"**Relevant Company Securities**"	:	Shall have the meaning ascribed to it in **paragraph 1.1** of **Appendix 5** to this Composite Document
"**Relevant Day**"	:	Shall have the meaning ascribed to it in **paragraph 3(a)** of **Appendix 1** to this Composite Document
"**Relevant Financing Arrangements**"	:	The financing arrangements made in connection with the Offer, including the creation of security interests over, amongst others, all present and future Company Shares legally and beneficially owned by the Offeror in favour of HSBC (as the security agent)
"**Restricted Jurisdiction**"	:	Shall have the meaning ascribed to it in **paragraph 11.1** of the Offeror's Letter
"**Retention Bonus**"	:	Shall have the meaning ascribed to it in **paragraph 6.2(c)** of **Appendix C** to this Composite Document
"**Retention Bonus Repayment Date**"	:	Shall have the meaning ascribed to it in **paragraph 6.2(c)** of **Appendix C** to this Composite Document
"**Rule 22.6 Period**"	:	Shall have the meaning ascribed to it in **paragraph 1(e)** of **Appendix 1** to this Composite Document
"**Scripholders**"	:	Shareholders who hold Company Shares which are not deposited with CDP, in scrip form
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP
"**SFA**"	:	The Securities and Futures Act, Chapter 289 of Singapore

"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SGXNET**"	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"**Shareholders**"	:	Shareholders of the Company
"**Shut-Off Notice**"	:	Shall have the meaning ascribed to it in **paragraph 1(e)** of **Appendix 1** to this Composite Document
"**SIC**"	:	The Securities Industry Council of Singapore
"**SRS**"	:	The Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent banks included under the SRS
"**SRS Investors**"	:	Investors who have purchased Company Shares using their SRS contributions pursuant to the SRS
"**Startree**"	:	Startree Investments Pte. Ltd.
"**Temasek**"	:	Temasek Holdings (Private) Limited
"**Transaction Bonus**"	:	Shall have the meaning ascribed to it in **paragraph 6.2(b)** of **Appendix C** to this Composite Document
"**Transaction Process**"	:	Shall have the meaning ascribed to it in **paragraph 6.2(b)** of **Appendix C** to this Composite Document
"**U.K.**"	:	United Kingdom
"**Unaffected Date**"	:	Shall have the meaning ascribed to it in **paragraph 7.2** of the Offeror's Letter
"**Undertaking Shares**"	:	Shall have the meaning ascribed to it in **paragraph 4.1** of the Offeror's Letter
"**United States**" or "**U.S.**"	:	United States of America
"**U.S. Exchange Act**"	:	Shall have the meaning ascribed to it in **paragraph 11.5** of the Offeror's Letter
"**VWAP**"	:	Volume weighted average price of the Company Shares traded on the SGX-ST
"**Yildirim**"	:	Shall have the meaning ascribed to it in **paragraph 4** of **Appendix 3** to this Composite Document

"**EUR**"	:	Euro, being the lawful currency of the European Union
"**S$**"	:	Singapore dollars, being the lawful currency of the Republic of Singapore
"**US$**"	:	US dollars, being the lawful currency of the United States of America
"**%**" or "**per cent**"	:	Percentage or per centum

Acting in concert. The expression "**acting in concert**" shall have the meaning ascribed to it in the Code.

Announcement, Notice, etc. References to the making of an announcement or the giving of notice by the Offeror (or the Company, as the case may be) shall include the release of an announcement by any of the Offeror's Financial Advisers (or the Offeree's Financial Adviser, as the case may be) or advertising agents, for and on behalf of the Offeror (or the Company, as the case may be), to the press, or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Composite Document. References to "**Composite Document**" shall include the FAA and the FAT, unless the context otherwise requires.

Depositors, etc. The expressions "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Genders. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing a single gender shall, where applicable, include any or all genders. References to persons shall, where applicable, include corporations.

Headings. The headings in this Composite Document are inserted for convenience only and shall be ignored in construing this Composite Document.

Issued shares in the capital of the Company. In this Composite Document, the total number of Company Shares is a reference to a total of 2,603,559,950 Company Shares in issue as at the Latest Practicable Date (excluding 1,726,717 issued and paid up ordinary shares held by the Company as treasury shares) unless the context otherwise requires.

Rounding. Any discrepancies in the tables in this Composite Document between the listed amounts and the totals thereof are due to rounding. Accordingly, any figure shown as a total may not be an arithmetic aggregation of the figures that precede it.

Shareholders. References to "**you**", "**your**" and "**yours**" in this Composite Document are, as the context so determines, to Shareholders.

Statutes. Any reference in this Composite Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual, the SFA or any modification thereof and used in this Composite

Document shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the Listing Manual, the SFA or that amendment or re-enactment, as the case may be.

Subsidiaries, related corporations, associated companies. The expressions "**subsidiaries**" and "**related corporations**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act. The expression "**associated companies**", in relation to the Offeror or NOL, shall mean corporations in which the Offeror or NOL respectively holds, directly or indirectly, at least 20% but not more than 50% of their issued shares.

Time and date. Any reference to a time of day and date in this Composite Document shall be a reference to Singapore time and date, unless otherwise specified.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Composite Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's and/or NOL's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results, performance or achievements may differ materially from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Given the risks and uncertainties that may cause the actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Composite Document, Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror, NOL, the Offeror's Financial Advisers and the Offeree's Financial Adviser guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

INDICATIVE TIMETABLE

Despatch Date[(1)]	:	6 June 2016 ("**Y**")
Lentor's acceptance of the Offer under the Main Shareholder Irrevocable Undertaking[(2)]	:	By no later than 5:00 p.m. (Singapore time) on Y+6 days (i.e. 12 June 2016)
Closing Date[(3)]	:	4 July 2016 at 5:30 p.m. (Singapore time) or such later date(s) as may be announced from time to time by or on behalf of the Offeror.
Date of settlement of consideration	:	In respect of valid and complete acceptances received on or before the Offer Unconditional Date, within seven (7) Business Days of the Offer Unconditional Date. In respect of valid and complete acceptances received after the Offer Unconditional Date up to the Closing Date, within seven (7) Business Days after the date of receipt of each such acceptance.

Notes:

(1) Other than the Despatch Date and the date of settlement of consideration, the other dates set out in the timetable above are indicative only and the actual dates of the above events will be announced in due course by or on behalf of the Offeror and/or the Company on SGXNET.

(2) Pursuant to the Main Shareholder Irrevocable Undertaking, Lentor has undertaken to the Offeror to tender, and to procure the tender by Temasek and Startree of, the Undertaking Shares in acceptance of the Offer by no later than 5:00 p.m. (Singapore time) on the 6th day after the Despatch Date.

(3) The Offer must initially be open for at least 28 days after the Despatch Date.

CONTACT INFORMATION

Any enquiries relating to the Offer Document or the Offer should be directed during Singapore office hours to:

BNP Paribas, Singapore Branch	**The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch**	**J.P. Morgan (S.E.A.) Limited**
Gurdeep Prewal Head of Advisory and Capital Markets Transportation & Infrastructure Sector Investment Banking Asia-Pacific	Ee Beng Soh Managing Director Head of Mergers and Acquisitions, South East Asia	Ee-Ching Tay Managing Director Head of Southeast Asia Mergers & Acquisitions
Telephone: +65 6461 2399	Telephone: +65 6658 6696	Telephone: +65 6882 8933

Any enquiries relating to the Offeree's Circular or the Company should be directed during Singapore office hours to:

Citigroup Global Markets Singapore Pte. Ltd.

Matthew Nimtz Managing Director Mergers and Acquisitions Telephone: +65 6657 1961	Timothy Li Senior Associate South East Asia Investment Banking Telephone: +65 6657 1966

Shareholders may also access the website of the SGX-ST at www.sgx.com or the website for the Offer at www.ccn-web.com for information relating to this Composite Document (including the Acceptance Forms) or the Offer.

PART 1: LETTER FROM THE OFFEROR'S FINANCIAL ADVISERS



BNP PARIBAS, SINGAPORE BRANCH

(Registered as a foreign company in the Republic of Singapore) (Company Registration No.: S71FC2142G)



THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH

(Registered in the Republic of Singapore) (Company Registration No.: S16FC0010A)



J.P. MORGAN (S.E.A.) LIMITED

(Incorporated in the Republic of Singapore) (Company Registration No.: 198500154W)

6 June 2016

To: The Shareholders of Neptune Orient Lines Limited

Dear Sir/Madam

VOLUNTARY CONDITIONAL GENERAL OFFER BY THE OFFEROR'S FINANCIAL ADVISERS, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Pre-Conditional Offer Announcement. On the Pre-Conditional Offer Announcement Date, the Offeror's Financial Advisers announced for and on behalf of the Offeror that, subject to the satisfaction or waiver of the Pre-Conditions, the Offeror intends to make an Offer for all the Company Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, in accordance with Rule 15 of the Code.

1.2 Press Releases. By way of the press releases dated 29 April 2016, 25 May 2016 and 30 May 2016 respectively (collectively, the "**Press Releases**"), the Offeror announced that the Pre-Conditions had been satisfied or waived (as the case may be).

1.3 Offer Announcement. Further to the satisfaction or waiver (as the case may be) of all the Pre-Conditions on 30 May 2016, the Offeror's Financial Advisers released on the same day, for and on behalf of the Offeror, the Offer Announcement.

Copies of the Pre-Conditional Offer Announcement, the Press Releases and the Offer Announcement are available on the website of the SGX-ST at www.sgx.com or at the website for the Offer at www.ccn-web.com.

1.4 Offer Document. For and on behalf of the Offeror, the Offeror's Financial Advisers are pleased to make the Offer for your Offer Shares, on the terms and conditions set out in this letter and in the Acceptance Forms. The Offer Document, comprising this letter, **Appendices 1 to 5** (inclusive) to this Composite Document and the Acceptance Forms, contains the formal offer by the Offeror's Financial Advisers, for and on behalf of the Offeror, for the Offer Shares. **Shareholders are urged to read this Offer Document carefully and to properly consider the Offer.**

1.5 Offeree's Circular and recommendation of the Independent Directors. Your attention is also drawn to the Offeree's Circular (including **Appendices A to H** (inclusive) to this Composite Document). As stated in the Offeree's Circular, the Independent Directors, having considered carefully the Fairness Opinion dated and as at 5 December 2015 addressed solely to the Board (as set out in **Appendix A** to this Composite Document), the terms and conditions of the Offer and the advice given and recommendation made by MKES in the IFA Letter (as set out in **Appendix B** to this Composite Document), concur with the recommendation of MKES in respect of the Offer, and accordingly, they **recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions.**

Shareholders should read carefully and properly consider the Offeree's Circular and the advice and recommendation of the IFA in its entirety as set out in the IFA Letter.

2. THE OFFER

2.1 Offer Terms.

(a) **Offer Price**: **S$1.30 in cash (the "Offer Price")** **for each Offer Share.**

Pursuant to the Offer, the Offer Shares are to be transferred by the Shareholders to the Offeror (i) fully paid; (ii) free from any lien, equity, mortgage, charge, encumbrance, easement, right of pre-emption, security, title retention, preferential right, trust arrangement or other security interest or other third party right and interest of any nature whatsoever ("**Encumbrance**"); and (iii) together with all rights, benefits and entitlements as of the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

If any dividend, other distribution or return of capital is declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.

(b) The Offer will also be extended to all new Company Shares unconditionally issued prior to the Closing Date pursuant to the valid exercise of Company Options pursuant to the Company SOP. For the purposes of the Offer, the expression "**Offer Shares**" shall include such new Company Shares.

(c) **The Offeror does not intend to increase the Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price, in any way.**

2.2 Conditional Offer. The Offer will be conditional upon the Offeror having received, by the Closing Date, valid acceptances in respect of such number of Offer Shares which, together with the Company Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it either before or during the Offer and pursuant to the Offer or otherwise, will result in the Offeror and parties acting in concert with it holding such number of Company Shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the Closing Date.

(a) Accordingly, the Offer will not become or be capable of being declared to be unconditional as to acceptances unless, at any time prior to the Closing Date, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the Company Shares owned, controlled or agreed to be acquired before or during the Offer and pursuant to the Offer or otherwise, by or on behalf of the Offeror and parties acting in concert with the Offeror, will result in the Offeror and parties acting in concert with the Offeror holding such number of Company Shares representing more than 50% of the maximum potential issued shares in the Company (the "**Minimum Acceptance Condition**"). For the purposes of this Offer Document, the "**maximum potential issued shares in the Company**" means the total number of Company Shares which would be in issue had all the outstanding Company Options been validly exercised and all Company PSP Awards and Company RSP Awards been validly vested as at the date of such declaration.

(b) It is however specified that, as further described in **paragraph 4.1** of this Offeror's Letter, Lentor has provided an irrevocable undertaking to the Offeror to tender, and to procure the tender by Temasek and Startree, in acceptance of the Offer, of approximately 66.78% of the Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares). **After such tender by Lentor and its affiliates, Temasek and Startree, in acceptance of the Offer, the Offer will become and be declared to be unconditional as to acceptances.**

2.3 Warranty. Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid; (b) free from Encumbrances; and (c) together with all rights, benefits and entitlements as of the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

2.4 Closing Date. The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder.

Accordingly, the Offer will close at 5:30 p.m. (Singapore time) on 4 July 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

2.5 Further Details of the Offer. Appendix 1 to this Composite Document sets out further details on:

(a) the duration of the Offer;

(b) the settlement of the consideration for the Offer;

(c) the requirements relating to the announcement of the level of acceptances of the Offer; and

(d) the right of withdrawal of acceptances of the Offer.

3. PROCEDURES FOR ACCEPTANCE

Appendix 2 to this Composite Document sets out the procedures for acceptance of the Offer by a Shareholder.

4. IRREVOCABLE UNDERTAKING

4.1 Main Shareholder Irrevocable Undertaking. As at the Pre-Conditional Offer Announcement Date, Lentor has provided an irrevocable undertaking (the "**Main Shareholder Irrevocable Undertaking**") to the Offeror to tender, and to procure the tender by Temasek and Startree of, the Undertaking Shares in acceptance of the Offer by no later than **5:00 p.m. (Singapore time)** on the 6th day after the Despatch Date, upon and subject to the terms and conditions of the Main Shareholder Irrevocable Undertaking. Notwithstanding the provisions of the Code or any term of the Offer regarding withdrawal, Lentor has agreed not to, and to procure that Temasek and Startree will not, withdraw such acceptance(s).

As at the Latest Practicable Date, Temasek holds an aggregate interest, direct and deemed (through its wholly-owned subsidiaries, Lentor and Startree), in 1,738,676,330 Company Shares ("**Undertaking Shares**"), representing approximately 66.78% of the Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares).

4.2 Duration of the Main Shareholder Irrevocable Undertaking. According to the terms of the Main Shareholder Irrevocable Undertaking, the Main Shareholder Irrevocable Undertaking shall lapse if, amongst others, the Offer lapses or is withdrawn without having become wholly unconditional, provided that the lapsing of the obligations of Lentor pursuant to the Main Shareholder Irrevocable Undertaking shall not affect any rights or liabilities under the Main Shareholder Irrevocable Undertaking in respect of prior breaches of them.

4.3 No Other Undertakings. Save for the Main Shareholder Irrevocable Undertaking, as at the Latest Practicable Date, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any other party to accept or reject the Offer.

5. INFORMATION ON THE OFFEROR

5.1 The Offeror. In 1978, Jacques R. Saadé founded CMA, an intra-Mediterranean liner service operator based in Marseilles (France). In 1996, CMA acquired CGM. Following the acquisition of and the merger with CGM in 1999, the company became "CMA CGM". Subsequently, the Offeror undertook an intensive organic growth phase (including through the opening of new shipping lines and the strong reinforcement of its vessels fleet) and completed various acquisitions: ANL in 1998, MacAndrews & Company Ltd in 2002, Delmas in 2006, and CNC Line, Compagnie Marocaine de Navigation and US Lines LLC in 2007, extending its positions in the Australasian market, and the intra-European short sea, the African, the intra-Asian and Transpacific connections respectively.

The CMA CGM Group now operates as a global container shipping company. As at 31 March 2016, the CMA CGM Group was present in more than 163 countries through its network of over 426 agencies, with approximately 22,000 employees worldwide and a fleet of about 450 vessels. The CMA CGM Group offers its services through a global network of over 170 lines, calling at approximately 400 ports. The CMA CGM Group also invests in port terminal facilities with interests or agreements related to approximately 26 terminals around the world.

As at the Latest Practicable Date, the Offeror has an issued and paid up share capital of EUR234,988,330.56 comprising 14,205,221 issued and paid-up shares. As at 31 December 2015, CMA CGM's consolidated shareholder equity amounted to US$5.4 billion. Consolidated revenue for FY2015 amounted to US$15.7 billion.

5.2 Board of Directors of the Offeror. The board of directors of CMA CGM comprises the following members (the "**Offeror Directors**"):

(a) Mr. Jacques R. Saadé (Chairman of the board of directors and General Manager);

(b) Mr. Rodolphe Saadé (Vice Chairman of the board of directors and Deputy General Manager);

(c) Mr. Farid T. Salem (Director and Deputy General Manager);

(d) MERIT Corporation represented by Mrs. Tanya Saadé Zeenny[1] (Director);

(e) Mrs. Naïla Saadé (Director);

(f) Mr. Jihad Azour (Director);

(g) Mr. Salim El Meouchi (Director);

(h) Mr. Dominique Bussereau (Independent Director);

(i) Mr. Pierre Mongin (Independent Director);

(j) Mr. Ercüment Erdem (Independent Director);

(k) Mr. Robert Yüksel Yildirim (Director);

(l) Mr. Evren Öztürk (Director);

(m) Mr. Denis Ranque (Director);

(n) Mr. Jocelyn Rapp (Director representing employees of CMA CGM); and

(o) Mr. Badis Zaiane (Director representing employees of CMA CGM).

Appendix 3 to this Composite Document sets out additional information on the Offeror.

[1] Mrs. Tanya Saadé Zeenny is also Deputy General Manager in her own name.

6. INFORMATION ON THE COMPANY

6.1 The Company. The Company is a container shipping and transportation company incorporated in Singapore and listed on the Main Board of the SGX-ST.

Based on information provided by the Company, the Board comprises the following Company Directors:

(a) Mr. Kwa Chong Seng (Non-executive Independent Chairman);

(b) Mr. Ng Yat Chung (NOL Group President, CEO and Executive Director);

(c) Mr. Robert John Herbold (Non-executive Independent Director);

(d) Mr. Tan Puay Chiang (Non-executive Independent Director);

(e) Ms. Jeanette Wong Kai Yuan (Non-executive Independent Director);

(f) Mr. Low Check Kian (Non-executive Independent Director);

(g) Mr. Quek See Tiat (Non-executive Independent Director);

(h) Mr. Alvin Yeo Khirn Hai (Non-executive Independent Director);

(i) Mr. Tom Behrens-Sørensen (Non-executive Independent Director); and

(j) Mr. Bruno Sidler (Non-executive Independent Director).

Further to the Offer Implementation Agreement and subsequent discussions, the Offeror agreed with the Company that all Company Directors (except Mr. Ng Yat Chung (who will remain as an executive director), and Mr. Kwa Chong Seng, Mr. Quek See Tiat and Mr. Tan Puay Chiang, who will each remain as a non-executive director) shall resign as directors of the Company with effect from the Reconstitution Date, and the Offeror shall procure and ensure that the following individuals nominated by it be appointed to the Board by the Reconstitution Date following which the Board will comprise a total of 10 members:

(i) Mr. Rodolphe Saadé (Chairman);

(ii) Mr. Nicolas Sartini;

(iii) Mr. Lars Kastrup;

(iv) Mr. Serge Corbel;

(v) Mr. Ziad Tabet; and

(vi) Mrs. Mathilde Lemoine,

(together, the "**Proposed New Directors**").

It is also the intention of the Offeror that Mr. Nicolas Sartini be appointed as the CEO of the Company as soon as practicable following the Reconstitution Date.

Brief descriptions of each of the Proposed New Directors are set out in **paragraph 5** of **Appendix 4** to this Composite Document.

As at the Latest Practicable Date:

(A) the total number of Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares) is 2,603,559,950[2];

(B) the total number of shares held in treasury is 1,726,717;

(C) the total number of Company Shares which are subject to awards granted under the Company PSP is 7,263,355;

(D) the total number of Company Shares which are subject to awards granted under Company RSP is 9,173,726; and

(E) the total number of Company Options exercisable into Company Shares is 12,602,525.

6.2 Company PSP Awards and Company RSP Awards. Pursuant to the Offer Implementation Agreement and as agreed between the Offeror and the Company:

(a) the ERCC has on 1 April 2016 granted a total of 8,323,000 new awards, comprising 3,392,000 new Company PSP Awards and 4,931,000 new Company RSP Awards (collectively, "**New Awards**");

(b) in relation to the following number of awards which have vested prior to the Offer Unconditional Date:

(i) 819,179 awards under the Company PSP that were outstanding as at the Pre-Conditional Offer Announcement Date ("**Outstanding PSP Awards**"); and

(ii) 3,480,466 awards under the Company RSP that were outstanding as at the Pre-Conditional Offer Announcement Date ("**Outstanding RSP Awards**"),

the ERCC has made such arrangements (which have been confirmed in writing by Ernst & Young LLP, the auditors of the Company for FY2015, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation in cash of the holders of such Outstanding PSP Awards and Outstanding RSP Awards on the basis of a price per award equal to the Offer Price, in lieu of the vesting of the Company Shares in accordance with Rule 7.6 of the Company PSP or (as the case may be) Rule 7.5 of the Company RSP;

[2] As at the Latest Practicable Date, the total number of issued and paid up ordinary shares in the capital of the Company (including any issued and paid up ordinary shares held by the Company as treasury shares) is 2,605,286,667.

(c) in relation to the following number of awards which will vest on or after the Offer Unconditional Date:

(i) up to 5,821,072 of the 8,323,000 New Awards outstanding as at the Latest Practicable Date (comprising 1,017,600 Company PSP Awards and 4,803,472 Company RSP Awards)[3];

(ii) up to 1,161,400[4] Outstanding PSP Awards; and

(iii) up to 4,370,254[5] Outstanding RSP Awards,

the ERCC has made such arrangements (which have been confirmed in writing by Ernst & Young LLP, the auditors of the Company for FY2015, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation in cash of the holders of such New Awards, Outstanding PSP Awards and Outstanding RSP Awards, on the basis of a price per award equal to the Offer Price as soon as possible after the Offer Unconditional Date and in any case, not later than the Closing Date, in lieu of the vesting of Company Shares in accordance with the respective Rule 6.3 of the Company PSP and the Company RSP (as the case may be); and

(d) in relation to the balance number of 2,374,400 New Awards (comprising 2,374,400 Company PSP Awards) and 2,709,955 Outstanding PSP Awards, the ERCC has made arrangements (which have been confirmed in writing by Ernst & Young LLP, the auditors of the Company for FY2015, acting only as experts and not as arbitrators, to be fair and reasonable) for such balance number of New Awards and Outstanding PSP Awards to lapse as soon as possible after the Offer Unconditional Date and in any case, not later than the Closing Date.

6.3 Company Options. Pursuant to the Offer Implementation Agreement and as agreed between the Offeror and the Company, the ERCC has made such arrangements (which have been confirmed in writing by Ernst & Young LLP, the auditors of the Company for FY2015, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation in cash of the holders of outstanding Company Options ("**Optionholders**") on the basis of:

(a) S$0.001 per Company Option, in respect of outstanding Company Options with an exercise price equal to or more than the Offer Price; and

(b) the "see-through" price (being the amount by which the Offer Price is in excess of the exercise price for each Company Option) in respect of outstanding Company Options with an exercise price less than the Offer Price,

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[3] The difference in the number of Company RSP Awards between that as at 1 April 2016 and the Latest Practicable Date is due to the lapse or cancellation of the Company RSP Awards since 1 April 2016.

[4] Such number of awards is within the agreed maximum of 2,452,046 awards as agreed between the Offeror and the Company in the Offer Implementation Agreement.

[5] Such number of awards is within the agreed maximum of 8,408,149 awards as agreed between the Offeror and the Company in the Offer Implementation Agreement.

in consideration of the Optionholders agreeing to not exercise such Company Options, to allow such Company Options to lapse unexercised and to surrender such Company Options for cancellation if the Offer becomes or is declared to be unconditional as to acceptances, in accordance with Rule 3.12(A)(c) of the Company SOP, as soon as possible after the Offer Unconditional Date and in any case, not later than the Closing Date.

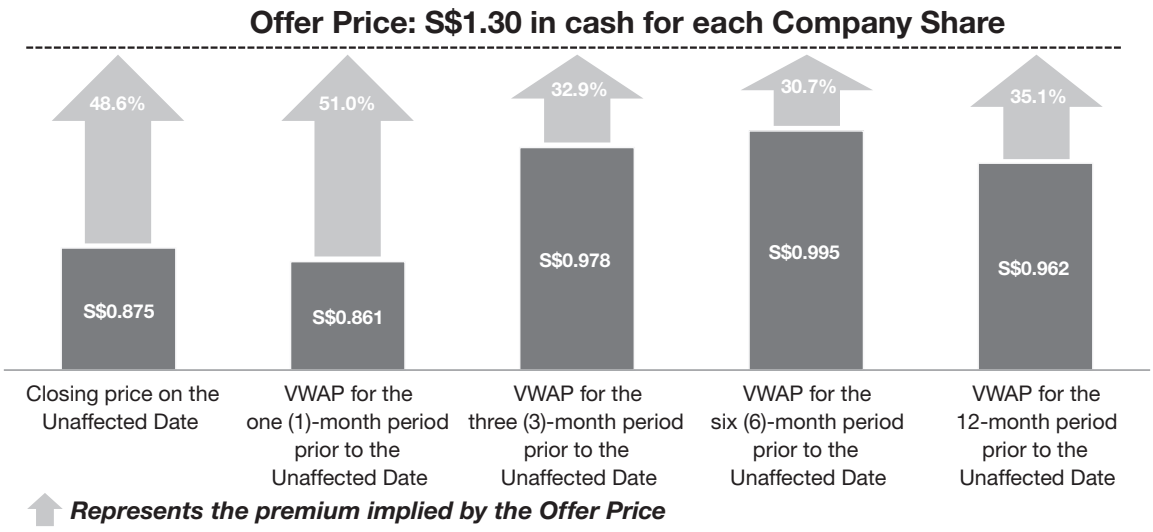
6.4 **Appendix 4** to this Composite Document sets out additional information on the Company.

7. RATIONALE FOR THE OFFER AND INTENTIONS IN RELATION TO THE COMPANY

7.1 **Rationale.** The acquisition of the Company will enable the Offeror to cement its position among the global leaders in the container shipping industry. It will create a new global force in shipping which will, based on information as at 1Q2016, have a capacity of approximately 2.35 million TEUs, a market share of approximately 11.7%, a fleet of approximately 540 vessels and based on information as at the end of FY2015, a combined annual turnover of approximately US$21 billion. The combination of the CMA CGM Group and the NOL Group will create a powerful and dynamic new entity, and the combined group's (the "**Group**") clients will have access to an enlarged and well balanced shipping coverage across the strategic trades of global commerce, and to an extended range of products and services.

7.2 **Opportunity for Shareholders to Realise their Investment in Cash at a Compelling Price.** The Company has not paid any dividends to Shareholders since its last dividend in respect of FY2010. In addition, the Company's liner operating segment has not been profitable since its last reported profits in FY2010.

The Offer Price exceeds the highest closing price of the Company Shares in the last two (2) years prior to 16 July 2015 (the "**Unaffected Date**") being the last full day of trading in the Company Shares on the SGX-ST immediately preceding the announcement by the Company on 19 July 2015 in relation to media reports regarding a potential sale of the Company, and represents a premium of 48.6% over the closing price per Company Share on the Unaffected Date and a premium of 51.0%, 32.9%, 30.7% and 35.1% over the VWAP per Company Share for the one (1)-month, three (3)-month, six (6)-month and 12-month period prior to the Unaffected Date respectively.



Notes:

(a) Based on data extracted from Bloomberg L.P..

(b) Company Share price figures are rounded to the nearest three (3) decimal places.

(c) Implied premium figures are rounded to the nearest one (1) decimal place.

Moreover, the trading liquidity of the Company Shares has been low. The average daily trading volume of the Company Shares for the one (1)-month, three (3)-month, six (6)-month and 12-month periods prior to the Unaffected Date represents less than 0.5% of the total number of issued Company Shares.

Period	One (1)-month	Three (3)-month	Six (6)-month	12-month
Average daily trading volume prior to Unaffected Date[(a)] as a percentage of total number of issued Company Shares	0.4%	0.4%	0.3%	0.2%

Note:

(a) Based on data extracted from Bloomberg L.P..

The Offer thus represents an opportunity for Shareholders to sell their Company Shares for cash at a price that represents a compelling premium to historical price benchmarks and without incurring brokerage fees.

7.3 Offeror's Intentions in Relation to the Company. The Offeror attaches significant importance to Singapore and the region for the deployment of its strategy in Asia and intends to maintain high transit volume in Singapore. Moreover, CMA CGM aims to expand and strengthen its presence in Singapore, benefitting from the Company's historic legacy, human capital and intellectual capital and reinforcing Singapore's leadership in the maritime and shipping sector as part of the enlarged Group's strategy in Asia. The CMA CGM Group plans to retain and develop the American President Lines brand (APL). The CMA CGM Group will also contribute to reinforce Singapore as a centre of excellence in the field of maritime activities as the Offeror plans to use Singapore as a key hub in Asia and to establish its regional head office here. This consolidation of the CMA CGM Group's longstanding presence in Asia in Singapore aims to provide efficient and quality services to customers in the region, including the services provided by its subsidiaries, ANL and CNC Line.

In this respect, the Offeror intends to perform a strategic review encompassing both the NOL Group and the current CMA CGM Group with a view to deleveraging the combined Group further to the Offer with the objective to sell assets in the aggregate amount of at least US$1 billion. Further to this strategic review, CMA CGM may also consider redeploying certain ships amongst trade lanes with a view to optimising fleet usage.

Save as disclosed above and in **paragraph 6.1** of this Offeror's Letter, the Offeror presently has no intention to:

(a) introduce any major changes to the business of the Company;

(b) redeploy the fixed assets of the Company; or

(c) discontinue the employment of the NOL Group Employees,

other than in the ordinary and usual course of business. However, the Offeror retains the flexibility at any time to consider any option in relation to the Group which may present itself or which the Offeror may regard to be in the interest of the Offeror and the Group taking into consideration the volatile environment in which the Offeror and the Company operate including, but not limited to, reorganisation in connection with integration.

The Offeror's intention in relation to the listing status of the Company is set out in **paragraph 9.3** of this Offeror's Letter.

8. FINANCIAL EVALUATION OF THE OFFER

The Offer Price represents the following premia over the relevant closing prices and the relevant VWAP:

Description	**Company Share Price (S$)**[(a)(b)]	**Premium over Company Share Price**[(c)]
Closing price per Company Share on 4 December 2015 being the last full day of trading in the Company Shares on the SGX-ST immediately prior to Pre-Conditional Offer Announcement Date	1.225	6.1%
Closing price on the Unaffected Date	0.875	48.6%
VWAP for the one (1)-month period prior to the Unaffected Date	0.861	51.0%
VWAP for the three (3)-month period prior to the Unaffected Date	0.978	32.9%
VWAP for the six (6)-month period prior to the Unaffected Date	0.995	30.7%
VWAP for the 12-month period prior to the Unaffected Date	0.962	35.1%

Notes:

(a) Based on data extracted from Bloomberg L.P..

(b) Figures rounded to the nearest three (3) decimal places.

(c) Figures rounded to the nearest one (1) decimal place.

9. LISTING STATUS AND COMPULSORY ACQUISITION

9.1 Listing Status. Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned or controlled by the Offeror and parties acting in concert with it to above 90% of the total number of issued Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares), the SGX-ST may suspend the listing of the Company Shares in the Ready and Unit Share markets until such time when the SGX-ST is satisfied that at least 10% of the total number of issued Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Company Shares, thus causing the percentage of the total number of issued Company Shares held in public hands to fall below 10%, the SGX-ST will suspend trading of the Company Shares only at the Closing Date.

Under Rule 724(1) of the Listing Manual, if the percentage of the Company Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Company Shares on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Company Shares held in public hands to at least 10%, failing which the Company may be removed from the Official List.

9.2 Compulsory Acquisition. Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Company Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Company Shares of Shareholders who have not accepted the Offer at a price equal to the Offer Price.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Company Shares which, together with (a) the Company Shares held by it, its related corporations and their respective nominees, and (b) any issued and paid up ordinary shares held by the Company as treasury shares, comprise 90% or more of all the Company Shares and any issued and paid up ordinary shares held by the Company as treasury shares, Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Company Shares at the Offer Price. Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

9.3 Offeror's Intentions. As stated in the Pre-Conditional Offer Announcement and the Offer Announcement, the Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. **Accordingly, the Offeror when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Company Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the**

Company as treasury shares) are held in public hands. In addition, the Offeror also intends to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

10. CONFIRMATION OF FINANCIAL RESOURCES

Each of the Offeror's Financial Advisers, as joint financial advisers to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the Shareholders.

11. OVERSEAS SHAREHOLDERS

11.1 Overseas Shareholders. The availability of the Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, any Overseas Shareholder should inform himself about and observe any applicable legal requirements, and exercise caution in relation to the Offer, as this Composite Document has not been reviewed by any regulatory authority in any overseas jurisdiction. **Where there are potential restrictions on sending this Composite Document to any overseas jurisdictions, the Offeror, the Offeror's Financial Advisers and CDP each reserves the right not to send these documents to Shareholders in such overseas jurisdictions. For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom this Composite Document and the Acceptance Forms have not been, or may not be, sent.**

Copies of this Composite Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

11.2 Copies of this Composite Document. Overseas Shareholders may, nonetheless, obtain copies of this Composite Document and any related documents, during normal business hours and up to the Closing Date, from the Offeror through its receiving agent, B.A.C.S. Private Limited (if he is a Scripholder) at its office located at 8 Robinson Road #03-00 ASO Building, Singapore 048544 or The Central Depository (Pte) Limited (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, an Overseas Shareholder may write to the Offeror through B.A.C.S. Private Limited (if he is a Scripholder) at the address listed above or The Central Depository (Pte) Limited (if he is a Depositor) at Robinson Road Post Office P.O. Box 1984 Singapore 903934, to request for this Composite Document and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk, up to three (3) Market Days prior to the Closing Date.

11.3 Overseas Jurisdiction. It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Composite Document and/or any related documents, or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including the Offeror's Financial Advisers) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including the Offeror's Financial Advisers) may be required to pay. In (i) requesting for this Composite Document and any related documents and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and the Offeror's Financial Advisers that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

The Offeror and the Offeror's Financial Advisers each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Overseas Shareholders by announcement to the SGX-ST and if necessary, paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

11.4 Notice to U.K. Holders. The communication of this Offer Document is not being made by, and has not been approved by, an "authorised person" for the purposes of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**"). Accordingly, this Offer Document is not distributed to, and must not be passed on to, the general public in the U.K. The communication of this Offer Document is exempt from the restriction on financial promotions contained in Section 21 of FSMA on the basis that it is a communication by or on behalf of a body corporate which relates to a transaction to acquire shares in a body corporate and the object of the transaction may reasonably be regarded as being the acquisition of day to day control of the affairs of that body corporate within Article 62 (Sale of a body corporate) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

11.5 Notice to U.S. Holders. The Offer will be made in the U.S. pursuant to Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), subject to the exemptions provided by Rule 14d-1(c) under the U.S. Exchange Act, and otherwise in accordance with the requirements of Singapore law and the applicable rules and regulations of the SGX-ST. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws. U.S. holders of Company Shares are encouraged to consult with their own advisers regarding the Offer.

The Offer relates to the securities of a non-U.S. company, which is subject to disclosure requirements of a foreign country that are different from those of the U.S.. Financial statements presented have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of U.S. companies.

It may be difficult for an investor to enforce any rights and any claim it may have arising under U.S. federal securities laws, since the Offeror and the Company have their corporate headquarters outside of the U.S., and some or all of their officers and directors may be residents of foreign countries. An investor may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgement.

11.6 American Depositary Shares and American Depositary Receipts. The Offeror is aware that there is a "sponsored Level 1" American Depositary Receipt programme for the Company Shares. Citibank, N.A. acts as depositary for the programme ("**ADR Depositary**"). The Offer is not being made by the Offeror for American Depositary Shares representing Company Shares ("**ADSs**"), nor for American Depositary Receipts evidencing such ADSs ("**ADRs**"). However, the Offer is being made by the Offeror for the Company Shares that are represented by the ADSs. The Company has informed the Offeror that the ADR Depositary has agreed to make arrangements to tender the underlying Company Shares in acceptance of the Offer at the instruction and on behalf of holders of ADSs who tender their ADSs (including the ADRs evidencing their ADSs) to the ADR Depositary for that purpose. The ADR Depositary will distribute to the holders of ADSs and ADRs a notice that details how such tender may be made and instructions may be given to the ADR Depositary, and that the ADR Depositary has appointed Georgeson as information agent for the holders of ADSs. Holders of ADSs are encouraged to consult with the ADR Depositary and/or Georgeson regarding the tender of Company Shares that are represented by ADSs.

In addition, holders of ADSs may present their ADSs to the ADR Depositary for cancellation and (upon compliance with the terms of the deposit agreement for the "sponsored Level 1" American Depositary Receipt programme for the Company Shares, including payment of the ADR Depositary's fees and any applicable transfer fees, taxes and governmental charges) delivery of Company Shares to them, in order to become Shareholders. The Offer may then be accepted in accordance with its terms for the Company Shares delivered to holders of ADSs upon such cancellation. Holders of ADSs should be aware, however, that in order to tender in this manner, they may need to have a Securities Account in Singapore into which the Company Shares can be credited.

12. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice. CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date. CPFIS Investors and SRS Investors will receive the Offer Price payable in respect of their Offer Shares validly tendered in acceptance of the Offer through appropriate intermediaries in their respective CPF investment accounts and SRS investment accounts.

13. GENERAL INFORMATION

13.1 Accidental omission. Any omission relating to the despatch of this Composite Document (including the Acceptance Forms) or any notice, advertisement or announcement required to be given under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way.

13.2 Governing law and jurisdiction. The Offer, this Offer Document (including the Acceptance Forms), all acceptances of the Offer, all contracts made pursuant thereto and all actions taken or deemed to be taken in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of Singapore and all accepting Shareholders agree, by accepting the Offer, to submit to the non-exclusive jurisdiction of the Singapore courts.

13.3 No third party rights. Unless expressly provided otherwise in this Offer Document, a person who is not a party to any contracts made pursuant to the Offer and this Offer Document (including the Acceptance Forms) has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

13.4 Valid Acceptances. Each of the Offeror and the Offeror's Financial Advisers reserves the right to treat acceptances of the Offer as valid if received by or on behalf of any of them at any place or places determined by them otherwise than as stated herein or in the FAA or the FAT, or if made otherwise than in accordance with the provisions herein and in the Acceptance Forms.

13.5 Independent Advice. The Offeror's Financial Advisers are acting for and on behalf of the Offeror and do not purport to advise the Shareholders. In preparing this Offer Document (including this Offeror's Letter), the Offeror's Financial Advisers have not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any Shareholder. You must make your own decision as to whether to tender your Offer Shares. If you are in any doubt as to the action you should take, you should immediately seek your own advice from your relevant financial, legal or tax advisers or other independent financial adviser.

The views of the Independent Directors and the IFA are included in the Offeree's Circular. Shareholders may wish to consider their advice before taking any action in relation to the Offer.

13.6 General Information. Appendix 5 to this Composite Document sets out additional general information relating to the Offer. Your attention is drawn to all the Appendices which form part of this Composite Document.

14. OFFEROR DIRECTORS' RESPONSIBILITY STATEMENT

The Offeror Directors (including any director who may have delegated detailed supervision of the preparation of this Offer Document, comprising this letter to Shareholders from the Offeror's Financial Advisers, for and on behalf of the Offeror, and **Appendices 1 to 5** to this Composite Document and the Acceptance Forms) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Offer Document (other than those relating to the Company, the Fairness Opinion and the IFA Letter) are fair and accurate and that there are no other material facts not contained in this Offer Document, the omission of which would make any statement in this Offer Document misleading in any material respect, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the Offeror Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Document.

Issued by

BNP Paribas, Singapore Branch	**The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch**	**J.P. Morgan (S.E.A.) Limited**

For and on behalf of

CMA CGM S.A.

6 June 2016

APPENDIX 1 – DETAILS OF THE OFFER

1. DURATION OF THE OFFER

(a) **First Closing Date.** The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

Accordingly, the Offer will close at 5:30 p.m. (Singapore time) on 4 July 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

(b) **Revision.** Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. All Shareholders who have already accepted the Offer will also receive the benefit of any revised Offer. However, as set out in **paragraph 2.1(c)** of the Offeror's Letter, the Offeror does not intend to increase the Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price, in any way.

(c) **Subsequent Closing Date.** If there is an extension of the Offer, pursuant to Rule 22.4 of the Code, any announcement of an extension of the Offer will state the next closing date or if the Offer is unconditional as to acceptances, a statement may be made that the Offer will remain open until further notice. In the latter case, those Shareholders who have not accepted the Offer will be notified in writing at least 14 days before the Offer is closed.

(d) **No Obligation to Extend Offer.** The Offeror is not obliged to extend the Offer if the Minimum Acceptance Condition is not fulfilled by the Closing Date.

(e) **Offer to Remain Open for at least 14 Days after being declared Unconditional as to Acceptances.** In order to give Shareholders who have not accepted the Offer the opportunity to do so if the Offer becomes or is declared unconditional as to acceptances, the Offer will remain open for acceptance for not less than 14 days after the date on which it would otherwise have closed ("**Rule 22.6 Period**").

This requirement does not apply if, before the Offer becomes or is declared to be unconditional as to acceptances, the Offeror has given the Shareholders notice in writing ("**Shut-Off Notice**") of at least 14 days before the specified Closing Date that the Offer will not be open for acceptance beyond that date, provided that:

(i) the Offeror may not give a Shut-Off Notice in a competitive situation; and

(ii) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with Rule 28.2 of the Code, the Rule 22.6 Period will run from the date of such confirmation or the date of which the Offer would otherwise have closed, whichever is later.

(f) **Final Day Rule.** The Offer (whether revised or not) will not be capable of:

(i) becoming or being declared unconditional as to acceptances from **5:30 p.m. (Singapore time)** on the 60th day after the Despatch Date; or

(ii) being kept open after such 60-day period unless it has previously become or been declared to be unconditional as to acceptances,

provided that the Offeror may extend the Offer beyond such 60-day period with the SIC's prior consent ("**Final Day Rule**").

(g) **Time for fulfilment of other conditions.** Except with the consent of the SIC, all conditions of the Offer must be fulfilled or the Offer must lapse within 21 days of the first Closing Date or of the date the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

2. SETTLEMENT

(a) **When Settlement is Due.** Subject to the Offer becoming or being declared unconditional in all respects and to the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Composite Document and in the FAA or the FAT (as the case may be), and in the case of a Depositor, the receipt by the Offeror of a confirmation satisfactory to it that the relevant number of Offer Shares tendered by the accepting Depositor in acceptance of the Offer stand to the credit of the "Free Balance" of the Depositor's Securities Account at the relevant time(s), remittances in the form of S$ crossed cheques drawn on a bank in Singapore for the appropriate amounts will be despatched (or by such other manner as the accepting Shareholders may have agreed with CDP, their designated agents, as they may direct) by ordinary post, at the risk of the accepting Shareholders, as soon as practicable, and in any case:

(i) in respect of valid acceptances which are complete in all respects and are received **on or before** the Offer Unconditional Date, within seven (7) Business Days of the Offer Unconditional Date; or

(ii) in respect of valid acceptances which are complete in all respects and are received **after** the Offer Unconditional Date, but before the Offer closes, within seven (7) Business Days of the date of such receipt.

(b) **Method of Settlement.** Remittance of the Offer Price will be made in the form of S$ crossed cheques drawn on a bank in Singapore (or by such other manner as the accepting Shareholders may have agreed with CDP for the payment of any cash distributions) for the appropriate amounts and will be sent to the accepting Shareholders (or in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by ordinary post to their addresses as they appear in the Register (in the case of Scripholders) or the records of CDP (in the case of Depositors) at their own risk or in such other manner as the accepting Shareholders who are Depositors may have agreed with CDP for payment of any cash distributions.

3. ANNOUNCEMENTS

(a) **Timing and Contents.** Pursuant to Rule 28.1 of the Code, **by 8:00 a.m. (Singapore time)** on the dealing day (the "**Relevant Day**") immediately after the day on which the Offer is due to expire, or becomes or is declared to be unconditional as to acceptances, or is revised or extended (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Offer Shares (as early as practicable):

(i) in respect of which valid acceptances of the Offer have been received;

(ii) held by the Offeror and any party acting in concert with it prior to the commencement of the Offer Period; and

(iii) acquired or agreed to be acquired by the Offeror and any party acting in concert with it during the Offer Period,

and will specify the percentages of the issued share capital of the Company represented by such numbers.

(b) **Purchases other than through the Offer.** Under Note 5 to Rule 28.1 of the Code, purchases made through the SGX-ST by the Offeror and parties acting in concert with it with no pre-agreement or collusion between the parties to such transactions or their agents, may be counted towards satisfying the Minimum Acceptance Condition. All other purchases by the Offeror and parties acting in concert with it (i.e. off market purchases) may only be counted when fully completed and settled. For the avoidance of doubt, the Offeror is not precluded under the Code from making market purchases of Offer Shares (other than through the Offer) through the SGX-ST, subject to the requirements of the Code, including the disclosure of dealings during the Offer Period pursuant to Rule 12 of the Code. Accordingly, the Offeror or parties acting in concert with it may directly or indirectly purchase or arrange to purchase Relevant Company Securities outside the Offer. Information about any such purchases of, or arrangements to purchase, Relevant Company Securities will be disclosed on the website of SGX-ST at www.sgx.com. **Paragraph 1.2** of **Appendix 5** to this Composite Document sets out information on the purchases of Relevant Company Securities by the Offeror and parties acting in concert with it during the period commencing three (3) months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date.

(c) **Suspension.** Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with **paragraph 3(a)** of this **Appendix 1**, the SIC will consider requesting the SGX-ST to suspend dealings in the Offer Shares until the relevant information is given.

(d) **Computation of Acceptances.** In computing the number of Offer Shares represented by acceptances, the Offeror will at the time of making an announcement take into account:

(i) acceptances which are valid in all respects; and

(ii) subject to approval from CDP, acceptances which are duly completed and accompanied by the relevant original contract statements, validly issued by a member company of the SGX-ST in the name of the accepting Shareholder, in respect of a purchase by the accepting Shareholder of Offer Shares which are deposited with CDP (subject to the "Free Balance" of the Securities Account of the

accepting Shareholder being credited with the relevant number of such Offer Shares within five (5) Market Days of the date of the relevant original contract statement(s)).

Acceptances of the Offer will only be treated as valid for the purposes of the Minimum Acceptance Condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.

4. RIGHT OF WITHDRAWAL

(a) **Acceptances Irrevocable.** Except as expressly provided in this Composite Document and the Code, acceptances of the Offer shall be irrevocable.

(b) **Right of Withdrawal.** A Shareholder who has accepted the Offer may:

(i) withdraw his acceptance immediately if the Offer has become or been declared unconditional as to acceptances but the Offeror fails to comply with any of the requirements set out in **paragraph 3(a)** of this **Appendix 1** by **3:30 p.m. (Singapore time)** on the Relevant Day. Subject to Rule 22.9 of the Code in relation to the Final Day Rule, the Offeror may terminate this right of withdrawal not less than eight (8) days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in **paragraph 3(a)** of this **Appendix 1**;

(ii) withdraw his acceptance after 14 days from the first Closing Date if the Offer has not by then become or been declared unconditional as to acceptances. The right of withdrawal may be exercised until such time as the Offer becomes or is declared unconditional as to acceptances; and

(iii) withdraw his acceptance immediately if a competing offer for the Offer Shares becomes or is declared to be unconditional as to acceptances. This right of withdrawal also applies in the converse situation: if the Offer becomes or is declared unconditional as to acceptances, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance of such offer immediately.

(c) **Procedure for Withdrawal of Acceptances.** To withdraw his acceptance under the Offer, an accepting Shareholder:

(i) holding Offer Shares which **are deposited with CDP** must give written notice to the Offeror at **CMA CGM S.A.** c/o **The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588**; or

(ii) holding Offer Shares which **are not deposited with CDP** must give written notice to the Offeror at **CMA CGM S.A.** c/o **B.A.C.S. Private Limited, 8 Robinson Road #03-00 ASO Building, Singapore 048544**.

Such notice of withdrawal shall be effective only if signed by the accepting Shareholder or his agent duly appointed in writing, and when actually received by the Offeror. Where an agent is appointed by a Shareholder, evidence of appointment of the agent must be produced in a form satisfactory to the Offeror.

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER BY DEPOSITORS WHOSE SECURITIES ACCOUNTS ARE AND/OR WILL BE CREDITED WITH OFFER SHARES

(a) **Depositors whose Securities Accounts are credited with Offer Shares.** If you have Offer Shares standing to the credit of your Securities Account, you are entitled to receive this Composite Document together with the FAA. If you wish to accept the Offer, you should complete and sign the accompanying FAA in accordance with the provisions and instructions in this Composite Document and the provisions and instructions printed on the FAA (which provisions and instructions shall be deemed to form part of the terms of the Offer) and submit the duly completed and signed FAA, **either by hand** to:

CMA CGM S.A.
c/o
The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20
The Metropolis
Singapore 138588

or **by post** in the enclosed pre-addressed envelope **at your own risk**, to:

CMA CGM S.A.
c/o
The Central Depository (Pte) Limited
Robinson Road Post Office
P.O. Box 1984
Singapore 903934

so as in either case to arrive not later than 5:30 p.m. (Singapore time) on the Closing Date.

If you have sold or transferred all your Offer Shares, you need not forward this Composite Document and/or the FAA to the purchaser or the transferee (the "**Purchaser**") as arrangements will be made by CDP for a separate Composite Document and FAA to be sent to the Purchaser. Purchasers should note that CDP will, on behalf of the Offeror, send a copy of this Composite Document and the FAA by ordinary post at the Purchasers' own risk to their respective addresses as they appear in the records of CDP.

If you wish to accept the Offer, you must insert in Part A of the FAA the number of Offer Shares already standing to the credit of the "Free Balance" of your Securities Account in respect of which the Offer is accepted.

If you are a Depository Agent, you may accept the Offer via Electronic Acceptance. Such Electronic Acceptances must be submitted **not later than 5:30 p.m. (Singapore time) on the Closing Date**. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Composite Document as if the FAA has been duly completed, signed in its originality and submitted to CDP.

Subject to **paragraph 1(b)** below, if the number of Offer Shares inserted in Part A of the FAA or submitted through Electronic Acceptance exceeds the number of Offer Shares standing to the credit of the "Free Balance" of your Securities Account as at **5:00 p.m. (Singapore time)** on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at **5:30 p.m. (Singapore time)** on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date) or, if no such number of Offer Shares is inserted in Part A, then you are deemed to have accepted the Offer in respect of all the Offer Shares already standing to the credit of the "Free Balance" of your Securities Account as at **5:00 p.m. (Singapore time)** on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at **5:30 p.m. (Singapore time)** on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date).

None of the Offeror, the Offeror's Financial Advisers or CDP accepts any responsibility or liability in relation to such rejection, including the consequences thereof.

(b) **Depositors whose Securities Accounts will be credited with Offer Shares.** If you purchase Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the "Free Balance" of your Securities Account, you should also receive this Composite Document together with a FAA. If you wish to accept the Offer in respect of such Offer Shares, you should, after the "Free Balance" of your Securities Account has been credited with such number of Offer Shares, complete, sign and submit the duly completed and signed original of the accompanying FAA in accordance with the provisions and instructions in this Composite Document and the provisions and instructions printed on the FAA (which provisions and instructions shall be deemed to form part of the terms of the Offer) and return the duly completed and signed FAA, either **by hand** to:

CMA CGM S.A.
c/o
The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20
The Metropolis
Singapore 138588

or **by post** in the enclosed pre-addressed envelope **at your own risk**, to:

CMA CGM S.A.
c/o
The Central Depository (Pte) Limited
Robinson Road Post Office
P.O. Box 1984
Singapore 903934

so as in either case to arrive not later than 5:30 p.m. (Singapore time) on the Closing Date.

If you purchase Offer Shares on the SGX-ST, your acceptance in respect of such Offer Shares will be rejected if the "Free Balance" of your Securities Account is not credited with such Offer Shares by **5:00 p.m. (Singapore time)** on the Date of Receipt (if the FAA is received by CDP prior to the Closing Date) or **5:30 p.m. (Singapore time)** on the Closing Date (if the FAA is received by CDP on the Closing Date).

None of the Offeror, the Offeror's Financial Advisers or CDP accepts any responsibility or liability in relation to such rejection, including the consequences thereof.

(c) **Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you already have Offer Shares standing to the credit of the "Free Balance" of your Securities Account, and if you have also purchased additional Offer Shares on the SGX-ST that are in the process of being credited to your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the "Free Balance" of your Securities Account but in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account, you may accept the Offer in respect of such additional Offer Shares only **after** the "Free Balance" of your Securities Account has been credited with such number of Offer Shares. The provisions set out above shall apply in the same way to your acceptance(s).

(d) **General**

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares in your Securities Account. You can verify the number of Offer Shares in your Securities Account (i) through CDP Online if you have registered for CDP Internet Access Service, or (ii) through CDP Phone Service if you have a T-Pin.

CDP will, upon receipt on behalf of the Offeror of the duly completed and signed original of the FAA or Electronic Acceptance, and all other relevant documents (if any), transfer the Offer Shares in respect of which you have accepted the Offer from the "Free Balance" of your Securities Account to a "Suspense Account" until the consideration for the Offer Shares has been despatched to you.

Except as specifically provided for in this Composite Document and the Code, acceptance of the Offer is irrevocable.

No acknowledgement will be given for submissions made. All communications, notices, documents and payments will be sent by ordinary post at the risk of the person(s) entitled thereto to the mailing address appearing in the records of CDP. Settlement of the consideration under the Offer will be subject to the receipt of confirmation satisfactory to the Offeror that the Offer Shares to which the FAA relates are credited to the "Free Balance" of your Securities Account and such settlement cannot be made until all relevant documents have been properly completed and lodged with **CMA CGM S.A.** c/o **The Central Depository (Pte) Limited**, **by hand** at **9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588** or **by post** at your own risk using the enclosed pre-addressed envelope at **Robinson Road Post Office P.O. Box 1984 Singapore 903934**.

CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Offer Price by way of a S$ crossed cheque drawn on a bank in Singapore for the appropriate amount, or in such other manner as you may have agreed with CDP for the payment of any cash distributions.

If you do not have any existing Securities Account in your name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.

If you are a Depositor whose Securities Account is or will be credited with Offer Shares but you do not receive the FAA, you may obtain such a FAA upon production of satisfactory evidence that you are a Shareholder or have purchased the Offer Shares on the SGX-ST (as the case may be), from **CMA CGM S.A.** c/o **The Central Depository (Pte) Limited**, at **9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588**.

2. PROCEDURES FOR ACCEPTANCE OF THE OFFER BY SHAREHOLDERS WHO HOLD OFFER SHARES WHICH ARE NOT DEPOSITED WITH CDP

(a) If you hold Offer Shares which are not deposited with CDP, you are entitled to receive this Composite Document together with the FAT. If you wish to accept the Offer, you should complete and sign the FAT (which is available upon request from **CMA CGM S.A.** c/o **B.A.C.S. Private Limited, 8 Robinson Road #03-00 ASO Building, Singapore 048544**) in accordance with the provisions and instructions in this Composite Document and the provisions and instructions printed on the FAT (which provisions and instructions shall be deemed to form part of the terms of the Offer) and forward it with the relevant share certificate(s) and/or other document(s) of title and/or any other relevant document(s) required by the Offeror **by hand or by post** to:

CMA CGM S.A.
c/o
B.A.C.S. Private Limited
8 Robinson Road #03-00
ASO Building
Singapore 048544

so as to arrive not later than 5:30 p.m. (Singapore time) on the Closing Date.

If the number of Offer Shares in respect of acceptances for the Offer as inserted by you in the FAT exceeds the number of Offer Shares represented by the share certificate(s) and/or other document(s) of title accompanying the FAT, or if no such number of Offer Shares is inserted by you, then you shall be deemed to have accepted the Offer in respect of all the Offer Shares as represented by the share certificate(s) and/or other document(s) of title accompanying the FAT.

(b) **General.** If your Offer Shares are represented by share certificate(s) which are not registered with the Company in your own name, you must send in, at your own risk, the relevant share certificate(s), other document(s) of title and/or other relevant documents required by the Offeror together with a duly completed and signed original FAT accompanied by transfer form(s), duly completed and executed by the person(s) registered with the Company as the holder of the Offer Shares and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person authorised by it).

It is your responsibility to ensure that the FAT is properly completed in all respects. The Offeror, the Offeror's Financial Advisers and/or B.A.C.S. Private Limited will be entitled to reject any acceptance which does not comply with the provisions and instructions contained herein and in the FAT, or (subject to the preceding paragraph) which is not accompanied by the relevant share certificate(s), other document(s) of title and/or any other relevant document(s) required by the Offeror, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the FAT on the grounds that it has been incompletely, incorrectly or invalidly signed, completed or submitted, unsigned or signed but not in its originality will be final and binding, and none of the Offeror, the Offeror's Financial Advisers or B.A.C.S. Private Limited accepts any responsibility or liability for the consequences of such a decision.

Except as specifically provided for in this Composite Document and the Code, acceptance of the Offer is irrevocable.

No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other relevant document(s) required by the Offeror will be given.

All communications, notices, certificates, documents and remittances will be sent by ordinary post at the risk of the person(s) entitled thereto.

Payment will be sent to you (or your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the Register) by ordinary post at your address as it appears in the Register at your own risk (or to such different name and address as may be specified by you in the FAT and at your own risk), by way of a S$ crossed cheque drawn on a bank in Singapore for the appropriate amount.

If you are a Shareholder who holds Offer Shares which are not deposited with CDP but you do not receive the FAT, you may obtain such a FAT upon production of satisfactory evidence that you are a Shareholder, from **CMA CGM S.A.** c/o **B.A.C.S. Private Limited** at its office located at **8 Robinson Road #03-00 ASO Building, Singapore 048544**.

3. OTHER RELEVANT INFORMATION IN RESPECT OF THE PROCEDURES FOR ACCEPTANCE

If you hold share certificate(s) of some of the Offer Shares beneficially owned by you and if you have deposited the rest of the Offer Shares beneficially owned by you with CDP, you are required to complete the FAT in respect of the Offer Shares represented by share certificate(s) and the FAA in respect of the Offer Shares which are deposited with CDP, if you wish to accept the Offer in respect of all such Offer Shares. Both the FAT and the FAA must be completed, signed and accompanied by the relevant documents and sent to the Offeror in accordance with the respective procedures for acceptance set out in **paragraphs 1 and 2** of this **Appendix 2**.

If you hold share certificate(s) of the Offer Shares beneficially owned by you and you wish to accept the Offer in respect of such Offer Shares, you should not deposit the share certificate(s) with CDP during the period commencing on the date of this Composite

Document and ending on the Closing Date (both dates inclusive) as your Securities Account may not be credited with the relevant number of Offer Shares in time for you to accept the Offer.

If you wish to accept the Offer, it is your responsibility to ensure that the FAA and/or FAT, as the case may be, is properly completed in all respects, submitted with original signature(s) and all required documents are provided. The Offeror, the Offeror's Financial Advisers, CDP and/or B.A.C.S. Private Limited will be entitled, at their sole and absolute discretion, to reject any acceptance which does not comply with the provisions and instructions contained herein and in the FAA and/or FAT, as the case may be, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject any acceptance will be final and binding, and none of the Offeror, the Offeror's Financial Advisers, CDP or B.A.C.S. Private Limited accepts any responsibility or liability for the consequences of such a decision.

Acceptances in the form of the FAA and/or FAT, as the case may be, received by the Offeror, the Offeror's Financial Advisers, CDP and/or B.A.C.S. Private Limited, on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.

Submission of the duly completed and signed original of the FAA and/or FAT, as the case may be, through CDP and/or B.A.C.S. Private Limited and/or, as the case may be, the Offeror or the Offeror's Financial Advisers, shall be conclusive evidence in favour of the Offeror, the Offeror's Financial Advisers, CDP and B.A.C.S. Private Limited of the right and title of the persons signing it to deal with the same and with the Offer Shares to which it relates.

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS OF THE OFFEROR

The names, addresses and descriptions of the Offeror Directors as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr. Jacques R. Saadé	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Chairman of the board of directors and General Manager
Mr. Rodolphe Saadé	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Vice Chairman of the board of directors and Deputy General Manager
Mr. Farid T. Salem	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Director and Deputy General Manager
MERIT Corporation represented by Mrs. Tanya Saadé Zeenny[6]	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Director
Mrs. Naïla Saadé	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Director
Mr. Jihad Azour	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Director
Mr. Salim El Meouchi	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Director
Mr. Dominique Bussereau	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Independent Director
Mr. Pierre Mongin	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Independent Director
Mr. Ercüment Erdem	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Independent Director
Mr. Robert Yüksel Yildirim	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Director
Mr. Evren Öztürk	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Director

[6] Mrs Tanya Saadé Zeenny is also Deputy General Manager in her own name.

Name	Address	Description
Mr. Denis Ranque	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Director
Mr. Jocelyn Rapp	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Director representing employees of CMA CGM
Mr. Badis Zaiane	Tour CMA CGM, 4 Quai d'Arenc, 13235 Marseille Cedex 02, France	Director representing employees of CMA CGM

2. REGISTERED OFFICE OF THE OFFEROR

The registered office of the Offeror is at 4, Quai d'Arenc, 13002 Marseille, France.

3. PRINCIPAL ACTIVITIES OF THE OFFEROR

The Offeror is a limited liability company (*société anonyme*) incorporated and located in France. The CMA CGM Group is headquartered in France and is the third largest container shipping company in the world. The CMA CGM Group operates primarily in the international containerised transportation of goods. Its activities also include container terminal operations and transport by rail, road and river.

4. SHARE CAPITAL OF THE OFFEROR

As at the Latest Practicable Date, the Offeror has an issued and paid up share capital of EUR234,988,330.56 comprising 14,205,221 issued and paid up shares. As at the Latest Practicable Date, the Offeror does not hold any CMA CGM Shares in treasury.

The share capital of the Offeror is fully constituted of ordinary shares, with the exception of preference shares held by (a) Yildirim Asset Management Holding BV ("**Yildirim**") (one (1) "A" preferred share and 3,626,864 "B" preferred shares), and (b) BPIFrance Participations ("**BPIFrance**") (formerly Fonds Stratégique d'Investissement) (one (1) "C" preferred share).

In 2011 and 2013, Yildirim subscribed for US$600 million of bonds which were mandatorily redeemed in the form of "B" preferred shares of the Offeror as at 31 December 2015. On 31 December 2017, these preferred shares held by Yildirim will automatically be converted into ordinary shares in the share capital of CMA CGM, giving Yildirim the right to a twenty-four per cent (24%) stake in the Offeror upon conversion on a fully diluted basis.

On 28 June 2013, BPIFrance subscribed for US$150 million of bonds which are mandatorily redeemable in the form of ordinary shares in the share capital of CMA CGM, giving rise to a six per cent (6%) stake in the Offeror upon conversion on a fully diluted basis. These bonds mature in December 2020.

5. SUMMARY OF FINANCIAL INFORMATION

5.1 Summary of Consolidated Financial Information. A summary of the audited consolidated financial information relating to the Offeror for FY2013, FY2014, FY2015 and the unaudited consolidated financial statements of the Offeror for 1Q2016 is set out below. This summary financial information should be read together with the audited consolidated financial statements of the Offeror for FY2013, FY2014 and 2015, and the unaudited consolidated financial statements of the Offeror for 1Q2016, respectively (copies of which are available for inspection as set out in **paragraph 4** of **Appendix 5** to this Composite Document).

5.2 Consolidated Income Statements of the Offeror. A summary of the audited consolidated income statements of the Offeror for FY2013, FY2014 and FY2015 and the unaudited consolidated income statements of the Offeror for 1Q2016, is set out below:

	← Audited →			Unaudited
	FY2013 US$ mil	**FY2014 US$ mil**	**FY2015 US$ mil**	**1Q2016 US$ mil**
Revenue	**15,901.5**	**16,739.1**	**15,674.1**	**3,399.3**
EBITDA before gains (losses) on disposal of property, equipment and subsidiaries	**1,023.6**	**1,289.7**	**1,253.5**	**95.3**
Gain (losses) on disposals of property, equipment and subsidiaries	343.8	27.9	9.8	(0.1)
EBIT	**976.7**	**917.6**	**895.3**	**(0.5)**
Profit (loss) before tax	531.4	695.7	672.0	(77.2)
Profit (loss) for the period	**430.5**	**611.6**	**586.7**	**(94.8)**
Non-controlling interests	22.6	28.0	19.9	5.1
Profit (loss) for the year attributable to the owners of the parent company	**407.9**	**583.6**	**566.7**	**(99.8)**
Basic earnings per CMA CGM Share[7] (US$)				
– Basic	29.4	38.6	37.5	(6.6)
– Diluted	29.4	38.6	37.5	(6.6)
Total dividends per CMA CGM Share (US$)	2.4	3.8	7.6	–

[7] As defined in the International Financial Reporting Standards (IFRS) as adopted by the European Union.

5.3 Consolidated Balance Sheet of the Offeror. A summary of the audited consolidated balance sheet of the Offeror as at 31 December 2015, and the unaudited consolidated balance sheet of the Offeror as at 31 March 2016, is set out below:

	Audited as at 31 December 2015 US$ mil	Unaudited as at 31 March 2016 US$ mil
Current assets	4,872.8	4,854.1
Non-current assets	9,402.4	9,433.4
Total assets	14,275.3	14,287.4
Current liabilities	4,021.6	4,061.2
Non-current liabilities	4,848.2	4,907.2
Total liabilities	8,869.8	8,968.4
NET ASSETS	**5,405.5**	**5,319.0**
Share capital	234.7	234.7
Reserves and retained earnings	4,555.4	5,133.3
Profit (loss) for the year attributable to the owners of the parent company	566.7	(99.8)
Non-controlling interests	48.7	50.8
TOTAL EQUITY	**5,405.5**	**5,319.0**

6. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in this Composite Document and save for (a) information on the Offeror that is publicly available (including without limitation the announcements released by the Offeror's Financial Advisers for and on behalf of the Offeror on the SGXNET as well as released on www.cma-cgm.com), and (b) the making and financing of the Offer, there has been no known material changes in the financial position of the Offeror since 31 December 2015, being the date of the last published audited accounts of the Offeror.

7. SIGNIFICANT ACCOUNTING POLICIES

Save as disclosed in the notes to the audited consolidated financial statements of the Offeror for FY2013, FY2014 and FY2015 and the unaudited consolidated financial statements of the Offeror for 1Q2016 which have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union:

(a) there are no significant accounting policies or points from the notes of the financial statements of the Offeror which are of any major relevance for the interpretation of the financial statements of the Offeror; and

(b) there has been no change in the accounting policies of the Offeror since the date of its audited consolidated financial statements for FY2015 which will cause the figures set out in **paragraph 5** of this **Appendix 3** to be not comparable to a material extent.

A summary of the general accounting principles of the Offeror is set out in Note 2 to the audited consolidated financial statements of the Offeror for FY2013, FY2014, FY2015 and the unaudited consolidated financial statements of the Offeror for 1Q2016 (copies of which are available for inspection as set out in **paragraph 4** of **Appendix 5** to this Composite Document).

1. DIRECTORS

The names, addresses and descriptions of the Company Directors as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr. Kwa Chong Seng	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Chairman
Mr. Ng Yat Chung	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	NOL Group President, CEO and Executive Director
Mr. Robert John Herbold	1106 108th Ave NE Suite 705 Bellevue, WA 98004 United States of America	Non-executive Independent Director
Mr. Tan Puay Chiang	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Director
Ms. Jeanette Wong Kai Yuan	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Director
Mr. Low Check Kian	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Director
Mr. Quek See Tiat	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Director
Mr. Alvin Yeo Khirn Hai	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Director
Mr. Tom Behrens-Sørensen	9-64 Qijiayuan DRC 9 Jianwai Dajie Beijing 100600 People's Republic of China	Non-executive Independent Director
Mr. Bruno Sidler	Baarerstrasse 78 6300 Zug Switzerland	Non-executive Independent Director

2. SHARE CAPITAL

As at the Latest Practicable Date, the Company has an issued and paid up share capital of approximately US$1.8 billion consisting of 2,603,559,950 Company Shares. The Company Shares are ordinary shares carrying equal ranking rights to dividend, voting at general meetings and return of capital. As at the Latest Practicable Date, the Company holds 1,726,717 treasury shares and does not have any other class of share capital.

There is no restriction in the constitution of the Company on the right to transfer any Company Shares, which has the effect of requiring the holders of the Offer Shares, before transferring them, to first offer them for purchase to Shareholders or to any other person.

3. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save (a) as disclosed in this Composite Document (including the 1Q2016 Results); and (b) for any other information on the Company which is publicly available (including the last audited financial statements of the Company for the financial year ended 25 December 2015 which was released by the Company on the SGXNET on 31 March 2016), there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the Company since 25 December 2015, being the date of the last balance sheet of the Company laid before Shareholders in a general meeting.

4. REGISTERED OFFICE

The registered office of the Company is at **9 North Buona Vista Drive, #14-01 The Metropolis, Singapore 138588**.

5. INFORMATION ON PROPOSED NEW DIRECTORS

Rodolphe Saadé

Rodolphe Saadé, Vice Chairman, Deputy General Manager and a member of the CMA CGM's board of directors, was born on 3 March 1970 in Lebanon. Having obtained a Bachelor of Commerce degree from Concordia University in Montreal, where he majored in marketing, he founded Dynamic Concept, a company selling water coolers.

Since 1994, Rodolphe Saadé has put his international business expertise to the service of the CMA CGM Group, led by Jacques R. Saadé. In particular he worked in New York and then Hong Kong before moving to the shipping company's head office in Marseilles in charge of lines serving five (5) continents.

From 1997 to 2000, Rodolphe Saadé successively headed different lines between North America, Europe and the Far East. Appointed director of the Transatlantic and Transpacific lines in 2000, he became the lines' central director in 2002.

In 2004, Rodolphe Saadé became responsible for developing regular lines on the North/South axis to North America, Central America, the Caribbean, South and West Africa, Australia and the Indian Ocean. He was appointed as Chief Executive Vice President and a member of the executive board of CMA CGM.

In 2006, he was appointed to expand Delmas' lines in West, East and Central Africa and the Indian Ocean, turning Delmas into an efficient and profitable operator.

In 2010, Rodolphe Saadé was appointed Executive Officer and member of the board of directors of CMA CGM.

In 2014, Rodolphe Saadé was appointed Vice Chairman of the CMA CGM Group.

In 2016, Rodolphe Saadé headed the discussions leading to the creation of Ocean Alliance formed by four (4) of the world's leading container shipping lines, namely CMA CGM, COSCO Container Lines, Evergreen Line and Orient Overseas Container Line.

Nicolas Sartini

Nicolas Sartini has been Group Senior Vice President Asia-Europe and Asia Mediterranean Lines since 2008 and also supervises ANL and CNC Line. He has overseen Asia-Europe trades since 1999 after previously serving as Vice President of the Mediterranean Express line beginning in 1993. He has been with CMA CGM for 23 years.

Before joining CMA CGM, he worked with Delmas from 1985 to 1990, first as a line manager of its subsidiary, Octomar, then as director of African Island Shipping and finally as a manager in charge of the Indian Ocean line.

Nicolas Sartini graduated from the *Ecole des Hautes Etudes Commerciales* business school in 1983.

Lars Kastrup

Lars Kastrup is the Head of CMA CGM Asia and has been based in Hong Kong since 2014. He joined the CMA CGM Group in Marseilles in 2007 as Senior Vice President in the Group Agency Network, becoming in charge of Europe, Africa and Americas as well as the Shared Service Centers development.

Before joining CMA CGM, Lars Kastrup started his career in A.P. Møller Mærsk where he graduated from the Mærsk Shipping School. He also went through executive leadership education at the Pennstate and Wharton Universities.

Lars Kastrup held several management positions in A.P. Møller Mærsk, in Copenhagen, Europe and Africa including Director Line Management US Trades, Managing Director Mærsk France and Vice President – Chief Executive France and North Africa.

Lars Kastrup is a member of the board of directors of CNC Line, Terminal Link Sas as well as several CMA CGM Group companies.

Serge Corbel

Serge Corbel has been in charge of Corporate Control at CMA CGM since he joined the CMA CGM Group in 1991. He has been appointed Vice President Corporate Control in 2005 and was also in charge of Revenue and Cost Control departments.

Before joining CMA CGM, Serge Corbel worked for *Navale et Commerciale Havraise Péninsulaire* (NCHP, which became a subsidiary of Delmas in 1986) in various commercial and marketing management positions on the Arabian Gulf and Indian Ocean Trades.

Serge Corbel graduated from *Ecole des Affaires de Paris*, now called ESCP Europe, in 1981.

Ziad Tabet

Ziad Tabet is the chief investment officer and founder of Amakor Capital. He has over 20 years' experience in finance with the last 15 years being on the buyside. Ziad has been an independent portfolio manager in the event-driven space for the last eight (8) years with a demonstrated track-record of investing through the cycles.

Prior to founding Amakor Capital, Ziad Tabet ran for over seven (7) years, as the sole portfolio manager, the event-driven strategy and fund at Jabre Capital. Previously, Ziad Tabet worked three (3) years in the event-driven space with Tribeca Capital where he launched the firm's European event-driven strategy and Holte Capital where he was a senior analyst.

Ziad Tabet started his career in 1993 with Morgan Stanley in New York where he spent two (2) years in mergers and acquisitions and two (2) years in emerging markets. He then worked for four (4) years in private equity: two (2) years at Texas Pacific Group, a multi-billion LBO fund and two (2) years at Deep Capital, a mid-market buyout boutique he co-founded.

Ziad Tabet holds a BS in Computer Science (honours) and a BA in Economics from McGill University and an MBA from Columbia Business School.

Mathilde Lemoine

Mathilde Lemoine is the group chief economist of Edmond de Rothschild. A macro-economist, she is well known for her analysis on real estate and financial markets (especially fixed-income) and also for her numerous publications on monetary, fiscal and European policy impact on global economic and financial trends.

She is also an independent director of the world's leading retailer, the Carrefour Group, a member of the Account Committee as well as a director of the Ecole Normale Supérieure. As an expert on European fiscal policies, she has been appointed as a member of the French High Council of Public Finances, created in 2013 to provide independent and authoritative analysis of public finances. Since 1997, she has been professor of macro-economy at Sciences Po in Paris.

After having been a teacher-researcher for the French National Political Science Foundation (Sciences Po Paris), she was the economic adviser (international macro-economy and in charge of World Trade Organisation negotiations) to several French ministers of economy and finance. She then served the French Prime Minister, Dominique de Villepin, as economic adviser on macroeconomics and tax affairs. From 2006 until 2015, she led the Economic Studies and Market Strategy Department for HSBC France and for HSBC Global Research.

1. DISCLOSURE OF INTERESTS

1.1 Interests in Company Securities. As at the Latest Practicable Date, save as disclosed below, none of the Offeror or any parties acting in concert with it owns, controls or has agreed to acquire any (a) Company Shares; (b) securities which carry voting rights in the Company; or (c) convertible securities, warrants, options and derivatives in respect of Company Shares or securities which carry voting rights in the Company (collectively, the "**Relevant Company Securities**"):

Name	Number of Company Shares	Percentage (%)[(a)]
Offeror	273,485,700	10.5
BNP Paribas Arbitrage Paris	29,174	0.0
HSBC Group	3,503,289	0.1
J.P. Morgan (S.E.A.) Limited and its affiliates	19,531	0.0

Note:

(a) Figures rounded to the nearest one (1) decimal place.

1.2 Dealings in Company Securities. Save for the following transactions made by the Offeror and parties acting in concert with it, during the period commencing three (3) months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date, none of the Offeror or parties acting in concert with it has dealt for value in the Relevant Company Securities:

Name	Dealing Date	No. of Company Shares Acquired	Price Paid per Company Share[(a)]
Offeror	11 December 2015	3,684,400	S$1.2228
Offeror	14 December 2015	1,883,400	S$1.2250
Offeror	15 December 2015	767,000	S$1.2250
Offeror	16 December 2015	4,700,000	S$1.2300
Offeror	17 December 2015	1,628,700	S$1.2382
Offeror	18 December 2015	367,000	S$1.2400
Offeror	4 January 2016	1,331,900	S$1.2330
Offeror	5 January 2016	930,700	S$1.2350
Offeror	6 January 2016	1,627,200	S$1.2350
Offeror	7 January 2016	1,782,500	S$1.2350
Offeror	7 January 2016	4,817,500	S$1.2300
Offeror	8 January 2016	2,250,000	S$1.2350
Offeror	8 January 2016	1,700,000	S$1.2300
Offeror	11 January 2016	2,500,000	S$1.2350

Name	Dealing Date	No. of Company Shares Acquired	Price Paid per Company Share[(a)]
Offeror	12 January 2016	2,300,000	S$1.2350
Offeror	13 January 2016	774,300	S$1.2450
Offeror	13 January 2016	1,625,700	S$1.2400
Offeror	13 January 2016	2,300,000	S$1.2350
Offeror	14 January 2016	194,000	S$1.2450
Offeror	14 January 2016	2,194,000	S$1.2400
Offeror	14 January 2016	1,700,000	S$1.2350
Offeror	15 January 2016	2,165,000	S$1.2400
Offeror	18 January 2016	2,430,000	S$1.2400
Offeror	18 January 2016	2,000,000	S$1.2350
Offeror	19 January 2016	965,000	S$1.2400
Offeror	19 January 2016	150,000	S$1.2350
Offeror	20 January 2016	1,000,000	S$1.2400
Offeror	20 January 2016	1,000,000	S$1.2350
Offeror	21 January 2016	150,000	S$1.2400
Offeror	21 January 2016	2,250,000	S$1.2350
Offeror	22 January 2016	350,000	S$1.2350
Offeror	22 January 2016	1,000,000	S$1.2300
Offeror	25 January 2016	500,000	S$1.2400
Offeror	25 January 2016	2,500,000	S$1.2350
Offeror	26 January 2016	950,000	S$1.2350
Offeror	27 January 2016	3,023,100	S$1.2350
Offeror	27 January 2016	276,900	S$1.2300
Offeror	28 January 2016	500,000	S$1.2350
Offeror	29 January 2016	1,100,000	S$1.2350
Offeror	1 February 2016	1,080,600	S$1.2350
Offeror	2 February 2016	1,430,000	S$1.2400
Offeror	3 February 2016	3,200,000	S$1.2400
Offeror	4 February 2016	2,000,000	S$1.2450
Offeror	4 February 2016	500,000	S$1.2400
Offeror	5 February 2016	2,000,000	S$1.2450
Offeror	10 February 2016	500,000	S$1.2500
Offeror	10 February 2016	1,393,400	S$1.2450
Offeror	11 February 2016	1,795,000	S$1.2500
Offeror	11 February 2016	105,000	S$1.2450

Name	Dealing Date	No. of Company Shares Acquired	Price Paid per Company Share[(a)]
Offeror	12 February 2016	3,500,000	S$1.2450
Offeror	15 February 2016	2,400,000	S$1.2450
Offeror	16 February 2016	1,900,000	S$1.2450
Offeror	17 February 2016	1,600,000	S$1.2450
Offeror	18 February 2016	250,000	S$1.2500
Offeror	18 February 2016	1,000,000	S$1.2450
Offeror	19 February 2016	380,000	S$1.2500
Offeror	19 February 2016	643,800	S$1.2450
Offeror	22 February 2016	1,100,000	S$1.2500
Offeror	23 February 2016	7,632,100	S$1.2500
Offeror	26 February 2016	1,100,000	S$1.2550
Offeror	29 February 2016	4,500,000	S$1.2550
Offeror	2 March 2016	100,000	S$1.2500
Offeror	3 March 2016	1,000,000	S$1.2550
Offeror	3 March 2016	60,000	S$1.2500
Offeror	4 March 2016	6,000,000	S$1.2500
Offeror	7 March 2016	7,000,000	S$1.2500
Offeror	8 March 2016	751,500	S$1.2500
Offeror	9 March 2016	1,622,400	S$1.2500
Offeror	10 March 2016	656,500	S$1.2500
Offeror	11 March 2016	1,000,000	S$1.2550
Offeror	11 March 2016	343,500	S$1.2500
Offeror	14 March 2016	1,000,000	S$1.2550
Offeror	15 March 2016	812,500	S$1.2550
Offeror	16 March 2016	13,500	S$1.2550
Offeror	22 March 2016	3,000,000	S$1.2700
Offeror	22 March 2016	2,600,000	S$1.2650
Offeror	23 March 2016	1,205,200	S$1.2650
Offeror	24 March 2016	700,000	S$1.2700
Offeror	24 March 2016	1,194,800	S$1.2650
Offeror	29 March 2016	353,200	S$1.2700
Offeror	29 March 2016	796,800	S$1.2650
Offeror	30 March 2016	1,182,100	S$1.2650
Offeror	31 March 2016	371,800	S$1.2700
Offeror	31 March 2016	628,200	S$1.2650

Name	Dealing Date	No. of Company Shares Acquired	Price Paid per Company Share[a]
Offeror	1 April 2016	375,900	S$1.2650
Offeror	4 April 2016	125,900	S$1.2700
Offeror	4 April 2016	624,100	S$1.2650
HSBC[b]	4 April 2016	(390,000)	N.A.
Offeror	5 April 2016	650,000	S$1.2700
HSBC[b]	5 April 2016	(110,000)	N.A.
Offeror	6 April 2016	494,600	S$1.2650
Offeror	7 April 2016	959,300	S$1.2650
Offeror	8 April 2016	1,000,000	S$1.2650
Offeror	11 April 2016	200,000	S$1.2650
Offeror	12 April 2016	600,000	S$1.2700
Offeror	13 April 2016	1,400,000	S$1.2700
Offeror	14 April 2016	2,400,000	S$1.2700
Offeror	15 April 2016	570,900	S$1.2700
Offeror	18 April 2016	1,170,900	S$1.2750
Offeror	18 April 2016	729,100	S$1.2700
Offeror	19 April 2016	1,200,000	S$1.2750
Offeror	20 April 2016	1,098,300	S$1.2750
Offeror	21 April 2016	4,175,700	S$1.2800
Offeror	21 April 2016	30,200	S$1.2750
Offeror	22 April 2016	13,327,500	S$1.2850
Offeror	22 April 2016	100,000	S$1.2800
Offeror	25 April 2016	5,534,800	S$1.2850
Offeror	26 April 2016	1,328,400	S$1.2850
Offeror	27 April 2016	616,300	S$1.2850
Offeror	28 April 2016	38,094,200	S$1.2900
Offeror	28 April 2016	12,000	S$1.2850
Offeror	3 May 2016	30,658,800	S$1.2900
Offeror	4 May 2016	1,675,200	S$1.2900
Offeror	5 May 2016	1,538,300	S$1.2900
Offeror	6 May 2016	1,590,600	S$1.2900
Offeror	9 May 2016	7,900,000	S$1.2900
Offeror	10 May 2016	2,101,100	S$1.2900
Offeror	11 May 2016	636,500	S$1.2900
Offeror	12 May 2016	1,675,000	S$1.2900

Name	Dealing Date	No. of Company Shares Acquired	Price Paid per Company Share[(a)]
Offeror	13 May 2016	5,800,000	S$1.2900
Offeror	16 May 2016	2,353,500	S$1.2900
Offeror	16 May 2016	518,100	S$1.2850
Offeror	17 May 2016	547,900	S$1.2900
Offeror	17 May 2016	361,300	S$1.2850
Offeror	18 May 2016	1,120,500	S$1.2900
Offeror	18 May 2016	107,300	S$1.2850
Offeror	19 May 2016	2,300,000	S$1.2900
Offeror	19 May 2016	13,300	S$1.2850

Notes:

(a) Excluding brokerage commission, clearing fees, stamp duties and Goods and Services Tax.

(b) These transactions relate to the borrowing and return of Relevant Company Securities, in line with the contractual terms of securities lending and borrowing arrangements.

1.3 Irrevocable Undertakings. As at the Latest Practicable Date, save for the Main Shareholder Irrevocable Undertaking, no person has given any undertaking to the Offeror, or any party acting in concert with it, to accept or reject the Offer.

1.4 Indemnity Arrangements. As at the Latest Practicable Date, save for the Main Shareholder Irrevocable Undertaking and the Relevant Financing Arrangements, the Offeror has not entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any arrangement or understanding, formal or informal, of whatever nature, relating to the Relevant Company Securities, which may be an inducement to deal or refrain from dealing in the Relevant Company Securities.

1.5 Agreements Conditional upon the Outcome of the Offer or having any Connection with or Dependence on the Offer. As at the Latest Practicable Date, save for the Offer Implementation Agreement, the Relevant Financing Arrangements, the Main Shareholder Irrevocable Undertaking, the arrangements set out in **paragraph 6.2** of **Appendix C** to this Composite Document, and the joint venture arrangements between CMA CGM and an indirect wholly-owned subsidiary of Temasek, PSA Singapore Terminals Pte. Ltd. ("**PSA ST**") (particulars of which are set out below) (the "**CMA CGM-PSA Joint Venture Arrangements**"), there is no agreement, arrangement or understanding between (a) the Offeror or any of the parties acting in concert with the Offeror, and (b) any of the present or recent directors of the Company or the present or recent Shareholders or any other person conditional upon the outcome of the Offer or otherwise having any connection with or dependence upon the Offer.

Subject to, amongst others, the receipt of relevant regulatory approvals, CMA CGM and PSA ST will establish a joint venture company ("**JVCo**"), to be held by them in proportions of 49% and 51% respectively, to operate and use berths as a dedicated container terminal in Singapore, for containers and container vessels of CMA CGM and its affiliates. As part of the CMA CGM-PSA Joint Venture Arrangements, amongst others:

(a) the JVCo will sub-lease from PSA Corporation Limited ("**PSA Corp**") four (4) container berths ("**JV Berths**") and the ancillary facilities, and the JVCo will also purchase from PSA Corp equipment for the purpose of operating the JV Berths;

(b) the JVCo will provide long term terminal services to CMA CGM and its shipping lines affiliates pursuant to a long term terminal service agreement; and

(c) PSA Terminals Management (S) Pte. Ltd. ("**PSATM**") will provide berth management services to the JVCo.

PSA ST, PSATM and PSA Corp are subsidiaries of PSA International Pte Ltd, which is in turn a wholly-owned subsidiary of Temasek.

The SIC has confirmed that the CMA CGM-PSA Joint Venture Arrangements do not constitute special deals under Rule 10 of the Code.

1.6 Encumbrances. As at the Latest Practicable Date, save for the Relevant Financing Arrangements, none of the Offeror or any person acting in concert with the Offeror has in respect of any Relevant Company Securities (a) granted any security interest over any Relevant Company Securities to another person, whether through a charge, pledge or otherwise; (b) borrowed from another person any Relevant Company Securities (excluding borrowed securities which have been on-lent or sold); or (c) lent to another person any Relevant Company Securities.

1.7 Transfer of Offer Shares. As at the Latest Practicable Date, save for the Relevant Financing Arrangements, there is no agreement, arrangement or understanding whereby the Offer Shares acquired pursuant to the Offer will or may be transferred to any other person.

1.8 Payment or Benefit to Company Directors. As at the Latest Practicable Date, save as disclosed in **paragraph 6.2** of **Appendix C** to this Composite Document, there is no payment or other benefit which will be made or given to any Company Director or to any director of any corporation which is, by Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.

1.9 No material change. Save as disclosed in this Offer Document, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Possible Offer Announcement Date and ending on the Latest Practicable Date.

2. GENERAL

2.1 Costs and Expenses. All costs and expenses of or incidental to the Offer including the preparation and circulation of this Composite Document, the Acceptance Forms (other than professional fees and other costs relating to the Offer incurred or to be incurred by the Company (save where the Offeror has otherwise agreed in writing with the Company to bear the same) and fees incurred by Overseas Shareholders in accepting the Offer) and stamp duty and transfer fees resulting from acceptances of the Offer will be paid by the Offeror.

2.2 Consent. Each of the Offeror's Financial Advisers has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein its name and all references thereto, in the form and context in which they appear in this Composite Document.

3. MARKET QUOTATIONS

3.1 Closing prices. The closing price of the Company Shares on the SGX-ST, as reported by Bloomberg L.P., on (a) the Latest Practicable Date was S$1.295, (b) 4 December 2015 (being the last full day of trading of the Company Shares on the SGX-ST immediately preceding the Pre-Conditional Offer Announcement Date) was S$1.225, and (c) 6 November 2015 (being the last full day of trading of the Company Shares on the SGX-ST immediately preceding the Possible Offer Announcement Date) was S$1.045. The closing prices of the Company Shares on the SGX-ST on the last Market Day (on which there were trades in respect of the Company Shares) of each of the six (6) calendar months preceding the Possible Offer Announcement Date, as reported by Bloomberg L.P., are set out below:

Date	Closing Price (S$)
30 October 2015	0.995
30 September 2015	0.965
31 August 2015	0.825
31 July 2015	0.930
30 June 2015	0.820
29 May 2015	1.015

3.2 Highest and lowest closing prices. During the period commencing six (6) calendar months preceding the Possible Offer Announcement Date and ending on the Latest Practicable Date (being 7 May 2015 to 26 May 2016 (both dates inclusive)):

(a) the highest closing price of the Company Shares on the SGX-ST, as reported by Bloomberg L.P., was S$1.295, which was transacted on 3 May 2016, 6 May 2016, 20 May 2016, 23 May 2016, 25 May 2016 and 26 May 2016; and

(b) the lowest closing price of the Company Shares on the SGX-ST, as reported by Bloomberg L.P., was S$0.780, which was transacted on 24 August 2015.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the office of The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch at 21 Collyer Quay #10-01, HSBC Building Singapore 049320 during normal business hours, while the Offer remains open for acceptance:

(a) the Pre-Conditional Offer Announcement;

(b) the Offer Announcement;

(c) the Main Shareholder Irrevocable Undertaking;

(d) the audited consolidated financial statements of the Offeror for FY2015, FY2014 and FY2013, the unaudited consolidated financial statements of the Offeror for 1Q2016 and the related notes thereto referred to in **paragraph 5** of **Appendix 3** to this Composite Document; and

(e) the letters of consent from the Offeror's Financial Advisers referred to in **paragraph 2.2** of this **Appendix 5**.

PART 2: LETTER TO SHAREHOLDERS FROM THE BOARD

This letter to Shareholders from the Board shall not constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction where such offer or solicitation is unlawful or unauthorised. This letter to Shareholders from the Board is issued to Shareholders solely for the purpose set out in ***paragraph 1*** *below and is not authorised for use for any other purposes.*



NEPTUNE ORIENT LINES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196800632D)

Company Directors

Mr. Kwa Chong Seng *(Non-executive Independent Chairman)*
Mr. Ng Yat Chung *(NOL Group President, CEO and Executive Director)*
Mr. Robert John Herbold *(Non-executive Independent Director)*
Mr. Tan Puay Chiang *(Non-executive Independent Director)*
Ms. Jeanette Wong Kai Yuan *(Non-executive Independent Director)*
Mr. Low Check Kian *(Non-executive Independent Director)*
Mr. Quek See Tiat *(Non-executive Independent Director)*
Mr. Alvin Yeo Khirn Hai *(Non-executive Independent Director)*
Mr. Tom Behrens-Sørensen *(Non-executive Independent Director)*
Mr. Bruno Sidler *(Non-executive Independent Director)*

Registered Office

9 North Buona Vista Drive
#14-01 The Metropolis
Singapore 138588

6 June 2016

To: The Shareholders of Neptune Orient Lines Limited

Dear Sir/Madam

1. INTRODUCTION

On 7 December 2015, the Offeror's Financial Advisers announced, for and on behalf of the Offeror, that subject to the satisfaction or waiver (as the case may be) of the Pre-Conditions, the Offeror would make the Offer to acquire all the Offer Shares.

By way of the Press Releases, the Offeror announced that all the Pre-Conditions had been satisfied or waived (as the case may be) and on the Offer Announcement Date, the Offeror's Financial Advisers announced, for and on behalf of the Offeror, the Offeror's firm intention to make the Offer.

Your attention is drawn to the Offer Document, which sets out, *inter alia*, the terms and conditions of the Offer. **Shareholders are advised to read the terms and conditions of the Offer contained in the Offer Document carefully.**

The purpose of this letter to Shareholders from the Board, which forms part of this Composite Document, is to provide Shareholders with relevant information pertaining to the Company and to set out the recommendations of the Independent Directors in relation to the Offer. It also encloses the advice and recommendations of the IFA to the Independent Directors in relation to the Offer and the Fairness Opinion from the Offeree's Financial Adviser, dated and as at 5 December 2015, addressed solely to the Board, referenced in the announcement by the Company on 7 December 2015.

2. THE OFFER

2.1 Offer Price. As stated in the Offeror's Letter, the Offer Price is **S$1.30 in cash for each Offer Share**.

Your attention is also drawn to **paragraph 2.1** of the Offeror's Letter, which is reproduced below.

"***2.1 Offer Terms.***

(a) ***Offer Price: S$1.30 in cash (the "Offer Price") for each Offer Share***[1].

*Pursuant to the Offer, the Offer Shares are to be transferred by the Shareholders to the Offeror (i) fully paid; (ii) free from any lien, equity, mortgage, charge, encumbrance, easement, right of pre-emption, security, title retention, preferential right, trust arrangement or other security interest or other third party right and interest of any nature whatsoever ("**Encumbrance**"); and (iii) together with all rights, benefits and entitlements as of the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.*

If any dividend, other distribution or return of capital is declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.

*(b) The Offer will also be extended to all new Company Shares unconditionally issued prior to the Closing Date pursuant to the valid exercise of Company Options pursuant to the Company SOP. For the purposes of the Offer, the expression "**Offer Shares**" shall include such new Company Shares.*

(c) ***The Offeror does not intend to increase the Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price, in any way.***"

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[1] As set out in **paragraph 2.1** of **Appendix 5** to this Composite Document, all costs and expenses of or incidental to the Offer including the preparation and circulation of this Composite Document, the Acceptance Forms (other than professional fees and other costs relating to the Offer incurred or to be incurred by the Company (save where the Offeror has otherwise agreed in writing with the Company to bear the same) and fees incurred by Overseas Shareholders in accepting the Offer) and stamp duty and transfer fees resulting from acceptances of the Offer will be paid by the Offeror.

2.2 Condition of the Offer. As stated in **paragraph 2.2** of the Offeror's Letter, the Offer remains conditional upon the Minimum Acceptance Condition.

Lentor has provided an irrevocable undertaking to the Offeror to tender, and to procure the tender by Temasek and Startree, in acceptance of the Offer, of 1,738,676,330 Company Shares representing approximately 66.78 per cent of the Company Shares as at the Latest Practicable Date (which, for the avoidance of doubt, excludes ordinary shares held by the Company as treasury shares). After such tender by Lentor, Temasek and Startree in acceptance of the Offer, the Offer will become and be declared to be unconditional as to acceptances.

Please refer to **paragraph 2.2** of the Offeror's Letter for further details relating to the Minimum Acceptance Condition.

2.3 Company PSP Awards and Company RSP Awards. As at the Latest Practicable Date, the Company has 7,263,355 outstanding Company PSP Awards and 9,173,726 outstanding Company RSP Awards.

Pursuant to the Offer Implementation Agreement and as agreed between the Offeror and the Company:

(a) the ERCC has on 1 April 2016 granted a total of 8,323,000 New Awards, comprising 3,392,000 new Company PSP Awards and 4,931,000 new Company RSP Awards;

(b) in relation to the following number of awards which have vested prior to the Offer Unconditional Date:

(i) 819,179 Outstanding PSP Awards; and

(ii) 3,480,466 Outstanding RSP Awards,

the ERCC has made such arrangements (which have been confirmed in writing by Ernst & Young LLP, the auditors of the Company for FY2015, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation in cash of the holders of such Outstanding PSP Awards and Outstanding RSP Awards on the basis of a price per award equal to the Offer Price, in lieu of the vesting of the Company Shares in accordance with Rule 7.6 of the Company PSP or (as the case may be) Rule 7.5 of the Company RSP;

(c) in relation to the following number of awards which will vest on or after the Offer Unconditional Date:

(i) up to 5,821,072 of the 8,323,000 New Awards outstanding as at the Latest Practicable Date (comprising 1,017,600 Company PSP Awards and 4,803,472 Company RSP Awards)[2];

[2] The difference in the number of Company RSP Awards between that as at 1 April 2016 and the Latest Practicable Date is due to the lapse or cancellation of the Company RSP Awards since 1 April 2016.

(ii) up to 1,161,400[3] Outstanding PSP Awards; and

(iii) up to 4,370,254[4] Outstanding RSP Awards,

the ERCC has made such arrangements (which have been confirmed in writing by Ernst & Young LLP, the auditors of the Company for FY2015, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation in cash of the holders of such New Awards, Outstanding PSP Awards and Outstanding RSP Awards, on the basis of a price per award equal to the Offer Price as soon as possible after the Offer Unconditional Date and in any case, not later than the Closing Date, in lieu of the vesting of Company Shares in accordance with the respective Rule 6.3 of the Company PSP and the Company RSP, as the case may be; and

(d) in relation to the balance number of 2,374,400 New Awards (comprising 2,374,400 Company PSP Awards) and 2,709,955 Outstanding PSP Awards, the ERCC has made arrangements (which have been confirmed in writing by Ernst & Young LLP, the auditors of the Company for FY2015, acting only as experts and not as arbitrators, to be fair and reasonable) for such balance number of New Awards and Outstanding PSP Awards to lapse as soon as possible after the Offer Unconditional Date and in any case, not later than the Closing Date.

2.4 Company Options. As at the Latest Practicable Date, the Company has 12,602,525 outstanding Company Options under the Company SOP.

Pursuant to the Offer Implementation Agreement and as agreed between the Offeror and the Company, the ERCC has made such arrangements (which have been confirmed in writing by Ernst & Young LLP, the auditors of the Company for FY2015, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation in cash of the Optionholders on the basis of:

(a) S$0.001 per Company Option, in respect of outstanding Company Options with an exercise price equal to or more than the Offer Price; and

(b) the "see-through" price (being the amount by which the Offer Price is in excess of the exercise price for each Company Option) in respect of outstanding Company Options with an exercise price less than the Offer Price,

in consideration of the Optionholders agreeing to not exercise such Company Options, to allow such Company Options to lapse unexercised and to surrender such Company Options for cancellation if the Offer becomes or is declared to be unconditional as to acceptances, in accordance with Rule 3.12(A)(c) of the Company SOP as soon as possible after the Offer Unconditional Date and in any case, not later than the Closing Date.

2.5 Further Details of the Offer. The Offer is made in accordance with the terms and conditions set out in the Offer Document. Further details on, *inter alia*, (a) the duration of

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[3] Such number of awards is within the agreed maximum of 2,452,046 awards as agreed between the Offeror and the Company in the Offer Implementation Agreement.

[4] Such number of awards is within the agreed maximum of 8,408,149 awards as agreed between the Offeror and the Company in the Offer Implementation Agreement.

the Offer, (b) the settlement of the consideration of the Offer, (c) the requirements relating to the announcement of the level of acceptances of the Offer, and (d) the right of withdrawal of acceptances, are set out in **Appendix 1** to this Composite Document.

Appendix 2 to this Composite Document sets out the procedures for acceptance of the Offer by a Shareholder.

2.6 Closing Date. Shareholders should note that the Offer will close at **5:30 p.m. (Singapore time) on 4 July 2016** or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

3. MAIN SHAREHOLDER IRREVOCABLE UNDERTAKING

The Offeror has received the Main Shareholder Irrevocable Undertaking from Lentor, relating to 1,738,676,330 Company Shares representing approximately 66.78 per cent of the Company Shares as at the Latest Practicable Date (which, for the avoidance of doubt, excludes ordinary shares held by the Company as treasury shares), held by Temasek, Lentor and Startree in the aggregate. Pursuant to the Main Shareholder Irrevocable Undertaking, Lentor has undertaken to the Offeror to tender, and to procure the tender by Temasek and Startree of, all and not some of their Company Shares in acceptance of the Offer by no later than 5:00 p.m. (Singapore time) on the 6th day after the Despatch Date, upon and subject to the terms and conditions of the Main Shareholder Irrevocable Undertaking. Notwithstanding the provisions of the Code or any terms and conditions of the Offer regarding withdrawal, Lentor has agreed not to, and to procure that Temasek and Startree will not, withdraw such acceptance(s).

Please refer to **paragraph 4** of the Offeror's Letter for further details in relation to the Main Shareholder Irrevocable Undertaking.

4. INFORMATION ON THE OFFEROR

4.1 Information on the Offeror. Information on the Offeror has been set out in **paragraph 5** of the Offeror's Letter. Additional information on the Offeror is set out in **Appendix 3** to this Composite Document.

4.2 No Material Change of Information. Details on changes in the information previously published by or on behalf of the Offeror have been extracted *in toto* from **paragraph 1.9** of **Appendix 5** to this Composite Document and are reproduced below.

"***1.9 No material change.*** *Save as disclosed in this Offer Document, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Possible Offer Announcement Date and ending on the Latest Practicable Date*."

4.3 Aggregate Holdings. Details on the holdings in the Company Shares of the Offeror and parties acting in concert with it have been extracted *in toto* from **paragraph 1.1** of **Appendix 5** to this Composite Document and reproduced below.

"***1.1 Interests in Company Securities.*** *As at the Latest Practicable Date, save as disclosed below, none of the Offeror or any parties acting in concert with it owns, controls or has agreed to acquire any (a) Company Shares; (b) securities which carry*

*voting rights in the Company; or (c) convertible securities, warrants, options and derivatives in respect of Company Shares or securities which carry voting rights in the Company (collectively, the "**Relevant Company Securities**"):*

Name	***Number of Company Shares***	***Percentage (%)[(a)]***
Offeror	*273,485,700*	*10.5*
BNP Paribas Arbitrage Paris	*29,174*	*0.0*
HSBC Group	*3,503,289*	*0.1*
J.P. Morgan (S.E.A.) Limited and its affiliates	*19,531*	*0.0*

Note:

(a) Figures rounded to the nearest one (1) decimal place."

5. INFORMATION ON THE COMPANY

The Company is a container shipping and transportation company incorporated in Singapore and is listed on the Main Board of the SGX-ST.

Please refer to **Appendix C** to this Composite Document for additional information and disclosures relating to the Company.

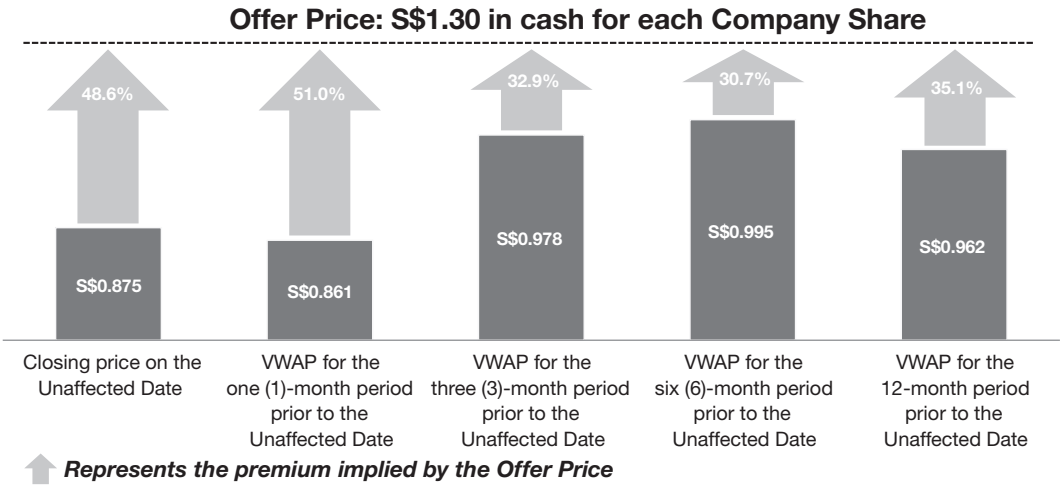
6. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

Information relating to the rationale for the Offer and the Offeror's intentions for the Company has been extracted *in toto* from **paragraph 7** of the Offeror's Letter and reproduced below. **Shareholders are advised to read paragraph 7 of the Offeror's Letter and the extract below carefully.**

"***7.1 Rationale.*** *The acquisition of the Company will enable the Offeror to cement its position among the global leaders in the container shipping industry. It will create a new global force in shipping which will, based on information as at 1Q2016, have a capacity of approximately 2.35 million TEUs, a market share of approximately 11.7%, a fleet of approximately 540 vessels and based on information as at the end of FY2015, a combined annual turnover of approximately US$21 billion. The combination of the CMA CGM Group and the NOL Group will create a powerful and dynamic new entity, and the combined group's (the "**Group**") clients will have access to an enlarged and well balanced shipping coverage across the strategic trades of global commerce, and to an extended range of products and services.*

7.2 Opportunity for Shareholders to Realise their Investment in Cash at a Compelling Price. *The Company has not paid any dividends to Shareholders since its last dividend in respect of FY2010. In addition, the Company's liner operating segment has not been profitable since its last reported profits in FY2010.*

*The Offer Price exceeds the highest closing price of the Company Shares in the last two (2) years prior to 16 July 2015 (the "**Unaffected Date**") being the last full day of trading in the Company Shares on the SGX-ST immediately preceding the announcement by the Company on 19 July 2015 in relation to media reports regarding a potential sale of the Company, and represents a premium of 48.6% over the closing price per Company Share on the Unaffected Date and a premium of 51.0%, 32.9%, 30.7% and 35.1% over the VWAP per Company Share for the one (1)-month, three (3)-month, six (6)-month and 12-month period prior to the Unaffected Date respectively.*



Notes:

(a) Based on data extracted from Bloomberg L.P..

(b) Company Share price figures are rounded to the nearest three (3) decimal places.

(c) Implied premium figures are rounded to the nearest one (1) decimal place.

Moreover, the trading liquidity of the Company Shares has been low. The average daily trading volume of the Company Shares for the one (1)-month, three (3)-month, six (6)-month and 12-month periods prior to the Unaffected Date represents less than 0.5% of the total number of issued Company Shares.

Period	***One (1)-month***	***Three (3)-month***	***Six (6)-month***	***12-month***
Average daily trading volume prior to Unaffected Date[(a)] as a percentage of total number of issued Company Shares	*0.4%*	*0.4%*	*0.3%*	*0.2%*

Note:

(a) Based on data extracted from Bloomberg L.P..

The Offer thus represents an opportunity for Shareholders to sell their Company Shares for cash at a price that represents a compelling premium to historical price benchmarks and without incurring brokerage fees.

7.3 Offeror's Intentions in Relation to the Company. *The Offeror attaches significant importance to Singapore and the region for the deployment of its strategy in Asia and intends to maintain high transit volume in Singapore. Moreover, CMA CGM aims to expand and strengthen its presence in Singapore, benefitting from the Company's historic legacy, human capital and intellectual capital and reinforcing Singapore's leadership in the maritime and shipping sector as part of the enlarged Group's strategy in Asia. The CMA CGM Group plans to retain and develop the American President Lines brand (APL). The CMA CGM Group will also contribute to reinforce Singapore as a centre of excellence in the field of maritime activities as the Offeror plans to use Singapore as a key hub in Asia and to establish its regional head office here. This consolidation of the CMA CGM Group's longstanding presence in Asia in Singapore aims to provide efficient and quality services to customers in the region, including the services provided by its subsidiaries, ANL and CNC Line.*

In this respect, the Offeror intends to perform a strategic review encompassing both the NOL Group and the current CMA CGM Group with a view to deleveraging the combined Group further to the Offer with the objective to sell assets in the aggregate amount of at least US$1 billion. Further to this strategic review, CMA CGM may also consider redeploying certain ships amongst trade lanes with a view to optimising fleet usage.

Save as disclosed above and in ***paragraph 6.1*** *of this Offeror's Letter, the Offeror presently has no intention to:*

(a) introduce any major changes to the business of the Company;

(b) redeploy the fixed assets of the Company; or

(c) discontinue the employment of the NOL Group Employees,

other than in the ordinary and usual course of business. However, the Offeror retains the flexibility at any time to consider any option in relation to the Group which may present itself or which the Offeror may regard to be in the interest of the Offeror and the Group taking into consideration the volatile environment in which the Offeror and the Company operate including, but not limited to, reorganisation in connection with integration.

The Offeror's intention in relation to the listing status of the Company is set out in ***paragraph 9.3*** *of this Offeror's Letter.*"

In order to attain sustainable growth and profitability on a standalone basis, the Company needs to achieve a better cost position through greater economies of scale. The Company believes that the combination with CMA CGM, the world's third largest container shipping line, would provide NOL with an opportunity to obtain the requisite scale needed for sustained profitability in the container shipping industry. Container shipping transportation is a highly volatile industry as well as very competitive as a result of its fragmentation. In this context, significant investments and hence financial resources are required to achieve profitable operations.

CMA CGM has a leading position on the Asia-Europe, Asia-Mediterranean, Africa and Latin America routes, whilst APL is strong along the Trans-Pacific, Far East-Middle East and Indian subcontinent shipping routes. The Company believes that this combination will allow both CMA CGM and NOL to leverage on each other's complementary strengths and broaden the combined Group's offerings to customers.

As reflected in **paragraph 7.3** of the Offeror's Letter, the Company notes that CMA CGM "intends to perform a strategic review encompassing both the NOL Group and the current CMA CGM Group with a view to deleveraging the combined Group further to the Offer with the objective to sell assets in the aggregate amount of at least US$1 billion". The Company notes that such asset sales would enable the combined Group to reduce its gearing and reinforce its balance sheet, which would be prudent in light of the challenging market environment.

As reflected in **paragraph 7.3** of the Offeror's Letter, the Company notes that, save as disclosed in **paragraphs 6.1** and **7.3** of the Offeror's Letter, CMA CGM "presently has no intention to discontinue the employment of the NOL Group Employees, other than in the ordinary and usual course of business" and that CMA CGM "attaches significant importance to Singapore and the region for the deployment of its strategy in Asia". In addition, as reflected in **paragraph 7.3** of the Offeror's Letter, the Company further notes that CMA CGM "aims to expand and strengthen its presence in Singapore" and "plans to use Singapore as a key hub in Asia and to establish its regional head office here". The Company welcomes these commitments and believes that this transaction will enable NOL to grow as part of a larger entity with the resources of the world's third largest container shipping line, creating better opportunities for NOL Group Employees.

7. LISTING STATUS AND COMPULSORY ACQUISITION

Information relating to the Offeror's intention in relation to the listing status of the Company and the Offeror's right of compulsory acquisition has been extracted *in toto* from **paragraph 9** of the Offeror's Letter and reproduced below. **Shareholders are advised to read paragraph 9 of the Offeror's Letter and the extract below carefully.**

"***9.1 Listing Status.*** *Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned or controlled by the Offeror and parties acting in concert with it to above 90% of the total number of issued Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares), the SGX-ST may suspend the listing of the Company Shares in the Ready and Unit Share markets until such time when the SGX-ST is satisfied that at least 10% of the total number of issued Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Company Shares, thus causing the percentage of the total number of issued Company Shares held in public hands to fall below 10%, the SGX-ST will suspend trading of the Company Shares only at the Closing Date.*

Under Rule 724(1) of the Listing Manual, if the percentage of the Company Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Company Shares on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Company Shares held in public hands to at least 10%, failing which the Company may be removed from the Official List.

9.2 Compulsory Acquisition. *Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Company Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Company Shares of Shareholders who have not accepted the Offer at a price equal to the Offer Price.*

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Company Shares which, together with (a) the Company Shares held by it, its related corporations and their respective nominees, and (b) any issued and paid up ordinary shares held by the Company as treasury shares, comprise 90% or more of all the Company Shares and any issued and paid up ordinary shares held by the Company as treasury shares, Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Company Shares at the Offer Price. Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

9.3 Offeror's Intentions. *As stated in the Pre-Conditional Offer Announcement and the Offer Announcement, the Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company.* ***Accordingly, the Offeror when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Company Shares by the SGX-ST to be lifted in the event that, inter alia, less than 10% of the total number of issued Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares) are held in public hands. In addition, the Offeror also intends to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.***"

8. FAIRNESS OPINION FROM THE OFFEREE'S FINANCIAL ADVISER TO THE BOARD

8.1 Offeree's Financial Adviser. Citi has been appointed as the Offeree's Financial Adviser in connection with the Offer.

8.2 Fairness Opinion. Citi had rendered its Fairness Opinion, dated and as at 5 December 2015, addressed solely to the Board, that based on Citi's experience as investment bankers, Citi's work described in the Fairness Opinion and other factors Citi deemed relevant, and subject to the assumptions made, procedures followed, matters considered, and qualifications and limitations set forth in the Fairness Opinion, the Offer Price of S$1.30 in cash for each Offer Share was fair, from a financial point of view, to Shareholders (other than Temasek and its affiliates).

The Fairness Opinion issued by Citi does not constitute independent advice for the purposes of Rule 7.1 of the Code and Citi had not rendered the Fairness Opinion in the capacity of an independent financial adviser to the Independent Directors in respect of the Offer.

A copy of the Fairness Opinion issued by Citi is reproduced in **Appendix A** to this Composite Document.

9. ADVICE OF IFA

9.1 IFA. MKES has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should consider carefully the recommendation of the Independent Directors and the advice and recommendation of MKES to the Independent Directors before deciding whether to accept or reject the Offer. MKES's advice and recommendation are set out in the IFA Letter.

9.2 IFA's Advice and Recommendation to the Independent Directors. The advice and recommendation of MKES to the Independent Directors in respect of the Offer is reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

"***8 CONCLUSION AND RECOMMENDATION***

This summary should be read in conjunction with, and in the context of, the full text of this letter. In arriving at our advice in respect of the Offer, we have taken into account, inter alia, the following key considerations summarised below.

(a) in the 12-month period prior to the Pre-Conditional Offer Announcement Date and the period from the Pre-Conditional Offer Announcement Date to the Latest Practicable Date, the Company Shares have not traded above the Offer Price;

(b) the Company Shares do not suffer from illiquid trading conditions and that the historical market price of the Company Shares provides a meaningful reference point for comparison with the Offer Price;

(c) in the 12-month period prior to and including the Latest Practicable Date, the Company's Average Daily Trading Volume of 1.60% to Free Float and Average Daily Trading Value of 0.30% to Market Capitalisation is higher than the respective mean and median liquidity measure for the Top-15 SGX-ST listed companies by market capitalisation for the same time period;

(d) the Offer Price represents a premium of 0.4% over the last traded price of the Company Shares on the SGX-ST on the Latest Practicable Date and a premium of approximately 0.8%, 2.3%, 4.8% and 20.3% over the VWAP of the Company Shares for the 1-month, 3-month, 6-month and 12-month periods prior to and including the Latest Practicable Date;

(e) the Offer Price represents a premium of 6.1% over the last traded price of the Company Shares on the SGX-ST prior to the Pre-Conditional Offer Announcement Date and a premium of approximately 14.6%, 22.0%, 31.1% and 29.9% over the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Pre-Conditional Offer Announcement Date;

(f) the Offer Price represents a premium of 48.6% over the last traded price of the Company Shares on the SGX-ST on the Unaffected Date and a premium of approximately 51.0%, 32.9%, 30.7% and 35.1% over the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to and including the Unaffected Date;

(g) the premia implied by the Offer Price over the last traded price, 1-month, 3-month and 6-month VWAP of the Company Shares prior to and including the Unaffected Date are within the range and higher than the mean and median as implied by the respective offer prices in respect of the Precedent Privatisations;

(h) the valuation multiples implied by the Offer Price are within the trading levels of the Comparable Companies;

(i) the valuation multiples implied by the Offer Price are within or above the range of the implied transaction multiples indicated by the Selected Precedent Transactions;

(j) Offer Price represents a premium of 18.8% to the average price target estimates by research brokers as at the Unaffected Date, according to Bloomberg L.P., Thomson Research and research reports available to us. Offer Price represents a premium of 9.2% to the average price target estimates by research brokers as at the Latest Practicable Date based on broker research price targets for reports released between the Pre-Conditional Offer Announcement Date to the Latest Practicable Date, according to Bloomberg L.P., Thomson Research and research reports available to us;

(k) Lentor has provided an irrevocable undertaking to the Offeror to tender, and to procure the tender by Temasek and Startree, in acceptance of the Offer, of 1,738,676,330 Company Shares representing approximately 66.78% of the Company Shares as at the Latest Practicable Date (which, for the avoidance of doubt, excludes ordinary shares held by the Company as treasury shares). After such tender by Lentor, Temasek and Startree in acceptance of the Offer, the Offer will become and be declared to be unconditional as to acceptances;

(l) as at the Latest Practicable Date, CMA CGM (including parties acting in concert with it) owned, controlled or agreed to acquire 277,037,694 Company Shares, representing approximately 10.64% of the Company Shares;

(m) review of relevant Company announcement and fillings, including announcement dated 7 November 2015 stating that the Company was in discussions with CMA CGM and AP Moeller-Maersk;

*(n) Independent Directors' preliminary recommendation, as disclosed in the Pre-Conditional Offer Announcement, stating that, "Having improved the performance of the business over the last few years, the Independent Directors undertook a review of the Company and its subsidiaries (the "**Group**") and the Group's potential opportunities. Given the need for substantial, continued capital investment and the need to return the Group's core liner business to sustainable growth and profitability, and having assessed all strategic options available to the Group, the Independent Directors believe that the Offer would enable the Group to realise immediate and attractive value for Shareholders. The acquisition of the*

Company by the Offeror is expected to cement the combined company's position as one of the three largest liner shipping companies in the world. The combined company is expected to have the strength, scale and resources to compete effectively in an industry where consolidation and investment in larger and modern vessels is changing the competitive landscape";

(o) comparison of the financial and operating performance of the NOL Group with publicly available information concerning the Comparable Companies. The NOL Group's profitability (as indicated by the LTM EBITDA margin) is lower than the mean of the Comparable Companies and the NOL Group's financial leverage position (as indicated by the Net Debt/LTM EBITDA multiple) is higher than the mean of the Comparable Companies. The NOL Group has recorded pre-tax losses (excluding the one-time gain on the sale of NOL's logistics unit in FY2015) for the three most recently completed consecutive financial years;

(p) confirmation from the Company that alternative strategic options were considered, but the Company was of the view that none of these options represented as compelling a proposal as the Offer;

(q) discussions with representatives of the Company; and

(r) other relevant considerations.

In summary, having considered the aforesaid points including the various factors as set out in this letter, we are of the opinion that the financial terms of the Offer are, on balance, fair and reasonable, from a financial point of view. Based on our opinion and accordingly, we advise the Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions.

We wish to emphasise that we have been appointed to render our opinion on the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company.

In rendering our advice, we have not considered the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

The Independent Directors should note that trading of the Company Shares is subject to, inter alia, the performance and prospects of the Company, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, our opinion does not and cannot take into account future trading activities, patterns or price levels that may be established beyond the Latest Practicable Date.

The Independent Directors should advise the Shareholders that the opinion and advice of MKES should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

This letter is addressed to the Independent Directors solely for their benefit, in connection with and for the purpose of their consideration of the Offer, any recommendation to the Shareholders remains the sole responsibility of the Independent Directors."

Shareholders should read and consider carefully the considerations relied upon by MKES in arriving at its advice to the Independent Directors, in conjunction with and in the context of the full text of the IFA Letter.

10. RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS

10.1 Recommendations. The Independent Directors, having considered carefully the Fairness Opinion, dated and as at 5 December 2015, addressed solely to the Board, the terms and conditions of the Offer and the advice given and recommendation made by MKES in the IFA Letter, concur with the recommendation of MKES in respect of the Offer, and accordingly, they recommend that Shareholders **accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions.**

SHAREHOLDERS ARE ADVISED TO READ THE IFA LETTER SET OUT IN APPENDIX B TO THIS COMPOSITE DOCUMENT CAREFULLY. SHAREHOLDERS ARE FURTHER ADVISED THAT THE OPINION AND ADVICE OF MKES SHOULD NOT BE RELIED UPON BY ANY SHAREHOLDER AS THE SOLE BASIS FOR DECIDING WHETHER OR NOT TO ACCEPT THE OFFER.

10.2 No Regard to Specific Objectives. In making their recommendations, the Independent Directors have not had regard to the specific objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

10.3 Exemption in Relation to Recommendations of the Independent Directors. Mr. Ng Yat Chung has been exempted by the SIC from making, and assuming responsibility for, any recommendation to Shareholders in respect of the Offer, for the reason disclosed in **paragraph 6.2(f)** of **Appendix C** to this Composite Document. Notwithstanding such exemption, Mr. Ng Yat Chung still assumes responsibility for the accuracy of facts stated in this Offeree's Circular.

11. OVERSEAS SHAREHOLDERS

Information in relation to Overseas Shareholders has been set out in **paragraph 11** of the Offeror's Letter.

12. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

Information relating to CPFIS Investors and SRS Investors has been set out in **paragraph 12** of the Offeror's Letter.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to accept the Offer must do so not later than **5:30 p.m. (Singapore time) on 4 July 2016** or such later date(s) as may be announced from time to time by or on behalf of the Offeror, abiding by the procedures for the acceptance of the Offer as set out in **Appendix 2** to this Composite Document, the FAA and/or the FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA) or the Registrar (in respect of the FAT), as the case may be, not later than **5:30 p.m. (Singapore time) on 4 July 2016** or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

Shareholders are advised to read the Offer Document, the FAA and/or the FAT carefully for full details relating to the Offer.

14. COMPANY DIRECTORS' RESPONSIBILITY STATEMENT

The Company Directors (including those who may have delegated detailed supervision of this Offeree's Circular, comprising this letter to Shareholders from the Board and **Appendices A** to **H** to this Composite Document) have taken all reasonable care to ensure that the facts stated and (save as set out below) all opinions expressed in this Offeree's Circular (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror, the Offer, the letter issued by Ernst & Young LLP concerning the Company PSP, Company RSP and Company SOP, the Fairness Opinion, the IFA Letter and the letters issued by the auditors of the Company and the IFA concerning the 1Q2016 Results) are fair and accurate and that no material facts have been omitted from this Offeree's Circular, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Company Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Offeree's Circular.

In respect of the letter issued by Ernst & Young LLP concerning the Company PSP, Company RSP and Company SOP, the Fairness Opinion, the IFA Letter and the letters issued by the auditors of the Company and the IFA concerning the 1Q2016 Results referred to in **paragraphs 2.3** and **2.4** of this Offeree's Circular and **Appendices A, B, F** and **G** to this Composite Document, respectively, the sole responsibility of the Company Directors has been to ensure that the information relating to the NOL Group are fair and accurate. Save as otherwise expressed in any of the said documents, the Company Directors do not

accept any responsibility for any information relating to or opinions expressed by Citi, MKES or the Offeror, whether in **Appendix A** or **B** to this Composite Document, in the Offer Document or otherwise.

As set out in **paragraph 10.3** above, Mr. Ng Yat Chung has been exempted by the SIC from making, and assuming responsibility for, any recommendations to Shareholders in respect of the Offer.

Yours faithfully
For and on behalf of
the Board of Directors of
Neptune Orient Lines Limited

Mr. Kwa Chong Seng
Chairman

8 Marina View
#21-00 Asia Square Tower 1
Singapore 018960

Corporate and
Investment Banking
December 5, 2015

The Board of Directors
Neptune Orient Lines Limited
#14-01 The Metropolis Tower 1
Singapore 138588

Members of the Board:

You have requested our opinion as to the fairness, from a financial point of view, to the holders (other than Temasek Holdings (Private) Limited and its affiliates) of the ordinary shares (the "NOL Shares") in the capital of Neptune Orient Lines Limited ("NOL") of the Offer Consideration (defined below) to be received by such holders who accept a voluntary conditional offer to be made by or on behalf of CMA CGM S.A. ("CMA CGM") to acquire all of the NOL Shares (other than NOL Shares held by NOL as treasury shares and NOL Shares owned, controlled or agreed to be acquired by CMA CGM) for S$1.30 in cash for each NOL Share (the "Offer Consideration"), in accordance with Rule 15 of the Singapore Code on Takeovers and Mergers (the "Code") and pursuant to the terms and subject to the pre-conditions and conditions set forth in an announcement to be made by or on behalf of CMA CGM, a draft of which is under consideration by the board of directors of CMA CGM as of the date hereof (the "Pre-Conditional Offer Announcement" and the offer described in the Pre-Conditional Offer Announcement, the "Offer").

In arriving at our opinion, we reviewed a draft dated December 4, 2015 of the Pre-Conditional Offer Announcement, and held discussions with certain senior officers, directors and other representatives and advisors of NOL concerning the business, operations and prospects of NOL. We examined certain publicly available business and financial information relating to NOL as well as certain financial forecasts and other information and data relating to NOL which were provided to or discussed with us by the management of NOL. We reviewed the financial terms of the Offer as set forth in the Pre-Conditional Offer Announcement in relation to, among other things: current and historical market prices and trading volumes of NOL Shares; the historical and projected earnings and other operating data of NOL; and the capitalization and financial condition of NOL. We analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations we considered relevant in evaluating those of NOL. In connection with our engagement, and at the direction of NOL, we were requested to approach, and we held discussions with, selected third parties to solicit indications of interest in the possible acquisition of NOL. In addition to the foregoing, we conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as we deemed appropriate in arriving at our opinion. The issuance of our opinion has been authorized by our fairness opinion committee.

In rendering our opinion, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and upon the assurances of the management of NOL that they are not aware of any relevant information that has been omitted or that remains undisclosed to us. With respect to financial projections, forecasts and other information and data relating to NOL provided to or otherwise reviewed by or discussed with us, we have been advised by the management of NOL, and we have assumed that such projections, forecasts and other information and data were reasonably prepared in accordance with Singapore Financial Reporting Standards on bases reflecting the best currently available estimates and judgments of the management of NOL, held honestly and in good faith, as to the future financial performance of NOL.

The Board of Directors
Neptune Orient Lines Limited
December 5, 2015

We have assumed, with your consent, that the Offer will be implemented in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Offer, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on NOL or the Offer. Representatives of NOL have advised us, and we further have assumed, that the final terms of the Pre-Conditional Offer Announcement will not vary materially from those set forth in the draft Pre-Conditional Offer Announcement reviewed by us. We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of NOL nor have we made any physical inspection of the properties or assets of NOL. Our opinion does not address the underlying business decision of NOL to implement the Offer as set out in the Pre-Conditional Offer Announcement, the relative merits of the Offer as compared to any alternative business strategies that might exist for NOL or the effect of any other transaction in which NOL might engage. We also express no view as to, and our opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation (including but not limited to the termination fee that is described in the Pre-Conditional Offer Announcement and the consideration to be paid to holders of the awards granted by NOL pursuant to the NOL Share Option Plan, the NOL Restricted Share Plan 2010 and the NOL Performance Share Plan 2010) to any officers, directors or employees of NOL, CMA CGM or any other person, or any class of such persons, relative to the Offer Consideration. Our opinion is necessarily based upon information available to us, and financial, stock market and other conditions and circumstances existing, as of the date hereof and we assume no responsibility to update, revise or reaffirm this opinion.

Citigroup Global Markets Singapore Pte. Ltd. has acted as financial advisor to NOL in connection with the Offer and will receive a fee for such services contingent upon the implementation of the Offer. We and our affiliates in the past have provided, and currently provide, services to NOL and CMA CGM and their respective affiliates unrelated to the Offer, for which services we and such of our affiliates have received and expect to receive compensation, including, without limitation, (i) acting as financial advisor to NOL on the sale of its wholly owned subsidiary APL Logistics Limited in 2015, (ii) acting as lender to NOL for a US$68 million secured shipping finance term loan in 2014, (iii) acting as lender to NOL for a US$100 million short-term loan facility; (iv) acting as lender to NOL for a US$50 million short-term loan facility in 2015; and (v) acting as lead arranger and joint bookrunner for a US$1.1 billion term loan for CMA CGM, first entered into in 2007. In the ordinary course of our business, we and our affiliates may actively trade or hold the securities of NOL and CMA CGM for our own account or for the account of our customers and, accordingly, may at any time hold a long or short position in such securities. In addition, we and our affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with NOL, CMA CGM and their respective affiliates.

Our advisory services and the opinion expressed herein are provided for the information of the Board of Directors of NOL in its evaluation of the Offer, and our opinion is not intended to be and does not constitute advice (independent or otherwise) or a recommendation to any holder of NOL Shares as to how such holder should vote or act on any matters relating to the Offer including for purposes of Rule 7.1 of the Code. Our advisory services and the opinion expressed herein do not into take account the general or specific investment objectives, financial situation, risk profile, tax status or position, or particular needs and constraints or circumstances of any holder of NOL Shares. We are not acting as an independent financial advisor to NOL in connection with the Offer within the meaning of the Code or the Listing Manual of Singapore Exchange Securities Trading Ltd. We assume that the directors of NOL will, in accordance with the requirements of the Code, appoint an independent financial advisor in due course.

The Board of Directors
Neptune Orient Lines Limited
December 5, 2015

Based upon and subject to the foregoing, our experience as investment bankers, our work as described above and other factors we deemed relevant, we are of the opinion that, as of the date hereof, the Offer Consideration is fair, from a financial point of view, to the holders of NOL Shares (other than Temasek Holdings (Private) Limited and its affiliates).[1]

Very truly yours,

Citigroup Global Markets Singapore Pte Ltd

CITIGROUP GLOBAL MARKETS SINGAPORE PTE. LTD.

[1] For the avoidance of doubt, we express no opinion as to whether the Offer Consideration is or is not fair, from a financial point of view, to Temasek Holdings (Private) Limited and its affiliates in their capacity as holders of NOL Shares or otherwise.

APPENDIX B – LETTER FROM IFA TO INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

6 June 2016

To: The Independent Directors of
Neptune Orient Lines Limited
9 North Buona Vista Drive
#14-01 The Metropolis
Singapore 138588

Dear Sir/Madam,

VOLUNTARY CONDITIONAL GENERAL OFFER (THE "OFFER") BY BNP PARIBAS, SINGAPORE BRANCH ("BNP"), THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE BRANCH ("HSBC") AND J.P. MORGAN (S.E.A.) LIMITED ("JP MORGAN") FOR AND ON BEHALF OF CMA CGM S.A. (THE "OFFEROR"), TO ACQUIRE ALL THE ISSUED AND PAID UP ORDINARY SHARES IN THE CAPITAL OF NEPTUNE ORIENT LINES LIMITED ("NOL" OR THE "COMPANY"), OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR

1 INTRODUCTION

On 7 December 2015 (the "**Pre-Conditional Offer Announcement Date**"), BNP Paribas, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, and J.P. Morgan (S.E.A.) Limited. (collectively, the "**Offeror's Financial Advisers**") announced, for and on behalf of the Offeror, that the Offeror intends to make an Offer for all the issued and paid up ordinary shares in the capital of NOL, other than those already owned, controlled or agreed to be acquired by the Offeror on the basis of S$1.30 in cash for each Offer Share.

Lentor Investments Pte. Ltd. ("**Lentor**") (a wholly-owned subsidiary of Temasek Holdings (Private) Limited) has provided the Main Shareholder Irrevocable Undertaking to the Offeror. Under the Main Shareholder Irrevocable Undertaking, Lentor has provided an irrevocable undertaking to the Offeror, to tender, and to procure the tender by Temasek Holdings (Private) Limited ("**Temasek**") and Startree Investments Pte. Ltd. ("**Startree**") of, the Undertaking Shares in acceptance of the Offer. Temasek holds an aggregate interest, direct and deemed, in 1,738,676,330 Company Shares ("**Undertaking Shares**"), representing approximately 66.78% of all the Company Shares (excluding treasury shares).

By way of the press releases dated 29 April 2016, 25 May 2016 and 30 May 2016 respectively (collectively, the "**Press Releases**"), the Offeror announced that the Pre-Conditions had been satisfied or waived (as the case may be).

Further to the satisfaction or waiver (as the case may be) of all the Pre-Conditions on 30 May 2016, the Offeror's Financial Advisers released on the same day, for and on behalf of the Offeror, the Offer Announcement.

Maybank Kim Eng Securities Pte. Ltd. ("**MKES**") has been appointed by the Company to advise the directors of the Company who are considered to be independent for the purposes of the Offer (the "**Independent Directors**"). This letter, which sets out, *inter alia*, our views and evaluation of the financial terms of the Offer and our advice thereon to the Independent

Directors, will form part of the composite document dated 6 June 2016 and jointly issued by the Offeror's Financial Advisers (for and on behalf of the Offeror) and the Company, in respect of the Offer (the "**Composite Document**").

Unless otherwise defined or the context otherwise requires, capitalised terms defined in the Composite Document shall bear the same meanings when used herein.

2 TERMS OF REFERENCE

We do not, by this letter, comment on or warrant the merits of the Offer other than to form an opinion, for the purposes of compliance with the Singapore Code on Take-overs and Mergers (the "**Code**"), as to whether the financial terms of the Offer are fair and reasonable.

We have confined our evaluation to the financial terms of the Offer. Our terms of reference do not require us to evaluate or comment on the legal, strategic or commercial merits and/or risks of the Offer or on the future prospects of the Company or any of its related or associated companies (the "**Group**"). Such evaluation or comment, if any, remains the sole responsibility of the Company Directors and the management although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us and provided that such has been disclosed to us) in arriving at our view as set out in this letter. We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Company Shares or the assets of the Company. We are therefore not addressing the relative merits of the Offer as compared to any alternative transaction (if any) previously considered by the Company (or the Shareholders) or that otherwise may be available to the Company (or the Shareholders), or as compared to any alternative offer that might otherwise be available in the future.

We were neither a party to the negotiations entered into by the Company and/or Lentor in relation to the Offer nor were we involved in the discussions leading up to the decision on the part of the Company Directors to enter into the Offer Implementation Agreement dated 7 December 2015. We were not requested to, and did not provide advice or opinion concerning the structure, the specific amounts of the Offer or any other aspects of the Offer, or provide services other than the delivery of this opinion.

The Board have confirmed to us that all relevant information duly required for our performance of services as an Independent Financial Adviser ("**IFA**") hereunder has been provided to us, that such information provided and all representations made to us in connection with our appointment hereunder are true, complete and accurate as at 26 May 2016 (the "**Latest Practicable Date**"), and that there are no omissions which would cause any information disclosed to us to be inaccurate, incomplete or misleading as at the Latest Practicable Date. The Company Directors have jointly and severally accepted responsibility for the accuracy and completeness of such information.

We have relied upon the assurances of the Company Directors that the Offeree's Circular has been approved by the Company Directors (including those who may have delegated detailed supervision of the Offeree's Circular). We have also relied upon such confirmation by the Company Directors and the assurances of the Company Directors made pursuant to the Company Directors' responsibility statement set out in paragraph 14 of the Letter to Shareholders from the Board in the Offeree's Circular, that the Company Directors (including those who may have delegated detailed supervision of the Offeree's Circular) have taken all

reasonable care to ensure that the facts stated and (save as set out below) all opinions expressed in the Offeree's Circular (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror, the Offer, the letter issued by Ernst & Young LLP concerning the Company PSP, Company RSP and Company SOP, the Fairness Opinion, this letter and the letters issued by the auditors of the Company and the IFA concerning the 1Q2016 Results) are fair and accurate and that no material facts have been omitted from the Offeree's Circular, and they jointly and severally accept responsibility accordingly.

Where any information provided to us has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Company Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in the Offeree's Circular.

As set out in paragraph 10.3 of the Offeree's Circular, we note that Mr. Ng Yat Chung has been exempted by the SIC from making, and assuming responsibility for, any recommendations to Shareholders in respect of the Offer.

We have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to us by the Group, the management, Company Directors, and the Company's solicitors and auditors, and formed a substantial basis for this opinion. We have not independently verified such information, or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or implied, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation, or assurance.

We are not required to express, and we do not express, any view on the growth prospects, earnings potential or valuation of the Company. We are therefore not expressing any view herein as to the prices at which the Company Shares may trade assuming the absence of the Offer or if the Offer is not effected, or on the financial performance of the Company.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Group and we have not been furnished with any such independent evaluation or appraisal. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us.

The preparation of this letter, our financial evaluation of the Offer and our opinion in this letter are based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, as well as publicly available information and information provided to us by the Group, the management, Company Directors, and the Company's solicitors and auditors, as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. Shareholders should further take note of any announcements relevant to their consideration of the Offer which may be released by the Company and/or the Offeror after the Latest Practicable Date. In arriving at our view, we have taken into account certain other factors and have been required to make certain

assumptions. Save as may be required by the Code, we assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In rendering our advice and giving our opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

We are not legal, tax or regulatory advisers. We are financial advisers only and have relied upon, without independent verification, the assessment of the Company by its legal, tax or other regulatory advisers with respect to legal, tax or regulatory requirements.

The Company has been separately advised by its own advisers in the preparation of the Offeree's Circular (other than this letter and the Letter from the IFA on the 1Q2016 Results). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Offeree's Circular (other than this letter and the Letter from the IFA on the 1Q2016 Results). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Offeree's Circular (other than this letter and the Letter from the IFA on the 1Q2016 Results).

This letter is addressed to the Independent Directors solely for their benefit in connection with and for the purposes of their consideration of the Offer, and the recommendations made by them to Shareholders with regard to the Offer shall remain the responsibility of the Independent Directors. Our opinion should not, in any event, be relied on as a recommendation to, or confer any rights or remedies upon, any Shareholder as to what they should do in relation to the Offer or any matters related thereto. Nothing herein shall confer or be deemed or is intended to confer, any right or benefit to any third party.

Our advice in relation to the Offer should be considered in the context of the entirety of this letter and the Offeree's Circular.

3 THE OFFER

The principal terms and conditions of the Offer are set out in paragraph 2 of the Offer Document. Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.

Based on the information set out in the Offer Document, the Offeror's Financial Advisers have, for and on behalf of the Offeror, made the Offer to acquire all the Company Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, in accordance with Rule 15 of the Code.

3.1 Offer Terms

As stated in paragraph 2.1 of the Offer Document, the Offeror's Financial Advisers, for and on behalf of the Offeror, make the Offer on the following basis:

(a) **Offer Price: S$1.30 in cash (the "Offer Price") for each Offer Share.**

Pursuant to the Offer, the Offer Shares are to be transferred by the Shareholders to the Offeror (i) fully paid; (ii) free from any lien, equity, mortgage, charge, encumbrance, easement, right of pre-emption, security, title retention, preferential right, trust arrangement or other security interest or other third party right and interest of any nature whatsoever ("**Encumbrance**"); and (iii) together with all rights, benefits and entitlements as of the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.

If any dividend, other distribution or return of capital is declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.

(b) The Offer will also be extended to all new Company Shares unconditionally issued prior to the Closing Date pursuant to the valid exercise of Company Options pursuant to the Company SOP. For the purposes of the Offer, the expression "**Offer Shares**" shall include such new Company Shares.

(c) **The Offeror does not intend to increase the Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price, in any way.**

3.2 Conditions of the Offer

As stated in paragraph 2.2 of the Offer Document, the Offer will be conditional upon the Offeror having received, by the Closing Date, valid acceptances in respect of such number of Offer Shares which, together with the Company Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it either before or during the Offer and pursuant to the Offer or otherwise, will result in the Offeror and parties acting in concert with it holding such number of Company Shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the Closing Date.

(a) Accordingly, the Offer will not become or be capable of being declared to be unconditional as to acceptances unless, at any time prior to the Closing Date, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the Company Shares owned, controlled or agreed to be acquired before or during the Offer and pursuant to the Offer or otherwise, by or on behalf of the Offeror and parties acting in concert with the Offeror, will result in the Offeror and parties acting in concert with the Offeror holding such number of Company Shares representing more than 50% of the maximum potential issued shares in the Company (the "**Minimum Acceptance Condition**"). For the purposes of the Offer

Document, the "**maximum potential issued shares in the Company**" means the total number of Company Shares which would be in issue had all the outstanding Company Options been validly exercised and all Company PSP Awards and Company RSP Awards been validly vested as at the date of such declaration.

(b) It is however specified that, as further described in paragraph 4.1 of the Offeror's Letter, Lentor has provided an irrevocable undertaking to the Offeror to tender, and to procure the tender by Temasek and Startree, in acceptance of the Offer, of approximately 66.78% of the Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares). **After such tender by Lentor and its affiliates, Temasek and Startree, in acceptance of the Offer, the Offer will become and be declared to be unconditional as to acceptances.**

3.3 Options and Awards

Based on the latest information available to the Offeror as stated in paragraph 6.1 of the Offer Document, as at the Latest Practicable Date:

(i) the total number of Company Shares which are subject to awards granted under the Company PSP is 7,263,355;

(ii) the total number of Company Shares which are subject to awards granted under Company RSP is 9,173,726; and

(iii) the total number of Company Options exercisable into Company Shares is 12,602,525.

3.4 Details of the Offer

The Offer will close at 5:30 p.m. on 4 July 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Appendix 1 of the Offer Document sets out further details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

Appendix 2 of the Offer Document sets out the procedures for acceptance of the Offer by a Shareholder.

3.5 Main Shareholder Irrevocable Undertaking

As set out in paragraph 4.1 of the Offer Document, Lentor has provided an irrevocable undertaking (the "**Main Shareholder Irrevocable Undertaking**") to the Offeror to tender, and to procure the tender by Temasek and Startree of, the Undertaking Shares in acceptance of the Offer by no later than **5:00 p.m. (Singapore time)** on the 6th day after the Despatch Date, upon and subject to the terms and conditions of the Main Shareholder Irrevocable Undertaking. Notwithstanding the provisions of the Code or any term of the Offer regarding withdrawal, Lentor has agreed not to, and to procure that Temasek and Startree will not, withdraw such acceptance(s).

As at the Latest Practicable Date, Temasek holds an aggregate interest, direct and deemed (through its wholly-owned subsidiaries, Lentor and Startree), in 1,738,676,330 Company Shares ("**Undertaking Shares**"), representing approximately 66.78% of the Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares).

4 INFORMATION ON THE OFFEROR

Please refer to paragraph 5 of the Offer Document for information on the Offeror.

5 OFFEROR'S RATIONALE AND INTENTIONS

Please refer to paragraph 7 of the Offer Document for rationale for the Offeror and intentions in relation to the Company.

6 ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

6.1 General Bases and Assumptions

The figures and underlying financial data used in our analyses in this section of this letter have been extracted from, amongst others, Bloomberg L.P., Capital IQ, SGX-ST filings and relevant public documents of those respective companies covered by those sources as at the Latest Practicable Date. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and make no representations or warranties, express or implied, on the accuracy or completeness or adequacy of such information. We note that the accounting polices used by the respective comparable companies or the targets of the comparable transactions may be different. The differences between accounting principles used by the Company and the respective accounting polices used by the comparable companies or the targets of the comparable transactions may therefore render comparisons between these companies less useful than if they all used the same accounting policy. In addition, we point out that the comparable companies or the targets of the comparable transactions are not exactly identical to the Company in terms of location, business mix, scale, geographical spread and track record. Any conclusions drawn from comparisons made may therefore not necessarily reflect the possible market valuation for the Company.

For the purpose of our analysis, we have only considered the issued and paid-up share capital of the Company as of the Latest Practicable Date comprising 2,603,559,950 issued Company Shares (excluding 1,726,717 issued and paid-up ordinary shares held by the Company as treasury shares).

6.2 Methodology

In assessing the fairness and reasonableness of the financial terms of the Offer from a financial point of view as at the Latest Practicable Date, we have considered the following factors which we consider to be pertinent and to have a significant bearing on our assessment:

(a) share price analysis to assess how the Offer Price compares to the historical share price of the Company over different observation periods;

(b) liquidity analysis to assess whether the historical share price of the Company provides a meaningful reference point for comparison against the Offer Price;

(c) precedent take-over analysis to compare the premium/discount of the Offer Price over the historical share price of the Company to selected take-over offer transactions in Singapore;

(d) trading comparable analysis to assess the valuation multiples implied by the Offer Price in comparison with trading multiples of comparable companies;

(e) precedent transaction analysis to assess the valuation multiples implied by the Offer Price in comparison with multiples of comparable transactions; and

(f) research broker estimates analysis to assess how the Offer Price compares to research broker estimates for the Company.

We have not conducted or relied upon a market-based appraisal ("**Asset Appraisal**") of the key assets, including vessels owned by the Company.

While, we note that Asset Appraisal may be considered as a reference point in shipping transactions when assets are acquired or sold. However, given the nature of the Offer, the Company and the IFA concluded that this methodology is not relevant or applicable to valuation exercise for the reasons outlined below:

- Asset Appraisal does not capture the cash flows generated or the value attributed to the long term commercial agreements.

- The Company believes that the true value of the business lies in the network, alliances and customer relationships and as such a valuation of the fleet may not accurately reflect the value of the business.

- The Company has not conducted any revaluation or market appraisal of assets historically or in connection with the Offer. It does however work with the auditors to test the assets for impairment on a regular basis.

- The Company confirmed that the value of the fleet was not considered in the negotiations of the Offer Price.

- The carrying value of the fleet is captured under the balance sheet and taken into account through an evaluation of Price/Book multiples. The book value of a fixed asset is a historical accounting value based on the cost of the vessels at the time of acquisition and the estimated useful life of the vessels. The market value of vessels can fluctuate over time driven by demand and supply in the industry.

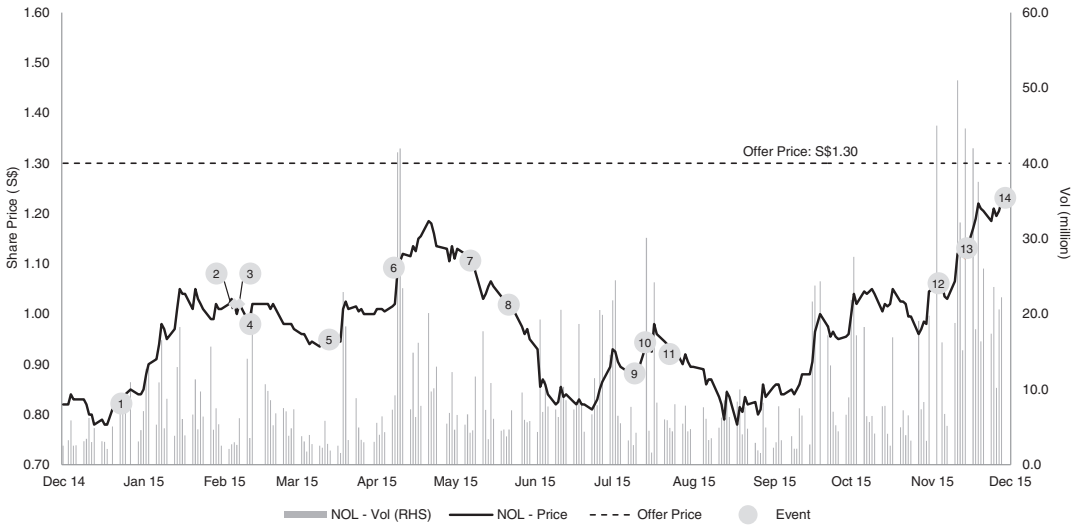
In light of the above, the IFA did not take Asset Appraisal into account in arriving at its conclusions.

The evaluation parameters are discussed in greater detail in the ensuing paragraphs.

6.3 Historical Share Price Trading Analysis

(a) Historical share price performance and trading volume for the 12-month period prior to and including the Pre-Conditional Offer Announcement Date

We set out in the chart below, the closing price and daily trading volume of the Company Shares for the 12-month period prior to and including the Pre-Conditional Offer Announcement Date.



	Date	Synopsis
1	30-Dec-2014	NOL announced that its wholly owned subsidiary APL Logistics Ltd ("**APLL**") acquired the remaining 24% shareholding in Indian Infrastructure & Logistics Private Limited from its joint venture ("**JV**") partner, HIPE Transportation Infrastructure Ventures Pte Ltd, for US$10.0 million cash
2	11-Feb-2015	NOL's wholly-owned subsidiary, APL Logistics Transportation Management Services Ltd, entered into a 51-49 JV with CFR Rinkens LLC for the purposes of transporting vehicles via rail in United States, Mexico and Canada
3	13-Feb-2015	NOL released FY14 full year results, recording pre-tax losses for the 3 most recently completed consecutive financial years
4	17-Feb-2015	NOL announced the proposed sale of APLL to Kintetsu World Express, Inc ("**Kintetsu**") for US$1.2 billion cash
5	20-Mar-2015	NOL announced EGM for the purpose of considering and approving the sale of its logistics business, APLL to Kintensu

	Date	Synopsis
6	15-Apr-2015	NOL announced the approval in its EGM for the sale of APLL
7	14-May-2015	NOL announced unaudited consolidated earnings results for Q1 2015
8	29-May-2015	NOL announced completion of the sale of APLL to Kintetsu
9	16-Jul-2015	Media reported rumours that Temasek has put NOL up for sale according to insiders
10	19-Jul-2015	NOL announced that it has not made any decisions with respect to, and has not entered into any agreement for a potential sale of the Company
11	31-Jul-2015	Media quoted NOL CEO that the Company may be sold
12	07-Nov-2015	NOL reported that it is in separate talks with CMA CGM and AP Moeller-Maersk on a potential sale of the Company
13	21-Nov-2015	NOL announced that its single largest shareholder, Lentor Investments have entered into an exclusivity agreement with CMA CGM with respect to a potential acquisition of NOL by way of pre-conditional voluntary general offer ("**Pre-Conditional VGO**"), granting CMA CGM exclusivity until 7 December 2015
14	07-Dec-2015	CMA CGM announced a Pre-Conditional VGO to purchase up to 100% of the shares in NOL at S$1.30 per share

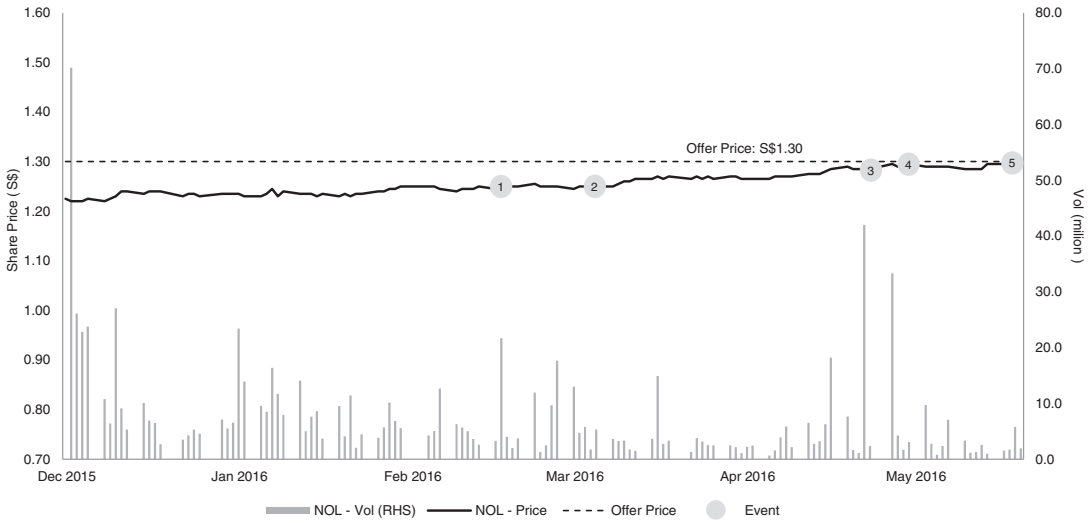
Sources: Capital IQ, Bloomberg L.P. and Company's filings

The Company Shares have traded in a band between S$0.770 and S$1.240 over the 12-month period prior to and including the Pre-Conditional Offer Announcement Date. We note that the Company Shares have not traded above the Offer Price for the last 12 months preceding the Pre-Conditional Offer Announcement Date.

The Independent Directors should note that on 19 July 2015, the Company responded to media reports regarding a potential sale of the Company by stating that it had not made any decisions with respect to, and had not entered into any agreement for a potential sale of the Company and that there was no assurance that any agreement for the sale of the Company will be entered into. This information may have been incorporated into the price of the Company Shares on the SGX-ST prior to the Possible Offer Announcement Date on 7 November 2015 such that 16 July 2015 (being the last full day of trading immediately preceding the announcement by NOL on 19 July 2015) can be considered the "**Unaffected Date**".

(b) Historical share price performance and trading volume from the Pre-Conditional Offer Announcement Date to and including the Latest Practicable Date

We also set out in the chart below, the closing price and daily trading volume of the Company Shares from the Pre-Conditional Offer Announcement Date prior to and including the Latest Practicable Date.



	Date	Synopsis
1	23-Feb-2016	NOL released FY15 full year results, recorded pre-tax losses (excluding the one-time gain on the sale of NOL's logistics unit in FY2015) for the 3 most recently completed consecutive financial years
2	11-Mar-2016	NOL completed the sale of its remaining 49.95% interest in Vascor India Pte Ltd to APLL for US$8.6 million, set-off against amounts owing to APLL
3	29-Apr-2016	CMA CGM announced that it has received anti-trust regulatory clearance from the European Commission for its Pre-Conditional VGO for NOL
4	06-May-2016	NOL released 1Q 2016 results, reported a net loss after tax of US$105 million
5	25-May-2016	CMA CGM announced that it has received clearance by the Anti-monopoly Bureau of the Chinese Ministry of Commerce (MOFCOM)

Sources: Capital IQ, Bloomberg L.P. and Company's filings

Since the Pre-Conditional Offer Announcement Date to the Latest Practicable Date, the Company Shares have traded in a band between S$1.215 and S$1.300. We note that the Company Shares have not traded above the Offer Price from the Pre-Conditional Offer Announcement Date to the Latest Practicable Date.

(c) VWAP Analysis

The Offer Price represents the following premia over the historical traded prices of the Company Shares:

Description	Benchmark Price (S$)[1][2]	Premium over Benchmark Price (%)[3]
Last traded price of the Company Shares on the SGX-ST on the Latest Practicable Date	1.295	0.4%
Last traded price of the Company Shares on the SGX-ST on 4 December 2015 (being the last full day of trading of the Company Shares prior to the Pre-Conditional Offer Announcement Date)	1.225	6.1%
Last traded price of the Company Shares on the SGX-ST on the Unaffected Date	0.875	48.6%
VWAP Comparisons with respect to the last traded price on the Unaffected Date		
VWAP for the 1-month period prior to and including the Unaffected Date	0.861	51.0%
VWAP for the 3-month period prior to and including the Unaffected Date	0.978	32.9%
VWAP for the 6-month period prior to and including the Unaffected Date	0.995	30.7%
VWAP for the 12-month period prior to and including the Unaffected Date	0.962	35.1%
VWAP Comparisons with respect to last trading price prior to the Pre-Conditional Offer Announcement Date		
VWAP for the 1-month period prior to and including 4 December 2015	1.134	14.6%
VWAP for the 3-month period prior to and including 4 December 2015	1.066	22.0%
VWAP for the 6-month period prior to and including 4 December 2015	0.991	31.1%
VWAP for the 12-month period prior to and including 4 December 2015	1.001	29.9%
VWAP Comparisons with respect to last trading price as of the Latest Practicable Date		
VWAP for the 1-month period prior to and including the Latest Practicable Date	1.290	0.8%
VWAP for the 3-month period prior to and including the Latest Practicable Date	1.270	2.3%
VWAP for the 6-month period prior to and including the Latest Practicable Date	1.241	4.8%
VWAP for the 12-month period prior to and including the Latest Practicable Date	1.081	20.3%

Notes:

(1) Based on data extracted from Bloomberg L.P.

(2) Figures rounded to the nearest 3 decimal places.

(3) Figures rounded to the nearest 1 decimal place.

(i) The Offer Price represents a premium of approximately 0.4% over the last traded price of the Company Shares on the SGX-ST on the Latest Practicable Date. The Offer Price represents a premium of approximately 6.1% over the last traded price of the Company Shares on the SGX-ST on 4 December 2015, being the last full day of trading of the Company Shares prior to the Pre-Conditional Offer Announcement Date;

(ii) The Offer Price represents a premium of approximately 48.6% over the last traded price of the Company Shares on the SGX-ST on the Unaffected Date;

(iii) The Offer Price represents a premium of approximately 51.0%, 32.9%, 30.7% and 35.1% over the VWAP of the Company Shares for the 1-month, 3-month, 6-month and 12-month periods prior to and including the Unaffected Date;

(iv) The Offer Price represents a premium of approximately 14.6%, 22.0%, 31.1% and 29.9% over the VWAP of the Company Shares for the 1-month, 3-month, 6-month and 12-month periods prior to and including 4 December 2015; and

(v) The Offer Price represents a premium of approximately 0.8%, 2.3%, 4.8% and 20.3% over the VWAP of the Company Shares for the 1-month, 3-month, 6-month and 12-month periods prior to and including the Latest Practicable Date.

We note that our analysis of the past price performance of the Company Shares is not indicative of the future price performance levels of the Company Shares, which will be governed by amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiments.

6.4 Liquidity Analysis

Ordinarily, share prices may be affected by different factors including relative liquidity, free float[1] and investor interest or market sentiment at a given point in time. In considering the Offer Price relative to the Company's historical share price, we have considered the relative liquidity of the Company in comparison with companies that make up the top 15 companies traded on the SGX-ST in Singapore based on market capitalisation, excluding the Company. This analysis is to check whether historical trading prices provide a meaningful reference point for comparison against the Offer Price.

[1] The term "free float" is calculated based on the issued shares of a company that are held by the public. The term "public" shall have the meaning ascribed to it in the Listing Manual. The acceptances in the Offer are not excluded in the free float calculation.

(a) Liquidity Analysis of the Top 15 SGX-ST Listed Companies by Market Capitalisation[1]

Company Name	Market Cap (S$ billion)	Free Float[2]	12M ADTV/ Free float[3]	12M ADTV/ Market Cap[4]
Singapore Telecommunications	61.54	49.00%	0.30%	0.15%
Jardine Matheson Holdings	53.06	38.47%	0.17%	0.07%
Jardine Strategic Holdings	44.36	16.95%	0.14%	0.02%
DBS Group Holdings	38.38	69.90%	0.34%	0.25%
Oversea-Chinese Banking Corp	34.97	72.20%	0.22%	0.17%
United Overseas Bank	29.01	76.00%	0.24%	0.20%
Thai Beverage PCL	22.22	27.79%	0.17%	0.04%
Wilmar International	20.79	27.31%	0.48%	0.12%
Hongkong Land Holdings	19.79	49.99%	0.26%	0.15%
Jardine Cycle & Carriage	13.28	25.00%	0.38%	0.10%
Singapore Airlines	12.55	43.71%	0.29%	0.13%
CapitaLand Limited	12.51	52.98%	0.54%	0.30%
Dairy Farm International	12.17	22.38%	0.12%	0.03%
Great Eastern Holdings	10.12	12.00%	0.05%	0.01%
Singapore Technologies Engineering	9.75	42.10%	0.25%	0.10%
Mean	26.30	41.72%	0.26%	0.12%
Median	20.79	42.10%	0.25%	0.12%
Maximum	61.54	76.00%	0.54%	0.30%
Minimum	9.75	12.00%	0.05%	0.01%
NOL (one-year prior to and including the Unaffected Date)[5]	2.28	32.88%	0.71%	0.26%
NOL (one-year prior to and including the Latest Practicable Date)[6]	3.37	22.37%	1.60%	0.30%

Sources: Bloomberg L.P. and companies' filings

Notes:

(1) All figures as at the Latest Practicable Date.

(2) Free float percentages are based on latest company's filings and data extracted from Bloomberg L.P.

(3) 12-month average daily trading volume leading up to and including the Latest Practicable Date, divided by free float number of shares.

(4) 12-month average daily trading value leading up to and including the Latest Practicable Date, divided by market capitalisation.

(5) Market capitalisation figures are based on the total number of issued Company Shares and share price as at the Unaffected Date. Based on free float number of shares as at 2 March 2015.

(6) Market capitalisation figures are based on the total number of issued Company Shares and share price as at the Latest Practicable Date. Based on free float number of Company Shares as at Latest Practicable Date.

With respect to the table above, we note that in the 12 months leading up to and including the Pre-Conditional Offer Announcement Date and the Latest Practicable Date, the Company's average daily trading volume as a percentage to its free float and average daily trading value as a percentage to its market capitalisation is above the mean and the median liquidity measure of the top 15 largest companies by market capitalization traded on the SGX-ST.

(b) Historical Trading Volume

As at the Latest Practicable Date, the Company had a free float of approximately 22.37 percent. The Independent Directors should also note that the average daily trading volume on the SGX-ST of the Company Shares is approximately 6,077,339 Company Shares per day during the one year period up to and including the Unaffected Date and that the free float turned 1.79 times during this period.

We have also considered the historical trading volume of the Company Shares for the 1-month, 2-month, 3-month, 6-month, 9-month and 12-month periods prior to and including the Unaffected Date and the Latest Practicable Date, and the period from the Market Day after the Unaffected Date to the Latest Practicable Date as set out in the table below.

Reference Period	Average Daily Trading Volume	ADTV/ Free float[1]	ADTV/ Market Cap[2]
12-month period prior to and including the Unaffected Date[3]	6,077,339	0.71%	0.26%
9-month period prior to and including the Unaffected Date[3]	7,296,019	0.85%	0.31%
6-month period prior to and including the Unaffected Date[3]	8,643,076	1.01%	0.38%
3-month period prior to and including the Unaffected Date[3]	10,061,866	1.18%	0.44%
2-month period prior to and including the Unaffected Date[3]	9,408,870	1.10%	0.37%
1-month period prior to and including the Unaffected Date[3]	10,836,143	1.27%	0.41%
Unaffected Date[3]	4,257,300	0.50%	0.16%
Market Day after the Unaffected Date[3]	30,112,500	3.52%	1.16%
12-month period prior to and including the Latest Practicable Date[4]	9,330,434	1.60%	0.30%
9-month period prior to and including the Latest Practicable Date[4]	9,482,501	1.63%	0.32%
6-month period prior to and including the Latest Practicable Date[4]	8,071,541	1.39%	0.30%
3-month period prior to and including the Latest Practicable Date[4]	5,237,510	0.90%	0.20%
2-month period prior to and including the Latest Practicable Date[4]	4,992,840	0.86%	0.19%

Reference Period	Average Daily Trading Volume	ADTV/ Free float[1]	ADTV/ Market Cap[2]
1-month period prior to and including the Latest Practicable Date[4]	6,014,959	1.03%	0.23%
From Market Day after the Unaffected Date to the Latest Practicable Date[4]	9,285,615	1.59%	0.48%
Latest Practicable Date[4]	1,947,800	0.33%	0.07%

Source: Bloomberg L.P.

Notes:

(1) 12-month average daily trading volume divided by free float number of Company Shares.

(2) 12-month average daily trading value divided by market capitalisation.

(3) Market capitalisation figures are based on the total number of issued Company Shares and share price as at the Unaffected Date. Based on free float number of shares as at 2 March 2015.

(4) Market capitalisation figures are based on the total number of issued Company Shares and share price as at the Latest Practicable Date. Based on free float number of Company Shares as at Latest Practicable Date.

Overall, the above analysis suggests that the Company Shares do not suffer from illiquid trading conditions and that the historical market price of the Company Shares provides a meaningful reference point for comparison with the Offer Price. However, it should be noted that the level of liquidity of the Company Shares may make it difficult for Shareholders with substantial holdings to realise their Company Shares through a sale on the open market.

The past liquidity of the Company Shares especially for the period after the Unaffected Date should not in any way be relied upon as an indication of the future liquidity of the Company Shares. There is no assurance that the liquidity of the Company Shares will remain at these levels after the Offer closes.

6.5 Precedent Take-over Premia Analysis

We note that it is the intention of the Offeror, and the purpose of the Offer, to delist the Company from the Official List of the SGX-ST (the "**Proposed Delisting**"). The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Company Shares by the SGX-ST to be lifted in the event that, inter alia, less than 10% of the Company Shares (excluding treasury shares) are held in public hands.

Take-overs of companies listed on the SGX-ST generally fall into the categories of (i) privatisation transactions, whether by way of scheme of arrangement ("**Scheme of Arrangement**" or "**SOA**") under Section 210 of the Companies Act, voluntary general offer under the Code ("**Voluntary General Offer**" or "**VGO**") or mandatory general offer under the Code ("**Mandatory General Offer**" or "**MGO**"), where the offeror intends to acquire the entire share capital of the target company, leading to the eventual delisting of the target company

from the Official List of the SGX-ST; (ii) delisting offers under Rule 1307 of the Listing Manual ("**Voluntary Delisting**" or "**VD**") where the primary intention of the offeror is to delist the target company from the Official List of the SGX-ST.

For the purpose of our evaluation of the financial terms of the Offer, we have compared the valuation statistics implied by the Final Offer Price vis-a-vis those in respect of recent selected privatisations and delistings of companies listed on the SGX-ST Mainboard. We have selected SOA, VGO, MGO and VD transactions announced and completed between 1 January 2014 and the Latest Practicable Date where the transaction size implied by the respective offer is greater than S$100 million, regardless of whether the offeror succeeds in acquiring the entire issued share capital of the target (the "**Precedent Privatisations**").

We set out in the table below the premium/discount implied by the offer price of the Precedent Privatisations in Singapore to the last transacted price and the VWAPs of the respective targets for the 1-month, 3-month and 6-month periods prior to the respective offer announcements.

			Premium/(Discount) of offer price[19] over/(to)			
Company	**Announced Date**	**Type**	**Last transacted price (%)**	**1-month VWAP (%)**	**3-month VWAP (%)**	**6-month VWAP (%)**
Singapore Land Limited[1]	24-Feb-14	VGO	11.2	16.9	13.9	11.0
Olam International Limited[2]	14-Mar-14	VGO	11.8	24.3	33.0	39.9
China XLX Fertiliser Ltd.[3]	31-Mar-14	VD	23.1	28.9	24.8	22.2
Capitamalls Asia Limited[4]	14-Apr-14	VGO	31.5	35.8	34.2	27.6
Hotel Properties Limited[5]	14-Apr-14	MGO	29.4	33.8	35.1	32.2
Goodpack Limited[6]	27-May-14	SOA	23.2	30.8	31.3	34.3
Forterra Trust[7]	04-Nov-14	MGO	32.4	51.1	49.7	39.8
UE E&C Ltd.[8]	28-Nov-14	VGO	5.0	12.3	17.0	21.1
CH Offshore Ltd[9]	11-Dec-14	VGO	18.3	20.1	17.0	16.8
STATS ChipPAC[10]	30-Dec-14	VGO	55.3	39.1	42.6	47.5
LCD Global Investments[11]	12-Jan-15	VGO	10.0	11.5	13.4	13.4
Keppel Land[12]	23-Jan-15	VGO	20.0	25.0	28.8	28.2
United Envirotech Ltd.[13]	05-Mar-15	VGO	12.6	16.5	20.2	28.1
Tiger Airways[14]	06-Nov-15	VGO	45.2	48.5	56.3	50.0
Interplex Holdings Ltd.[15]	23-Dec-15	VGO	15.5	11.1	13.1	16.5
XinRen Aluminum Holdings[16]	25-Feb-16	VGO	25.0	49.6	50.0	48.5
Osim International Ltd[17]	08-Apr-16	VGO	27.0	40.9	42.5	16.7
Mean			**23.3**	**29.2**	**30.8**	**29.0**
Median			**23.1**	**28.9**	**31.3**	**28.1**
Max			**55.3**	**51.1**	**56.3**	**50.0**
Min			**5.0**	**11.1**	**13.1**	**11.0**
NOL[18]	**07-Dec-15**	**VGO**	**48.6**	**51.0**	**32.9**	**30.7**

Sources: Bloomberg L.P. and relevant offer documents. Includes Singapore general offer transactions, mandatory general offers and scheme of arrangements

Notes:

(1) Time reference in calculating the premia is 19 February 2014, the last trading day prior to the offer announcement date.

(2) Time reference in calculating the premia is 12 March 2014 being the last full day of trading in the shares on the SGX-ST prior to the offer announcement date.

(3) Time reference in calculating the premia is 6 December 2013 being the last business day on which the shares were traded on the SGX-ST and the Stock Exchange of Hong Kong Limited ("SEHK") prior to the possible offer announcement date.

(4) Time reference in calculating the premia is 11 April 2014 being the last full trading day of the shares on the SGX-ST immediately preceding the offer announcement date.

(5) Time reference in calculating the premia is 11 April 2014 being the last traded market day prior to the offer announcement date.

(6) Time reference in calculating the premia is 18 March 2014 being the last full trading day prior to the holding announcement date when the company first announced that it has been approached on a possible offer for the shares.

(7) Time reference in calculating the premia is 3 November 2014 being the last traded market day prior to the offer announcement date.

(8) Time reference in calculating the premia is 21 March 2014 being the last trading date before SGX-ST's query regarding the unusual price movements in the shares of the company. On 24 March 2014, SGX-ST initiated a query regarding the trading activity of the company, and the company responded with a trading halt and announced that its controlling shareholder, United Engineers Limited, is currently in discussions with a third party in connection with the sale of its shareholding in the company.

(9) Time reference in calculating the premia is 10 December 2014 being the last trading day prior to the offer announcement date.

(10) Time reference in calculating the premia is 14 May 2014 being the last trading date before SGX-ST's query regarding the unusual price movements in the shares of the company. Offer price based on the total of the offer price and the distribution of US$89,119,520 following the completion of the internal restructuring exercise.

(11) Time reference in calculating the premia is 9 January 2015 being the last trading day prior to the offer announcement date.

(12) Time reference in calculating the premia is 20 January 2015 being the last full market day preceding the date of announcement on which the shares were traded on the SGX-ST.

(13) Time reference in calculating the premia is 1 July 2014 being the last full market day preceding the holding announcement date when the company announced a holding announcement stating that it has been approached to explore a potential acquisition of shares in the company.

(14) Time reference in calculating the premia is 5 November 2015 being the last trading day immediately prior to the offer announcement date.

(15) Time reference in calculating the premia is 22 December 2015 being the last full trading day prior to the release of the pre-conditional offer announcement.

(16) Time reference in calculating the premia is 24 February 2016 being the last trading day prior to the Offer Announcement Date.

(17) Time reference in calculating the premia is the last full market day preceding 1 March 2016, which is the date the SGX-ST issued the Query Regarding Trading Activity to the Company.

(18) Time reference in calculating the premia is 16 July 2015, the unaffected share price date being the last full day of trading in the Company Shares on the SGX-ST immediately preceding the announcement by the Company on 19 July 2015 in relation to media reports regarding a potential sale of the Company.

(19) Offer price based on the final offer price per share.

Based on the above analysis, we note the following:

(a) The premium of approximately 48.6% implied by the Offer Price over the last traded price of the Company Shares on the Unaffected Date is within the range and higher than the mean and median premium of 23.3% and 23.1%, respectively, implied by the respective offer prices paid over the last transacted market prices of the shares on their respective last trading day with respect to the Precedent Privatisations;

(b) The premium of approximately 51.0% implied by the Offer Price over the 1-month VWAP of the Company Shares prior to and including the Unaffected Date is within the range and higher than the mean and median premium of 29.2% and 28.9%, respectively, as implied by the respective offer prices over the 1-month VWAP of the shares with respect to the Precedent Privatisations;

(c) The premium of approximately 32.9% implied by the Offer Price over the 3-month VWAP of the Company Shares prior to and including the Unaffected Date is within the range and higher than the mean and median premium of 30.8% and 31.3%, respectively, as implied by the respective offer prices over the 3-month VWAP of the shares in respect of the Precedent Privatisations; and

(d) The premium of approximately 30.7% implied by the Offer Price over the 6-month VWAP of the Company Shares prior to and including the Unaffected Date is within the range and higher than the mean and median premium of 29.0% and 28.1%, respectively, as implied by the respective offer prices over the 6-month VWAP of the shares in respect of the Precedent Privatisations.

The Independent Directors should note that the level of premium (if any) that an acquirer would normally pay for acquiring and/or privatising a listed company (as the case may be) varies in different circumstances depending on, inter alia, the attractiveness of the underlying business to be acquired, the synergies to be gained by the acquirer from integrating the target company's businesses with its existing business, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company, the extent of control the acquirer already has in the target company and prevailing market expectations. Hence, each Precedent Privatisation should be assessed based on its own merits.

We wish to highlight that the Company is not in the same industry and does not conduct the same businesses as the other companies in the list of Precedent Privatisations and would not, therefore, be directly comparable to the list of companies in terms of, inter alia, geographical markets, composition of business activities, scale of business operations, risk profile, asset base, capital structure, profitability, valuation methodologies adopted, accounting policies, track record, future prospects, market/industry size, political risk, competitive and regulatory environment, financial position and other relevant criteria. Accordingly, the Independent Directors should note that the above comparison merely serves as a general guide to provide an indication of the premium or discount in connection with the Precedent Privatisations. Therefore, any comparison of the Offer with the Precedent Privatisations is for illustration purposes only. Conclusions drawn from the comparisons made may not necessarily reflect any perceived market valuation for the Company.

The list of Precedent Privatisations indicated herein has been compiled based on publicly available information as at the Latest Practicable Date. The above table captures only the premium/(discount) implied by the offer prices in respect of the Precedent Privatisations over the aforesaid periods and does not highlight bases other than the aforesaid in determining an appropriate premium/(discount) for the recent Precedent Privatisations. It should be noted that the comparison is made without taking into account the total amount of the offer value of each respective Precedent Privatisation or the relative efficiency of information or the underlying liquidity of the shares of the relevant companies or the performance of the shares

of the companies or the quality of earnings prior to the relevant announcement and the market conditions or sentiments when the announcements were made or the desire or the relative need for control leading to compulsory acquisition. MKES makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

6.6 Valuation Ratios

We have applied the following valuation ratios in our analysis:

Valuation Multiples	Description
EV/Revenue	"EV" or "enterprise value" is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debt less investments in associates, and cash and cash equivalents. The EV/Revenue ratio illustrates the market value of a company's business relative to its historical revenue, without regard to the company's capital structure.
EV/EBITDA	"EV" or "enterprise value" is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debt less investments in associates, and cash and cash equivalents. "EBITDA" stands for historical earnings before interest, tax, depreciation and amortization expenses, excluding share of associates' and joint ventures' income and other exceptional items. The EV/EBITDA ratio illustrates the market value of a company's business relative to its historical pre-tax operating cash flow performance, without regard to the company's capital structure.
P/E	"P/E" or "price-to-earnings" ratio illustrates the ratio of the market price of a company's shares relative to its earnings per share. The P/E ratio is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to revenues recognition, depreciation and intangible assets.
P/B	"P/B" or "price-to-book" multiple illustrates the ratio of the market price of a company's shares relative to its historical book NAV (as defined below) per share as recorded in its financial statements. The NAV of a company is defined as its total assets (including intangible assets and goodwill) less its total liabilities, and excludes, where applicable, minority interests. The NAV figure provides an estimate of the value of a company assuming the sale of all its assets at its book value, the proceeds of which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.

In applying the above ratios, we have considered whether the multiples of the Company, implied by the Offer Price, lie above, within or below the mean and median and minimum and maximum of the range implied by the relevant ratios considered set out in Sections 6.7 and 6.8 of this letter. We consider each ratio equally and do not view any particular ratio as more important than others.

6.7 Trading Comparable Analysis

We have considered the valuation ratios of selected listed companies principally engaged in the container shipping industry which are in our opinion, broadly comparable to the Company (the "**Comparable Companies**"). A summary profile of the Comparable Companies is set out below.

(a) A brief description of the Comparable Companies selected for our analysis is set out below:

Company	Target Description	Market Capitalisation (S$ mm) as of the Latest Practicable Date
Container Shipping		
A.P. Møller – Maersk A/S ("**APM Maersk**")	A.P. Møller – Mærsk A/S operates as a shipping company worldwide. It provides container shipping, tanker shipping, logistics and supply chain management services. The company is headquartered in Copenhagen, Denmark.	36,600.3
China Shipping Container Lines Co. Ltd. ("**China Shipping**")	China Shipping Container Lines Company Limited, together with its subsidiaries, owns, charters, and operates container vessels for the provision of container marine transportation services, and operates container terminals in the People's Republic of China and internationally.	7,976.9
Evergreen Marine Corporation ("**Evergreen**")	Evergreen Marine Corporation (Taiwan) Ltd., together with its subsidiaries, engages in the marine transportation, shipping agency, and container distribution businesses in Asia, the Americas, Europe, and internationally. The Company is headquartered in Taiwan.	1,662.5

Company	Target Description	Market Capitalisation (S$ mm) as of the Latest Practicable Date
Hapag-Lloyd AG ("**Hapag-Lloyd**")	Hapag-Lloyd is a global liner shipping company. Its vessels and container fleets are used for the transportation of various goods, ranging from temperature-sensitive cargo, dangerous goods, pharmaceuticals and healthcare products. The company was founded in 1970 following a merger of two German shipping companies founded in the 19th century.	3,588.1
Orient Overseas Container Line Limited ("**Orient Overseas**")	Orient Overseas (International) Limited, an investment holding company, provides container transport and logistics services worldwide It operates two container terminals in California and Taiwan. The company is headquartered in Hong Kong.	3,155.7
SITC International Holdings Co. Ltd. ("**SITC International**")	SITC International Holdings Company Limited, a shipping logistics company, provides integrated transportation and logistics solutions in Mainland China, Japan, Southeast Asia, and internationally. The company is headquartered in Hong Kong.	1,941.0
Diversified Shipping		
China COSCO Holdings Company Limited ("**China COSCO**")	China COSCO, an investment holding company, engages in the container shipping, dry bulk shipping, container terminals managing and operating, and container leasing businesses worldwide. The company was founded in 2005 and is headquartered in Shanghai, the People's Republic of China. China COSCO is a subsidiary of China Ocean Shipping (Group) Company.	9,421.0
Kawasaki Kisen Kaisha, Ltd. ("**Kawasaki Kisen**")	Kawasaki Kisen Kaisha, Ltd., together with its subsidiaries, provides marine, land, and air transportation services primarily in Japan, the United States, Europe, and Asia. The company is headquartered in Tokyo, Japan.	2,687.1

Company	Target Description	Market Capitalisation (S$ mm) as of the Latest Practicable Date
Mitsui O.S.K. Lines, Ltd. ("**Mitsui OSK**")	Mitsui O.S.K. Lines, Ltd. provides ocean shipping services in Japan, North America, Europe, Asia, and internationally. The company is headquartered in Japan.	3,623.9
Nippon Yusen Kabushiki Kaisha ("**Nippon Yusen**")	Nippon Yusen Kabushiki Kaisha provides ocean, land, and air transportation services in Japan, North America, Europe, Asia, and internationally. It offers various logistics services and operates luxury-class cruise ships. The company is headquartered in Japan.	4,310.2

Sources: Capital IQ and companies' filings

We wish to highlight that the Comparable Companies are not exhaustive and they differ from the Company in terms of, *inter alia*, market capitalisation, size of operations, composition of business activities, geographical spread, track record, financial and operating performance, financial leverage, risk profile, liquidity, listing venue, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessarily limited and merely serves only as an illustrative guide. Accordingly, the Comparable Companies may not provide a meaningful basis for valuation comparison. MKES makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

(b) Valuation ratios of the Comparable Companies

Company	Listing Exchange	Market Cap[2] (S$ mm)	Enterprise value[3] (S$ mm)	EV/LTM EBITDA[1][4]	P/E[1][4][5] LTM	P/B[5] LTM	EBITDA[4] Margin LTM	Net Debt/LTM EBITDA[1][4]
Container Shipping								
APM Mærsk[6]	CPSE	36,600.3	48,632.1	4.1x	NM	0.76x	22.7%	1.3x
China Shipping[7]	SEHK/ Shanghai SE	7,976.9	16,036.0	NM	NM	2.11x	1.4%	NM
Orient Overseas[8]	SEHK	3,155.7	4,623.5	5.9x	10.9x	0.48x	9.6%	3.7x
Hapag-Lloyd[9]	DB	3,588.1	8,417.0	9.9x	NM	0.49x	6.5%	6.3x
Evergreen[10]	TSEC	1,662.5	3,855.3	NM	NM	0.73x	-1.4%	NM
SITC International[11]	SEHK	1,941.0	1,985.6	9.6x	12.3x	1.67x	11.7%	0.5x
Max				**9.9x**	**12.3x**	**2.11x**	**22.7%**	**6.3x**
Mean				**7.4x**	**11.6x**	**1.04x**	**8.4%**	**2.9x**
Median				**7.8x**	**11.6x**	**0.74x**	**8.0%**	**2.5x**
Min				**4.1x**	**10.9x**	**0.48x**	**-1.4%**	**0.5x**
Diversified Shipping								

Company	Listing Exchange	Market Cap[2] (S$ mm)	Enterprise value[3] (S$ mm)	EV/LTM EBITDA[1][4]	P/E[1][4][5] LTM	P/B[5] LTM	EBITDA[4] Margin LTM	Net Debt/LTM EBITDA[1][4]
China COSCO[12]	SEHK/ Shanghai SE	9,421.0	12,519.4	23.6x	NM	1.99x	4.4%	6.5x
Nippon Yusen[13]	TSE	4,310.2	8,797.5	4.6x	17.0x	0.44x	6.7%	4.4x
Mitsui OSK[14]	TSE	3,623.9	13,235.3	11.1x	NM	0.54x	5.6%	9.2x
Kawasaki Kisen[15]	TSE	2,687.1	5,261.0	7.3x	NM	0.60x	4.6%	4.8x
Max				**23.6x**	**17.0x**	**1.99x**	**6.7%**	**9.2x**
Mean				**11.6x**	**17.0x**	**0.89x**	**5.3%**	**6.2x**
Median				**9.2x**	**17.0x**	**0.57x**	**5.1%**	**5.7x**
Min				**4.6x**	**17.0x**	**0.44x**	**4.4%**	**4.4x**
Max (Overall)				**23.6x**	**17.0x**	**2.11x**	**22.7%**	**9.2x**
Mean (Overall)				**9.5x**	**13.4x**	**0.98x**	**7.2%**	**4.6x**
Median (Overall)				**8.5x**	**12.3x**	**0.67x**	**6.0%**	**4.6x**
Min (Overall)				**4.1x**	**10.9x**	**0.44x**	**-1.4%**	**0.5x**
NOL[16]	**SGX-ST**	**3,384.6**	**7,175.7**	**20.8x**	**NM**	**1.01x**	**5.1%**	**11.4x**

Sources: Relevant offer documents, Bloomberg L.P., Capital IQ and companies' financials and filings

Notes:

(1) "**NM**" refers to non-meaningful if multiples are negative or greater than 40x for EV/EBITDA and P/E multiples and 20x for Net Debt/EBITDA multiples.

(2) Market capitalisation is calculated based on share price from Capital IQ as of the Latest Practicable Date multiplied by total ordinary shares outstanding and foreign exchange conversion rates as of the Latest Practicable Date.

(3) Enterprise value has been calculated as market capitalisation + net debt + pension liabilities + minority interest – interest in associates – long-term investments.

(4) EBITDA and net income attributable to equity holders of the company have been adjusted for one-off and extraordinary items per footnotes below. Tax effect on these adjustments applied using marginal tax rate as disclosed in the company filings.

(5) For Comparable Companies with dual stock exchange listings, P/B multiple is calculated on a blended basis by taking the sum of the market capitalizations from the stock exchanges wherein the Comparable Company is listed and dividing the sum by the equity book value (ex. minority interest) of the respective Comparable Company as of the Latest Practicable Date. P/E multiple is calculated on a blended basis by taking the sum of the market capitalizations from the stock exchanges wherein the Comparable Company is listed and dividing the net income as of the Latest Practicable Date.

(6) Financial information reflects data for the last twelve months ("**LTM**") for the period ended 31 March 2016. However, the amounts for the financial statement items "Other Equity Investments" and "Pension Liabilities" reflect data for the period ended 31 December 2015 due to insufficient disclosure of the same items in the company's filing for the first quarter of 2016. EBITDA and net income figures have been adjusted for gains on sale of non-current assets. Tax effect on these adjustments applied using marginal tax rate of 23.5%. P/B multiple is calculated based on the total market capitalisation (= A class share price x total number of A class shares + B class share price x total number of B class shares) divided by the equity book value (ex. minority interest).

(7) Balance sheet financial information reflects data for the LTM for the period ended 31 March 2016. Income statement financial information reflects data for the past twelve months for the period ended 31 December 2015 due to insufficient disclosure in the company's filing for first quarter of 2016 to calculate EBITDA for that period. EBITDA and net income figures have been adjusted for provision for impairment of fixed assets, reversal for impairment of receivables and other receivables and other losses/gains. Tax effect on these adjustments applied using marginal tax rate of 25.0%. P/B multiple is calculated based on the total market capitalisation (= A share price x total number of A shares + H share price x total number of H shares) divided by the equity book value (ex. minority interest).

(8) Financial information reflects data for the LTM for the period ended 31 December 2015. EBITDA and net income figures have been adjusted for a fair value gain from an investment property, other operating income, portfolio investment loss, loss on bunker price derivative contracts and an exchange loss. Tax effect on these adjustments applied using marginal tax rate of 29.0%.

(9) Financial information reflects data for the LTM for the period ended 31 March 2016. EBITDA figure has been adjusted for other operating income and expenses. Net income figure has been adjusted for the same, in addition to a change in fair value of derivative instruments. Tax effect on these adjustments applied using marginal tax rate of 32.3%.

(10) Financial information reflects data for the LTM for the period ended 31 March 2016. Net income figure has been adjusted for other operating income and expense items as well as a gain on foreign exchange. Tax effect on these adjustments applied using marginal tax rate of 17.0%.

(11) Financial information reflects data for the LTM for the period ended 31 December 2015. Net income figure has been adjusted other income and gains which include government subsidies, insurance claim, fair value gains on cash flow hedges, fair value gains on derivatives, gain on disposal of items of property, plant & equipment, and other expenses/losses. Tax effect on these adjustments applied using marginal tax rate of 25.0%.

(12) Balance sheet financial information reflects data for the LTM for the period ended 31 March 2016. Income statement financial information reflects data for the past twelve months for the period ended 31 December 2015 due to insufficient disclosure in the company's filing for first quarter of 2016 to calculate EBITDA for that period. EBITDA figure has been adjusted for other income and subsidies, which include government subsidy on demolition of a vessel, loss on disposal of vessel and other fixed asset, gain on disposal of available for sale asset, gain on derivatives financial instrument, reversal of provision for impairment, provision for impairment, net exchange gain, compensation expense and income, donations, impairment of available for sale asset, gain on fair value change on share appreciation rights and reversal on provision for litigation. Net income figure has been adjusted for the same, in addition to a finance-related exchange loss. Tax effect on these adjustments applied using marginal tax rate of 25.0%. P/B multiple is calculated based on the total market capitalisation (= A share price x total number of A shares + H share price x total number of H shares) divided by the equity book value (ex. minority interest).

(13) Financial information reflects data for the LTM for the period ended 31 March 2016. Net income figure has been adjusted for foreign exchange gain, gain on sale of non-current assets, gain on sale of shares of subsidiaries and affiliates, other extraordinary gains, loss on sales of non-current assets, losses related to antitrust laws, provision for losses related to contracts, loss on valuation of investment securities, impairment loss and other extraordinary losses. Tax effect on these adjustments applied using marginal tax rate of 31.9%.

(14) Financial information reflects data for the LTM for the period ended 31 March 2016. Net income figure has been adjusted for gain on sale of fixed asset, gain on sale of investment in securities, gain on cancellation of chartered vessel, other extraordinary income, loss on sale of fixed asset, loss on valuation of shares of subsidiaries and associates, other extraordinary losses, foreign exchange gain, impairment loss and gain on change in equity. Tax effect on these adjustments applied using marginal tax rate of 31.8%.

(15) Financial information reflects data for the LTM for the period ended 31 March 2016. Net income figure has been adjusted for foreign exchange loss, gain on sale of vessels, property and equipment, loss on impairment, gain on sale of investments in securities, gain on sale of shares in subsidiaries, loss related to Anti-Monopoly Act, provision of allowance for loss related to Anti-Monopoly Act, loss on cancellation of chartered vessels, other extraordinary profit and other extraordinary losses. Tax effect on these adjustments applied using marginal tax rate of 31.7%.

(16) Enterprise value is calculated as the implied 100% equity value plus net debt and non-controlling interest, minus equity-accounted investments and net assets classified as held for sale. Implied 100% equity value is calculated by multiplying the offer price of S$1.30 by the number of shares in issuances (excluding treasury stock) as of the Latest Practicable Date. Company Shares that are subject to awards granted under share plans and company options exercisable into company shares are not included. Financial information reflects data for the LTM from the period ended 1 April 2016 for NOL. Debt includes bank borrowings, finance lease liabilities, senior debentures, medium term notes and derivative financial instruments. Net assets of the group classified as held-for-sale are considered additional investments and reduces enterprise value. EBITDA has been adjusted to exclude share of results from equity accounted investments and extraordinary items such as net gain from disposal of assets, fair value gain on interest retained in former subsidiary, government subsidy and refund, amortisation of deferred income, net write-offs of inventory, fair value loss from bunker swaps and foreign exchange forward contracts, net provision of insurance, litigation and other claims, net foreign exchange losses, net write backs on insurance, litigation, onerous contracts, tax penalties and other claims.

The Independent Directors should note that the analysis of trading multiples indicates that the equivalent Company multiples implied by the Offer Price are within the range indicated by the Comparable Companies set out above.

We also note that the NOL Group's profitability (as indicated by the LTM EBITDA margin) is lower than the mean of the Comparable Companies and the NOL Group's financial leverage position (as indicated by the Net Debt/LTM EBITDA multiple) is higher than the mean of the Comparable Companies. The NOL Group has recorded pre-tax losses (excluding the one-time gain on the sale of NOL's logistics unit in FY2015) for the three most recently completed consecutive financial years. The Independent Directors should note the above financial benchmarking while comparing the trading multiples implied by the Offer Price with those represented by the Comparable Companies.

6.8 Precedent Transaction Analysis

We have reviewed selected completed transactions announced between 1 January 2011 and the Latest Practicable Date, involving the acquisitions of equity interests in companies that operate in the Shipping industry, globally, and for which information is publicly available (the "**Selected Precedent Transactions**"). Furthermore, in order to compile a list of representative transactions, we have excluded transactions where the transaction sizes are less than US$400 million.

(a) A brief description of the target companies in the Selected Precedent Transactions selected for our analysis is set out below:

Target	Date of announcement	Target description (at time of acquisition)	Stake acquired
China COSCO Bulk Shipping (Group) Co., Ltd ("**COSCO Bulk**")	11-Dec-2015	COSCO Bulk is principally engaged in the business of international dry and bulk cargo shipping. The company was founded in 2011 and is based in Beijing, China. It has operational companies under its group in Hong Kong, Europe, America, Australia, Singapore and Indonesia and services institutes in Africa, Japan, Korea and India.	100.0%
Golden Ocean Group Limited ("**Golden Ocean**")	07-Oct-2014	Golden Ocean was established in 2004. Golden Ocean is an international dry bulk shipping company based in Bermuda, mainly operating in the Capesize and Panamax market segments.	100.0%
Far Eastern Shipping Company Plc ("**FESCO**")	19-Jun-2012	FESCO is a transportation and logistics company in Russia with operations in ports, rail, integrated logistics and shipping business. FESCO's diversified asset portfolios are split between five divisions: Shipping, Liner and Logistics, Railway Services, Ports and Bunkering. FESCO's operations are mainly located in the Russian Far East. The company's container ship fleet capacity is over 18,000 TEUs and it controls the Commercial Port of Vladisvostok.	56.0%

Target	Date of announcement	Target description (at time of acquisition)	Stake acquired
Hapag-Lloyd ("**Hapag-Lloyd**")	14-Feb-2012 03-Mar-2011	Hapag-Lloyd is a global liner shipping company. Its vessels and container fleets are used for the transportation of various goods, ranging from temperature-sensitive cargo, dangerous goods, pharmaceuticals and healthcare products. The company was founded in 1970 following a merger of two German shipping companies founded in the 19th century.	17.4% 11.3%

Sources: Relevant offer documents, companies' filings, Capital IQ

(b) Selected Precedent Transactions

The Selected Precedent Transactions are provided for illustrative purposes only. The Selected Precedent Transactions and the acquired companies may not be directly comparable with the Company and may vary with respect to, amongst other factors, the ownership stake acquired, the geographical spread of activities, business mix and model, scale of operations, asset intensity, accounting policies, risk profile, track record and future prospects. Accordingly, the Selected Precedent Transactions may not provide a meaningful basis for valuation comparison. We further wish to highlight that underlying financial data used to calculate the EV/Revenue, EV/EBITDA, P/E and P/B multiples in our analysis have been extracted from the relevant companies' financials and filings as at the relevant announcement date of each transaction. MKES makes no representations or warranties, express or implied, on the accuracy or completeness of such information.

Announced	Target	Acquirer	Form of Consideration	% Acquired	Deal value (S$ mm)	Enterprise value (S$ mm)	EV/ Revenue LTM	EV/ EBITDA LTM	P/E LTM[7]	P/B LTM
12-Nov-15	COSCO Bulk[1]	China Ocean Shipping (Group) Company	Cash	100.0%	1,487.3	NA	NA	NA	NM	1.14x
07-Oct-14	Golden Ocean[2]	Knightsbridge Shipping Limited ("**Knightsbridge**")	Shares	100.0%	666.6	1,316.5	3.8x	13.1x	35.3x	0.85x
19-Jun-12	FESCO[3]	Summa Group	Cash	56.0%	1,771.8	3,386.5	2.6x	12.3x	NM	1.75x
14-Feb-12	Hapag-Lloyd AG[4]	Albert Ballin Consortium	Cash	17.4%	789.8	6,812.8	0.7x	13.3x	NM	0.89x
03-Mar-11	Hapag-Lloyd AG[5]	Albert Ballin Consortium	Cash	11.3%	556.8	7,134.8	0.7x	4.5x	6.6x	0.90x
Max							**3.8x**	**13.3x**	**35.3x**	**1.75x**
Mean							**1.9x**	**10.8x**	**20.9x**	**1.11x**
Median							**1.6x**	**12.7x**	**20.9x**	**0.90x**
Min							**0.7x**	**4.5x**	**6.6x**	**0.85x**
07-Dec-15	**NOL[6]**	**CMA-CGM**	**Cash**	**100.0%**	**3,384.6**	**7,175.7**	**1.1x**	**20.8x**	**NM**	**1.01x**

Sources: Relevant offer documents, Mergermarket, Capital IQ and companies' financials and filings

Notes:

(1) COSCO Bulk's P/B ratio is based on net asset value as of 30 September 2015, as disclosed in the circular dated 31 December 2015 released by the seller, China COSCO Holdings Company Limited.

(2) Knightsbridge agreed to issue 0.13749 shares for every one share in Golden Ocean held, resulting in the issuance of 61,500,000 new Knightsbridge shares to existing Golden Ocean shareholders. The deal value and implied equity value of US$522.4 mm is calculated by multiplying the 61,500,000 new shares issued by the closing share price of Knightsbridge of $8.495 on 6 October 2014 (the date immediately prior to the announcement of the transaction). Financial information reflects data for the LTM from the period ended 30 September 2014 for Golden Ocean. Cash includes restricted deposits. Debt includes long-term debt and obligations under finance leases. EBITDA has been adjusted to exclude share of income from JV and associates and extraordinary items such as gains/losses on bunker hedges, freight future contracts, refundable instalments for cancelled new buildings and purchase of shares in JVs. Earnings has been adjusted to exclude extraordinary items such as gains/losses on bunker hedges, freight future contracts, refundable instalments for cancelled new buildings, purchase of shares in JVs and interest rate swaps.

(3) Enterprise value is calculated as the implied 100% equity value plus net debt and non-controlling interest, minus equity-accounted investments. Implied 100% equity value is based on the cash consideration of US$1,400.0 mm for the 56.0% stake acquired. Financial information reflects data for the LTM from the period ended 31 December 2011 for FESCO. Debt includes long-term debt and obligations under finance leases. EBITDA has been adjusted to exclude extraordinary items such as bad debt charges, impairment losses and losses on disposal of fixed assets. Earnings has been adjusted to exclude extraordinary items such as bad debt charges, impairment losses, losses on disposal of fixed assets and foreign exchange gains.

(4) Enterprise value is calculated as the implied 100% equity value plus net debt, preferred capital and non-controlling interest, minus equity-accounted investments and other long-term investments. Implied 100% equity value is based on the cash consideration of EUR475.0 mm (S$789.8 mm) for the 17.4% stake acquired. Financial information reflects data for the LTM from the period ended 31 December 2011 for Hapag-Lloyd. Debt includes financial liabilities and provisions for pensions and similar obligations. Hybrid capital is considered as preferred capital. EBITDA has been adjusted to exclude share of income from JV and associates and extraordinary items such as profit or losses from disposal of non-current assets, write-ups, reversals of provisions and other extraordinary gains. Earnings has been adjusted to exclude extraordinary items such as profit or losses from disposal of non-current assets, write-ups, reversals of provisions, net exchange rate losses and other extraordinary gains.

(5) Enterprise value is calculated as the implied 100% equity value plus net debt, preferred capital and non-controlling interest, minus equity-accounted investments and other long-term investments. Implied 100% equity value is based on the cash consideration of EUR315.0 mm (S$556.8 mm) for the 11.3% stake acquired. Financial information reflects data for the LTM from the period ended 31 December 2010 for Hapag-Lloyd. Debt includes financial liabilities and provisions for pensions and similar obligations. Hybrid capital is considered as preferred capital. EBITDA has been adjusted to exclude share of income from JV and associates and extraordinary items such as profit or losses from disposal of non-current assets, write-ups, reversals of provisions and other extraordinary losses. Earnings has been adjusted to exclude extraordinary items such as profit or losses from disposal of non-current assets, write-ups, reversals of provisions, net exchange rate losses and other extraordinary losses.

(6) Enterprise value is calculated as the implied 100% equity value plus net debt and non-controlling interest, minus equity-accounted investments and net assets classified as held for sale. Implied 100% equity value is calculated by multiplying the offer price of S$1.30 by the number of shares in issuances (excluding treasury stock) as of the Latest Practicable Date. Company Shares that are subject to awards granted under share plans and company options exercisable into company shares are not included. Financial information reflects data for the LTM from the period ended 1 April 2016 for NOL. Debt includes bank borrowings, finance lease liabilities, senior debentures, medium term notes and derivative financial instruments. Net assets of the group classified as held-for-sale are considered additional investments and reduces enterprise value. EBITDA has been adjusted to exclude share of results from equity accounted investments and extraordinary items such as net gain from disposal of assets, fair value gain on interest retained in former subsidiary, government subsidy and refund, amortisation of deferred income, net write-offs of inventory, fair value loss from bunker swaps and foreign exchange forward contracts, net provision of insurance, litigation and other claims, net foreign exchange losses, net write backs on insurance, litigation, onerous contracts, tax penalties and other claims.

(7) Multiples more than 40x or negative in value are denoted as NM.

The Independent Directors should note that the analysis of Precedent Transaction multiples indicates that the equivalent Company multiples implied by the Offer Price are within or above the range indicated by the Selected Precedent Transactions set out above.

6.9 Broker Research Price Targets for the Company Shares

We have reviewed certain research reports by research brokers in relation to the Company Shares as compiled from Bloomberg L.P., Thomson Research and research reports available to us.

The table below summarises the ratings and target prices indicated in various research notes and reports:

Brokers research price targets for NOL as at:	**Unaffected Date (16 July 2015)**			**Between the Unaffected Date and 6 December 2015**			**Between the Pre-Conditional Offer Announcement Date and the Latest Practicable Date**		
Research Broker	**Date**	**Rating**	**Target Price (S$)**	**Date**	**Rating**	**Target Price (S$)**	**Date**	**Rating**	**Target Price (S$)**
Credit Suisse	15-Jul-15	Neutral	0.95	–	–	–	7-Jan-16	Neutral	1.30
BOCOM	14-Jul-15	Neutral	1.18	01-Dec-15	Neutral	0.93	17-May-16	Neutral	1.30
UBS	08-Jul-15	Neutral	0.98	–	–	–	6-May-16	Neutral	1.30
HSBC	16-Jun-15	Reduce	0.70	30-Oct-15	Restricted	–	–	–	–
Drewry Financial	15-Jun-15	Neutral	0.93	17-Nov-15	Unattractive	1.00	–	–	–
CIMB	05-Jun-15	Hold	1.05	08-Nov-15	Hold	0.95	24-Feb-16	Hold	1.30
OCBC	02-Jun-15	Hold	1.15	23-Nov-15	Hold	0.96	9-May-16	Accept the offer	1.00
Barclays	18-May-15	Overweight	1.30	–	–	–	–	–	–
J.P. Morgan	15-May-15	Neutral	1.10	23-Nov-15	Rating suspended	–	–	–	–
DBS Vickers	15-May-15	Hold	1.07	02-Nov-15	Hold	1.00	8-Dec-15	Accept the offer	1.00
UOB Kay Hian	15-May-15	Buy	1.01	02-Nov-15	Hold	1.06	9-May-16	Accept the offer	1.30
Jefferies	14-May-15	Hold	1.00	–	–	–	14-Jan-16	Hold	1.00
Fearnley	13-May-15	Buy	1.30	–	–	–	9-May-16	Buy	1.20
Goldman Sachs	24-Mar-15	Buy	1.30	–	–	–	16-Mar-16	Neutral	1.20
Macquarie	10-Mar-15	Outperform	1.40	27-Jul-15	Outperform	1.20	–	–	–
Mean			**1.09**			**1.01**			**1.19**
Median			**1.07**			**1.00**			**1.20**
Offer Price			**1.30**			**1.30**			**1.30**

Sources: Bloomberg L.P. and Thomson Research

Based on the above, we note that:

(a) The Offer Price represents a premium of 18.8% to the average Company Share price target estimates by research brokers as at the Unaffected Date;

(b) The Offer Price represents a premium of 28.2% to the average Company Share price target estimates by research brokers between the Unaffected Date and 6 December 2015; and

(c) The Offer Price represents a premium of 9.2% to the average Company Share price target estimates released by research brokers between the Pre-Conditional Offer Announcement Date and the Latest Practicable Date.

We wish to highlight that the above broker research reports are not exhaustive and the estimated price target for the Company Shares and other statements/opinions in these reports represent the individual views of the respective research brokers (and not MKES) based on the circumstances (including inter alia, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the Company) prevailing at the date of the publication of the respective equity research reports. The opinions of the research brokers may change over time as a result of, among other things, changes in market conditions, the Company's corporate developments and the emergence of new information relevant to the Company. As such the estimated price targets in these equity research reports may not be an accurate prediction of future market prices of the Company Shares.

7 OTHER CONSIDERATIONS IN RELATION TO THE OFFER

7.1 Listing Status and Suspension of Trading

As stated in the Offer Document, the Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Company Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the Company Shares (excluding treasury shares) are held in public hands.

Suspension of Trading

Under Rule 1105 of the Listing Manual, upon announcement by the Offeror that acceptances have been received that bring the holdings of the Company Shares owned by the Offeror and parties acting in concert with the Offeror to above 90 per cent. of the total number of issued Company Shares (excluding treasury shares), the SGX-ST may suspend the trading of the listed securities of the Company on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of issued Company Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Company Shares (excluding treasury shares), thus causing the percentage of the total number of issued Company Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer.

Free Float

Rule 723 of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of issued Company Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**"). In addition, under Rule 724 of the Listing Manual, if the percentage of the total number of issued Company Shares (excluding treasury shares) held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all securities of the Company on the SGX-ST. Rule 724 of the Listing Manual further states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the total number of issued Company Shares (excluding treasury shares) held by members of the public to be raised to at least 10 per cent., failing which the Company may be removed from the Official List of the SGX-ST.

In the event the Company does not meet the Free Float Requirement, the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for any trading suspension in the securities of the Company to be lifted.

7.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Company Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares), the Offeror would be entitled to exercise its right to compulsorily acquire all the Offer Shares of the Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Company Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Company Shares which, together with the Company Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of issued Company Shares (excluding treasury shares) as at the final Closing Date. **Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90 per cent. threshold under Section 215(3) of the Companies Act does not exclude Company Shares held by the Offeror, its related corporations or their respective nominees as at the date of the Offer.

7.3 Implications of Delisting for Shareholders

Shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of marketability. Following the proposed delisting, it is likely to be difficult for Shareholders who do not accept the Offer to sell their Company Shares in the absence of a public market for the Company Shares as there is no arrangement for Shareholders to exit. If the Company is delisted, even

if such Shareholders were able to sell their Company Shares, they may receive a lower price as compared to the Offer Price. Further, any transfer or sale of Company Shares represented by share certificates will be subject to stamp duty.

Shareholders should also note that, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the closure of the Offer, make a second offer to, or acquire any Company Shares from, any Shareholder on terms better than those made available under the Offer.

As an unlisted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 and Appendices 7.1, 7.2, 7.4.1 and 7.4.2 of the Listing Manual.

7.4 Offeror's Intentions in Relation to the Company

As stated in paragraph 7.3 of the Offer Document, the Offeror attaches significant importance to Singapore and the region for the deployment of its strategy in Asia and intends to maintain high transit volume in Singapore. Moreover, CMA CGM aims to expand and strengthen its presence in Singapore, benefitting from the Company's historic legacy, human capital and intellectual capital and reinforcing Singapore's leadership in the maritime and shipping sector as part of the enlarged Group's strategy in Asia. The CMA CGM Group will also contribute to reinforce Singapore as a center of excellence in the field of maritime activities as the Offeror plans to use Singapore as a key hub in Asia and to establish its regional head office here. This consolidation of the CMA CGM Group's longstanding presence in Asia in Singapore aims to provide efficient and quality services to customers in the region, including the services provided by its subsidiaries, ANL and CNC Line.

In this respect, the Offeror intends to perform a strategic review encompassing both the NOL Group and the current CMA CGM Group with a view to deleveraging the combined Group further to the Offer with the objective to sell assets in the aggregate amount of at least US$1 billion. Further to this strategic review, CMA CGM may also consider redeploying certain ships amongst trade lanes with a view to optimising fleet usage.

Save as disclosed above and in paragraph 6.1 of the Offer Document, the Offeror presently has no intention to:

(a) introduce any major changes to the business of the Company;

(b) redeploy the fixed assets of the Company; or

(c) discontinue the employment of the NOL Group Employees,

other than in the ordinary and usual course of business. However, the Offeror retains the flexibility at any time to consider any option in relation to the Group which may present itself or which the Offeror may regard to be in the interest of the Offeror and the Group taking into consideration the volatile environment in which the Offeror and the Company operate including, but not limited to, reorganisation in connection with integration.

The Offeror's intention in relation to the listing status of the Company is set out in paragraph 9.3 of the Offer Document.

7.5 Main Shareholder Irrevocable Undertaking

As set out in paragraph 4.1 of the Offer Document, Lentor has provided an irrevocable undertaking (the "**Main Shareholder Irrevocable Undertaking**") to the Offeror to tender, and to procure the tender by Temasek and Startree of, the Undertaking Shares in acceptance of the Offer by no later than **5:00 p.m. (Singapore time)** on the 6th day after the Despatch Date, upon and subject to the terms and conditions of the Main Shareholder Irrevocable Undertaking. Notwithstanding the provisions of the Code or any term of the Offer regarding withdrawal, Lentor has agreed not to, and to procure that Temasek and Startree will not, withdraw such acceptance(s).

As at the Latest Practicable Date, Temasek holds an aggregate interest, direct and deemed (through its wholly-owned subsidiaries, Lentor and Startree), in 1,738,676,330 Company Shares ("**Undertaking Shares**"), representing approximately 66.78% of the Company Shares (which, for the avoidance of doubt, excludes any issued and paid up ordinary shares held by the Company as treasury shares).

7.6 The Offeror Does Not Intend to Increase the Offer Price

As set out in paragraph 2.1 (c) of the Offer Document, the Offeror does not intend to increase the Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price, in any way.

Shareholders who are in doubt of their position should seek independent professional advice.

8 CONCLUSION AND RECOMMENDATION

This summary should be read in conjunction with, and in the context of, the full text of this letter. In arriving at our advice in respect of the Offer, we have taken into account, *inter alia*, the following key considerations summarised below.

(a) in the 12-month period prior to the Pre-Conditional Offer Announcement Date and the period from the Pre-Conditional Offer Announcement Date to the Latest Practicable Date, the Company Shares have not traded above the Offer Price;

(b) the Company Shares do not suffer from illiquid trading conditions and that the historical market price of the Company Shares provides a meaningful reference point for comparison with the Offer Price;

(c) in the 12-month period prior to and including the Latest Practicable Date, the Company's Average Daily Trading Volume of 1.60% to Free Float and Average Daily Trading Value of 0.30% to Market Capitalisation is higher than the respective mean and median liquidity measure for the Top-15 SGX-ST listed companies by market capitalisation for the same time period;

(d) the Offer Price represents a premium of 0.4% over the last traded price of the Company Shares on the SGX-ST on the Latest Practicable Date and a premium of approximately 0.8%, 2.3%, 4.8% and 20.3% over the VWAP of the Company Shares for the 1-month, 3-month, 6-month and 12-month periods prior to and including the Latest Practicable Date;

(e) the Offer Price represents a premium of 6.1% over the last traded price of the Company Shares on the SGX-ST prior to the Pre-Conditional Offer Announcement Date and a premium of approximately 14.6%, 22.0%, 31.1% and 29.9% over the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Pre-Conditional Offer Announcement Date;

(f) the Offer Price represents a premium of 48.6% over the last traded price of the Company Shares on the SGX-ST on the Unaffected Date and a premium of approximately 51.0%, 32.9%, 30.7% and 35.1% over the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to and including the Unaffected Date;

(g) the premia implied by the Offer Price over the last traded price, 1-month, 3-month and 6-month VWAP of the Company Shares prior to and including the Unaffected Date are within the range and higher than the mean and median as implied by the respective offer prices in respect of the Precedent Privatisations;

(h) the valuation multiples implied by the Offer Price are within the trading levels of the Comparable Companies;

(i) the valuation multiples implied by the Offer Price are within or above the range of the implied transaction multiples indicated by the Selected Precedent Transactions;

(j) Offer Price represents a premium of 18.8% to the average price target estimates by research brokers as at the Unaffected Date, according to Bloomberg L.P., Thomson Research and research reports available to us. Offer Price represents a premium of 9.2% to the average price target estimates by research brokers as at the Latest Practicable Date based on broker research price targets for reports released between the Pre-Conditional Offer Announcement Date to the Latest Practicable Date, according to Bloomberg L.P., Thomson Research and research reports available to us;

(k) Lentor has provided an irrevocable undertaking to the Offeror to tender, and to procure the tender by Temasek and Startree, in acceptance of the Offer, of 1,738,676,330 Company Shares representing approximately 66.78% of the Company Shares as at the Latest Practicable Date (which, for the avoidance of doubt, excludes ordinary shares held by the Company as treasury shares). After such tender by Lentor, Temasek and Startree in acceptance of the Offer, the Offer will become and be declared to be unconditional as to acceptances;

(l) as at the Latest Practicable Date, CMA CGM (including parties acting in concert with it) owned, controlled or agreed to acquire 277,037,694 Company Shares, representing approximately 10.64% of the Company Shares;

(m) review of relevant Company announcement and fillings, including announcement dated 7 November 2015 stating that the Company was in discussions with CMA CGM and AP Moeller-Maersk;

(n) Independent Directors' preliminary recommendation, as disclosed in the Pre-Conditional Offer Announcement, stating that, "Having improved the performance of the business over the last few years, the Independent Directors undertook a review of the Company and its subsidiaries (the "**Group**") and the Group's potential opportunities.

Given the need for substantial, continued capital investment and the need to return the Group's core liner business to sustainable growth and profitability, and having assessed all strategic options available to the Group, the Independent Directors believe that the Offer would enable the Group to realise immediate and attractive value for Shareholders. The acquisition of the Company by the Offeror is expected to cement the combined company's position as one of the three largest liner shipping companies in the world. The combined company is expected to have the strength, scale and resources to compete effectively in an industry where consolidation and investment in larger and modern vessels is changing the competitive landscape";

(o) comparison of the financial and operating performance of the NOL Group with publicly available information concerning the Comparable Companies. The NOL Group's profitability (as indicated by the LTM EBITDA margin) is lower than the mean of the Comparable Companies and the NOL Group's financial leverage position (as indicated by the Net Debt/LTM EBITDA multiple) is higher than the mean of the Comparable Companies. The NOL Group has recorded pre-tax losses (excluding the one-time gain on the sale of NOL's logistics unit in FY2015) for the three most recently completed consecutive financial years;

(p) confirmation from the Company that alternative strategic options were considered, but the Company was of the view that none of these options represented as compelling a proposal as the Offer;

(q) discussions with representatives of the Company; and

(r) other relevant considerations.

In summary, having considered the aforesaid points including the various factors as set out in this letter, we are of the opinion that the financial terms of the Offer are, on balance, fair and reasonable, from a financial point of view. Based on our opinion and accordingly, we advise the Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open market, taking into account all brokerage commissions or transaction costs in connection with open market transactions.

We wish to emphasise that we have been appointed to render our opinion on the Latest Practicable Date. Our terms of reference do not require us to express, and we do not express, an opinion on the future growth prospects of the Company.

In rendering our advice, we have not considered the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

The Independent Directors should note that trading of the Company Shares is subject to, *inter alia*, the performance and prospects of the Company, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, our opinion does not and cannot take into account future trading activities, patterns or price levels that may be established beyond the Latest Practicable Date.

The Independent Directors should advise the Shareholders that the opinion and advice of MKES should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

This letter is addressed to the Independent Directors solely for their benefit, in connection with and for the purpose of their consideration of the Offer, any recommendation to the Shareholders remains the sole responsibility of the Independent Directors.

This letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and there is no implication with regard to any other matter. Nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore and any re-enactment thereof shall not apply.

Yours faithfully

Maybank Kim Eng Securities Pte. Ltd.

1. DIRECTORS

The names, addresses and descriptions of the Company Directors are as follows:

Name	Address	Description
Mr. Kwa Chong Seng	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Chairman
Mr. Ng Yat Chung	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	NOL Group President, CEO and Executive Director
Mr. Robert John Herbold	1106 108th Ave NE Suite 705 Bellevue, WA98004 United States of America	Non-executive Independent Director
Mr. Tan Puay Chiang	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Director
Ms. Jeanette Wong Kai Yuan	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Director
Mr. Low Check Kian	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Director
Mr. Quek See Tiat	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Director
Mr. Alvin Yeo Khirn Hai	9 North Buona Vista Drive #14-01 The Metropolis Singapore 138588	Non-executive Independent Director
Mr. Tom Behrens-Sørensen	9-64 Qijiayuan DRC 9 Jianwai Dajie Beijing 100600 People's Republic of China	Non-executive Independent Director
Mr. Bruno Sidler	Baarerstrasse 78 6300 Zug Switzerland	Non-executive Independent Director

Please refer to **paragraph 6.1** of the Offeror's Letter for details of the proposed changes to the composition of the Board with effect from the Reconstitution Date. Brief descriptions of each of the Proposed New Directors are set out in **paragraph 5** of **Appendix 4** to this Composite Document.

2. HISTORY

The Company was incorporated in the Republic of Singapore on 30 December 1968 and was listed on the Main Board of the SGX-ST on 19 May 1981. The Company's registered office is at 9 North Buona Vista Drive, #14-01 The Metropolis, Singapore 138588.

3. PRINCIPAL ACTIVITIES

The Company is a container shipping and transportation company that owns and charters vessels and other related assets. The Company offers container transportation services for dry, climate-controlled, hazardous and oversized goods, as well as special cargo. It also provides container shipping services in trade lanes comprising the Trans-Pacific, Trans-Atlantic, Latin America, Asia-Europe, and Intra-Asia trades. The Company operates a fleet of approximately 90 vessels as at the Latest Practicable Date and also provides ship management services.

4. SHARE CAPITAL

4.1 Issued Shares. As at the Latest Practicable Date, the Company has an issued and paid up share capital of approximately US$1.8 billion comprising 2,603,559,950 issued Company Shares (excluding 1,726,717 issued and paid up ordinary shares held by the Company as treasury shares).

The Company Shares are ordinary shares carrying equal ranking rights to dividends, voting at general meetings and return of capital. The Company does not hold any other class of share capital as at the Latest Practicable Date.

There is no restriction in the Memorandum and the Articles on the right to transfer any Company Shares that has the effect of requiring the holders of Offer Shares, before transferring them, to offer them for purchase to Shareholders or to any other person.

4.2 Rights in respect of Capital, Dividends and Voting. The rights of Shareholders in respect of capital, dividends and voting in relation to the Company Shares are contained in the Articles. For ease of reference, selected texts of the Articles relating to the same have been extracted and reproduced in **Appendix H** to this Composite Document.

4.3 Number of Company Shares Issued since the End of the Last Financial Year. As at the Latest Practicable Date, 2,159,425 new Company Shares have been issued since the end of FY2015, being the last financial year of the Company. Details of such new Company Shares issued are set out below:

	Number of Company Shares	Share capital (US$'000)
Balance as at 25 December 2015 (excluding 1,726,717 Company Shares held by the Company as treasury shares)	2,601,400,525	1,835,044
Company Shares issued upon exercise of Company Options	2,159,425	2,167
Balance as at the Latest Practicable Date	2,603,559,950	1,837,211

4.4 Other Securities. Save as disclosed below, the Company has not issued any other instruments convertible into, rights to subscribe for, and options in respect of, Company Shares and securities which carry voting rights affecting Company Shares that are outstanding as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has:

(a) 12,602,525 outstanding Company Options under the Company SOP exercisable into 12,602,525 Company Shares, the details of which are set out below:

Date of Grant	Exercise Period	Exercise Price[5]	Number of Company Shares attributable to Company Options as at 25 December 2015	Number of Company Shares attributable to Company Options Exercised	Number of Company Shares attributable to Company Options Cancelled	Number of Company Shares attributable to Company Options Expired	Number of Company Shares attributable to Company Options Outstanding as at the Latest Practicable Date
13 March 2006	13 March 2007 to 12 March 2016	S$2.10	8,402,061	0	(239,628)	(8,162,433)	0
12 March 2007	12 March 2008 to 11 March 2017	S$3.22	3,245,470	0	(139,094)	0	3,106,376
22 February 2008	22 February 2009 to 21 February 2018	S$3.52	4,219,875	0	(189,254)	0	4,030,621

[5] Exercise prices of outstanding Company Options were reduced by S$0.10 as a result of a rights issue in 2009, except for 1,226,000 Company Options granted to a Company Director.

Date of Grant	Exercise Period	Exercise Price[5]	Number of Company Shares attributable to Company Options as at 25 December 2015	Number of Company Shares attributable to Company Options Exercised	Number of Company Shares attributable to Company Options Cancelled	Number of Company Shares attributable to Company Options Expired	Number of Company Shares attributable to Company Options Outstanding as at the Latest Practicable Date
20 February 2009	20 February 2010 to 19 February 2019	S$1.05	7,778,126	(2,159,425)	(153,173)	0	5,465,528
Total	–	–	23,645,532	(2,159,425)	(721,149)	(8,162,433)	12,602,525

(b) 7,263,355 outstanding Company PSP Awards granted under the Company PSP, pursuant to which an aggregate of 2,179,000 Company Shares may be vested, subject to the fulfilment of the terms of the Company PSP Awards and the achievement of certain Performance Conditions (as defined in the Company PSP) in the prescribed future performance periods, the details of which are set out below:

Date of Award	Performance Period	Balance as at 25 December 2015	Company PSP Awards awarded	Company PSP Awards vested	Company PSP Awards cancelled	Outstanding Company PSP Awards as at the Latest Practicable Date
1 April 2013	31 December 2011 to 28 December 2012	844,484	0	(186,843)	(657,641)	0
1 April 2014	29 December 2012 to 27 December 2013	2,461,458	0	(296,836)	(977,279)	1,187,343
1 April 2015	28 December 2013 to 26 December 2014	4,140,805	0	(335,500)	(1,121,293)	2,684,012
1 April 2016	27 December 2014 to 25 December 2015	0	3,392,000	0	0	3,392,000
Total	–	7,446,747	3,392,000	(819,179)	(2,756,213)	7,263,355

(c) 9,173,726 outstanding Company RSP Awards granted under the Company RSP, pursuant to which an aggregate of 9,173,726 Company Shares may be vested, the details of which are set out below:

Date of Award	Performance Period	Balance as at 25 December 2015	Company RSP Awards awarded	Company RSP Awards vested	Company RSP Awards cancelled	Outstanding Company RSP Awards as at the Latest Practicable Date
1 April 2013	31 December 2011 to 28 December 2012	603,240	0	(579,570)	(23,670)	0
1 April 2014	29 December 2012 to 27 December 2013	2,535,466	0	(1,227,549)	(132,950)	1,174,967
1 April 2015	28 December 2013 to 26 December 2014	5,223,443	0	(1,673,347)	(354,809)	3,195,287
1 April 2016	27 December 2014 to 25 December 2015	0	4,931,000	0	(127,528)	4,803,472
Total	–	8,362,149	4,931,000	(3,480,466)	(638,957)	9,173,726

5. DISCLOSURE OF INTERESTS

5.1 Interest of Company in Offeror Securities. As at the Latest Practicable Date, the Company does not have any direct or indirect interests in Offeror Securities.

5.2 Dealings in Offeror Securities by Company. During the period commencing three months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date, the Company has not dealt for value in Offeror Securities.

5.3 Interest of Company Directors in Offeror Securities. As at the Latest Practicable Date, none of the Company Directors has any direct or indirect interests in Offeror Securities.

5.4 Dealings in Offeror Securities by Company Directors. During the period commencing three months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date, none of the Company Directors has dealt for value in Offeror Securities.

5.5 Interest of Company Directors in Company Securities. Save as disclosed below, as at the Latest Practicable Date, none of the Company Directors has any interest, direct or indirect, in the Company Securities.

Company Directors	Number of Company Shares				Number of outstanding PSP Awards and outstanding RSP Awards	Number of Company Shares comprised in outstanding Company Options
	Direct Interest	%[1]	Deemed Interest	%[1]		
Mr. Kwa Chong Seng	2,000,000	0.08	–	–	–	–
Mr. Ng Yat Chung	1,797,750	0.07	–	–	1,669,667 outstanding PSP Awards and 864,001 outstanding RSP Awards	–
Mr. Tan Puay Chiang	100,000	n.m[2]	–	–	–	–

Notes:

(1) Percentage interest is based on the total number of issued Company Shares (excluding 1,726,717 issued and paid up ordinary shares held by the Company as treasury shares) being 2,603,559,950 as at the Latest Practicable Date.
(2) Not meaningful.

As at the Latest Practicable Date, Mr. Kwa Chong Seng held S$250,000 in aggregate principal amount of the S$400,000,000 4.25 per cent notes issued by the Company due on 26 April 2017.

5.6 Dealings in Company Securities by Company Directors. Save as disclosed below, during the period commencing three months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date, none of the Company Directors has dealt for value in any Company Securities.

On 1 April 2016, pursuant to the Company PSP and the Company RSP, the Company granted 738,000 Company PSP Awards and 510,000 Company RSP Awards to Mr. Ng Yat Chung. A total of 440,333 Company RSP Awards held by Mr. Ng Yat Chung that vested prior to the Offer Unconditional Date, as with any other holders of Company RSP Awards, were settled in cash at the Offer Price, as disclosed in the announcement dated 1 April 2016 released on the SGX-ST.

On 3 May 2016, as with any other holders of Company PSP Awards, 169,667 of the Company PSP Awards held by Mr. Ng Yat Chung vested and were settled in cash at the Offer Price, and 509,000 of the Company PSP Awards held by him were forfeited, as disclosed in the announcement dated 3 May 2016 released on the SGX-ST.

5.7 Interest of IFA in Company Securities. As at the Latest Practicable Date, none of MKES, or any fund managed by MKES or the Maybank Group with established offices in Singapore on a discretionary basis, owns or controls any Company Securities.

5.8 Dealings in Company Securities by IFA. Save as disclosed below, during the period commencing three months prior to the Possible Offer Announcement Date and ending on the Latest Practicable Date, none of MKES, or any of the other entities in the Maybank Group with established offices in Singapore, has dealt for value in the Company Securities.

Name	Date	Number of Company Shares Bought	Number of Company Shares Sold	Transaction Price per Company Share (S$)
MKES	6 August 2015	–	100	0.89500
MKES	6 August 2015	100	–	0.90000
MKES	11 August 2015	57,000	–	0.89500
MKES	11 August 2015	104,500	–	0.89634
MKES	11 August 2015	360,800	–	0.89768
MKES	11 August 2015	–	104,500	0.89956
MKES	11 August 2015	–	57,000	0.90000
MKES	11 August 2015	–	360,800	0.90322
MKES	12 August 2015	230,900	–	0.87162
MKES	12 August 2015	139,500	–	0.87533
MKES	12 August 2015	–	139,500	0.88006
MKES	12 August 2015	–	230,900	0.88023
MKES	14 August 2015	–	30,700	0.86505
MKES	14 August 2015	20,000	–	0.86875
MKES	14 August 2015	30,700	–	0.86998
MKES	14 August 2015	188,600	–	0.87031
MKES	14 August 2015	–	159,100	0.87050
MKES	14 August 2015	–	332,000	0.87268
MKES	14 August 2015	332,000	–	0.87741
MKES	17 August 2015	201,500	–	0.85388
MKES	17 August 2015	100	–	0.85500
MKES	17 August 2015	–	231,300	0.85872
MKES	17 August 2015	–	100	0.86000
MKES	18 August 2015	204,900	–	0.83256
MKES	18 August 2015	–	204,900	0.83403
MKES	18 August 2015	312,300	–	0.83611
MKES	18 August 2015	–	312,300	0.83667
MKES	19 August 2015	195,100	–	0.79688
MKES	19 August 2015	–	195,100	0.79874
MKES	19 August 2015	52,800	–	0.81053

Name	Date	Number of Company Shares Bought	Number of Company Shares Sold	Transaction Price per Company Share (S$)
MKES	19 August 2015	3,500	–	0.81500
MKES	19 August 2015	–	52,800	0.81994
MKES	19 August 2015	–	3,500	0.82000
MKES	20 August 2015	300	–	0.84500
MKES	20 August 2015	332,200	–	0.78733
MKES	20 August 2015	–	332,200	0.79113
MKES	21 August 2015	–	198,400	0.82963
MKES	21 August 2015	308,800	–	0.83075
MKES	24 August 2015	155,200	–	0.78977
MKES	24 August 2015	–	155,200	0.79686
MKES	24 August 2015	–	395,000	0.79756
MKES	24 August 2015	395,000	–	0.79789
MKES	24 August 2015	–	110,500	0.80862
MKES	24 August 2015	100	–	0.81000
MKES	25 August 2015	–	954,800	0.79110
MKES	25 August 2015	954,800	–	0.79267
MKES	25 August 2015	188,300	–	0.79443
MKES	25 August 2015	318,100	–	0.79624
MKES	25 August 2015	–	318,100	0.79903
MKES	25 August 2015	–	188,300	0.79919
MKES	26 August 2015	90,300	–	0.80389
MKES	26 August 2015	–	11,700	0.80496
MKES	26 August 2015	11,700	–	0.80500
MKES	26 August 2015	–	100	0.80500
MKES	26 August 2015	–	90,300	0.80777
MKES	26 August 2015	100	–	0.81000
MKES	27 August 2015	236,900	–	0.82120
MKES	27 August 2015	–	438,100	0.82327
MKES	27 August 2015	438,100	–	0.82475
MKES	27 August 2015	–	236,900	0.82737
MKES	27 August 2015	338,700	–	0.83110
MKES	27 August 2015	–	288,700	0.83271
MKES	28 August 2015	–	50,100	0.84000
MKES	28 August 2015	–	227,300	0.84275

Name	Date	Number of Company Shares Bought	Number of Company Shares Sold	Transaction Price per Company Share (S$)
MKES	28 August 2015	227,300	–	0.84341
MKES	28 August 2015	30,000	–	0.84500
MKES	28 August 2015	100	–	0.84500
MKES	28 August 2015	–	30,000	0.84500
MKES	31 August 2015	200	–	0.82500
MKES	31 August 2015	–	183,500	0.82562
MKES	31 August 2015	183,500	–	0.82587
MKES	31 August 2015	–	200	0.82750
MKES	3 September 2015	265,000	–	0.82630
MKES	3 September 2015	–	265,000	0.83154
MKES	3 September 2015	325,300	–	0.85470
MKES	3 September 2015	–	325,300	0.85970
MKES	4 September 2015	–	139,400	0.84500
MKES	4 September 2015	139,400	–	0.84501
MKES	7 September 2015	15,600	–	0.83019
MKES	7 September 2015	–	15,600	0.83747
MKES	8 September 2015	208,200	–	0.84845
MKES	8 September 2015	10,000	–	0.85000
MKES	8 September 2015	95,900	–	0.85377
MKES	8 September 2015	75,600	–	0.85501
MKES	8 September 2015	–	187,100	0.85594
MKES	8 September 2015	–	45,800	0.85701
MKES	8 September 2015	–	10,000	0.86000
MKES	9 September 2015	419,600	–	0.86477
MKES	9 September 2015	–	20,000	0.86500
MKES	9 September 2015	355,500	–	0.86754
MKES	9 September 2015	–	170,500	0.86824
MKES	9 September 2015	–	200,100	0.86838
MKES	9 September 2015	411,300	–	0.86869
MKES	9 September 2015	–	305,100	0.86871
MKES	10 September 2015	78,300	–	0.83363
MKES	10 September 2015	–	283,800	0.83763
MKES	10 September 2015	100	–	0.84000
MKES	10 September 2015	–	180,100	0.84108

Name	Date	Number of Company Shares Bought	Number of Company Shares Sold	Transaction Price per Company Share (S$)
MKES	10 September 2015	–	270,300	0.84183
MKES	14 September 2015	–	1,700	0.83500
MKES	14 September 2015	–	320,100	0.83885
MKES	14 September 2015	–	49,500	0.83899
MKES	14 September 2015	49,500	–	0.84095
MKES	14 September 2015	420,100	–	0.84252
MKES	15 September 2015	61,000	–	0.85377
MKES	15 September 2015	–	161,000	0.85416
MKES	16 September 2015	10,000	–	0.85000
MKES	16 September 2015	–	10,000	0.85000
MKES	16 September 2015	82,300	–	0.85500
MKES	16 September 2015	–	82,300	0.85500
MKES	17 September 2015	330,500	–	0.86316
MKES	17 September 2015	223,800	–	0.86534
MKES	17 September 2015	213,000	–	0.86567
MKES	17 September 2015	–	213,000	0.86817
MKES	17 September 2015	–	223,800	0.86820
MKES	17 September 2015	–	230,500	0.87213
MKES	17 September 2015	100	–	0.87500
MKES	17 September 2015	–	100	0.87500
MKES	18 September 2015	59,000	–	0.86501
MKES	18 September 2015	–	159,000	0.86685
MKES	18 September 2015	32,600	–	0.87500
MKES	18 September 2015	–	32,600	0.88000
MKES	21 September 2015	55,700	–	0.87002
MKES	21 September 2015	–	55,700	0.87793
MKES	22 September 2015	6,000	–	0.89000
MKES	22 September 2015	–	6,000	0.89500
MKES	22 September 2015	643,800	–	0.90532
MKES	22 September 2015	–	643,800	0.91265
MKES	22 September 2015	824,300	–	0.92504
MKES	22 September 2015	–	824,300	0.93491
MKES	23 September 2015	89,100	–	0.90838
MKES	23 September 2015	–	89,100	0.91836

Name	Date	Number of Company Shares Bought	Number of Company Shares Sold	Transaction Price per Company Share (S$)
MKES	23 September 2015	150,000	–	0.96167
MKES	23 September 2015	–	150,000	0.96500
MKES	25 September 2015	554,900	–	0.98808
MKES	25 September 2015	399,400	–	0.98971
MKES	25 September 2015	225,000	–	0.99000
MKES	25 September 2015	–	353,200	0.99190
MKES	25 September 2015	–	554,900	0.99321
MKES	25 September 2015	–	225,000	0.99500
MKES	28 September 2015	–	63,600	0.97500
MKES	28 September 2015	63,600	–	0.97502
MKES	28 September 2015	198,000	–	0.97960
MKES	28 September 2015	911,000	–	0.98217
MKES	28 September 2015	–	180,200	0.98395
MKES	28 September 2015	–	911,000	0.98860
MKES	29 September 2015	339,000	–	0.94500
MKES	29 September 2015	329,900	–	0.94649
MKES	29 September 2015	516,900	–	0.94767
MKES	29 September 2015	–	289,200	0.95082
MKES	29 September 2015	–	316,200	0.95173
MKES	29 September 2015	–	403,000	0.95419
MKES	30 September 2015	75,400	–	0.94848
MKES	30 September 2015	–	276,100	0.95492
MKES	30 September 2015	–	40,700	0.95500
MKES	1 October 2015	125,800	–	0.95810
MKES	1 October 2015	–	72,200	0.96000
MKES	1 October 2015	396,400	–	0.95995
MKES	1 October 2015	–	229,300	0.96220
MKES	2 October 2015	251,200	–	0.95210
MKES	2 October 2015	–	304,800	0.95349
MKES	2 October 2015	100	–	0.95000
MKES	2 October 2015	–	167,200	0.95269
MKES	5 October 2015	10,000	–	0.94500
MKES	5 October 2015	–	10,000	0.95000
MKES	6 October 2015	100	–	0.96000

Name	Date	Number of Company Shares Bought	Number of Company Shares Sold	Transaction Price per Company Share (S$)
MKES	6 October 2015	–	100	0.96000
MKES	7 October 2015	–	10,000	0.97000
MKES	7 October 2015	10,000	–	0.97500
MKES	7 October 2015	100,000	–	0.99250
MKES	7 October 2015	–	100,000	0.99525
MKES	8 October 2015	–	549,700	1.03954
MKES	8 October 2015	549,700	–	1.04100
MKES	8 October 2015	2,375,400	–	1.02806
MKES	8 October 2015	–	2,375,400	1.03521
MKES	9 October 2015	121,800	–	1.03631
MKES	9 October 2015	–	121,800	1.03631
MKES	9 October 2015	74,700	–	1.01000
MKES	9 October 2015	–	74,700	1.01500
MKES	9 October 2015	–	487,800	1.03869
MKES	9 October 2015	487,800	–	1.03896
MKES	12 October 2015	1,232,600	–	1.05000
MKES	12 October 2015	–	1,232,600	1.06040
MKES	12 October 2015	–	40,300	1.04000
MKES	12 October 2015	40,300	–	1.04002
MKES	12 October 2015	100	–	1.04500
MKES	12 October 2015	–	100	1.04500
MKES	12 October 2015	150,000	–	1.05667
MKES	12 October 2015	–	56,700	1.05941
MKES	13 October 2015	65,000	–	1.04500
MKES	13 October 2015	–	65,000	1.05000
MKES	13 October 2015	100	–	1.04500
MKES	13 October 2015	–	100	1.04500
MKES	13 October 2015	102,000	–	1.04520
MKES	13 October 2015	–	195,300	1.05213
MKES	14 October 2015	360,900	–	1.03625
MKES	14 October 2015	–	360,900	1.03938
MKES	14 October 2015	150,000	–	1.04000
MKES	14 October 2015	–	150,000	1.04333
MKES	14 October 2015	463,300	–	1.03673

Name	Date	Number of Company Shares Bought	Number of Company Shares Sold	Transaction Price per Company Share (S$)
MKES	14 October 2015	–	463,300	1.03974
MKES	15 October 2015	11,000	–	1.03514
MKES	15 October 2015	–	11,000	1.04005
MKES	19 October 2015	571,100	–	1.02163
MKES	19 October 2015	–	349,400	1.02325
MKES	20 October 2015	299,000	–	1.02094
MKES	20 October 2015	–	520,700	1.02179
MKES	20 October 2015	103,000	–	1.02515
MKES	20 October 2015	–	90,000	1.03056
MKES	21 October 2015	–	13,000	1.03000
MKES	22 October 2015	–	93,300	1.02268
MKES	22 October 2015	93,300	–	1.02506
MKES	22 October 2015	285,500	–	1.01912
MKES	22 October 2015	–	285,500	1.01948
MKES	23 October 2015	100	–	1.05500
MKES	23 October 2015	–	100	1.05500
MKES	23 October 2015	891,800	–	1.05550
MKES	23 October 2015	–	891,800	1.06498
MKES	23 October 2015	187,900	–	1.03901
MKES	23 October 2015	–	187,900	1.04815
MKES	23 October 2015	84,700	–	1.03205
MKES	23 October 2015	–	84,700	1.03410
MKES	26 October 2015	–	224,900	1.03837
MKES	26 October 2015	224,900	–	1.03838
MKES	27 October 2015	500,100	–	1.02700
MKES	27 October 2015	–	500,100	1.02854
MKES	28 October 2015	–	112,300	1.02277
MKES	28 October 2015	112,300	–	1.02890
MKES	2 November 2015	300	–	0.96833
MKES	2 November 2015	–	300	0.96833
MKES	2 November 2015	190,300	–	0.96500
MKES	3 November 2015	100,300	–	0.97501
MKES	3 November 2015	–	100,300	0.97750
MKES	3 November 2015	–	439,600	0.97658

Name	Date	Number of Company Shares Bought	Number of Company Shares Sold	Transaction Price per Company Share (S$)
MKES	3 November 2015	339,600	–	0.97705
MKES	3 November 2015	204,900	–	0.97745
MKES	3 November 2015	–	204,900	0.98000
MKES	4 November 2015	238,300	–	0.99088
MKES	4 November 2015	–	237,400	0.99441
MKES	4 November 2015	416,200	–	0.98901
MKES	4 November 2015	–	260,600	0.99495
MKES	4 November 2015	250,400	–	0.98923
MKES	4 November 2015	–	250,400	0.99490
MKES	5 November 2015	–	900	0.98500
MKES	5 November 2015	119,600	–	0.98003
MKES	5 November 2015	–	257,900	0.98351
MKES	5 November 2015	55,300	–	0.98000
MKES	5 November 2015	–	55,300	0.98000
MKES	6 November 2015	131,900	–	1.00380
MKES	6 November 2015	–	131,900	1.01429
MKES	6 November 2015	373,500	–	1.01250
MKES	6 November 2015	–	390,800	1.01899
MKES	6 November 2015	223,600	–	1.00719
MKES	6 November 2015	–	223,600	1.01566
MKES	9 November 2015	–	50,400	1.08501
MKES	9 November 2015	50,400	–	1.08502
MKES	9 November 2015	451,100	–	1.08110
MKES	9 November 2015	–	451,100	1.08387
MKES	9 November 2015	200,000	–	1.07375
MKES	9 November 2015	–	150,000	1.08167
MKES	11 November 2015	–	400	1.04875
MKES	11 November 2015	400	–	1.05250
MKES	11 November 2015	50,100	–	1.04502
MKES	11 November 2015	–	100,100	1.05251
MKES	12 November 2015	230,100	–	1.03500
MKES	12 November 2015	–	230,100	1.03500
MKES	13 November 2015	30,000	–	1.02833
MKES	13 November 2015	–	30,000	1.03158

Name	Date	Number of Company Shares Bought	Number of Company Shares Sold	Transaction Price per Company Share (S$)
MKES	13 November 2015	100,000	–	1.03000
MKES	13 November 2015	–	100,000	1.03000
MKES	16 November 2015	188,100	–	1.03002
MKES	16 November 2015	–	188,100	1.03827
MKES	17 November 2015	101,600	–	1.13468
MKES	17 November 2015	–	101,600	1.13960
MKES	17 November 2015	–	100	1.13000
MKES	17 November 2015	100	–	1.13500
MKES	17 November 2015	394,200	–	1.10500
MKES	17 November 2015	–	394,200	1.10556
MKES	18 November 2015	50,100	–	1.11005
MKES	18 November 2015	–	50,100	1.11504
MKES	19 November 2015	–	300	1.13833
MKES	19 November 2015	300	–	1.14000
MKES	20 November 2015	–	521,500	1.10499
MKES	20 November 2015	521,500	–	1.10500
MKES	23 November 2015	350,900	–	1.17215
MKES	23 November 2015	–	350,900	1.17428
MKES	25 November 2015	801,600	–	1.22500
MKES	25 November 2015	–	801,600	1.22500
MKES	25 November 2015	–	456,500	1.22086
MKES	25 November 2015	456,500	–	1.22195
MKES	26 November 2015	200	–	1.21000
MKES	26 November 2015	–	200	1.21000
MKES	1 December 2015	2,034,300	–	1.20470
MKES	1 December 2015	–	2,034,300	1.20560
MKES	2 December 2015	–	100	1.19500
MKES	2 December 2015	100	–	1.21000
MKES	16 December 2015	20,000	–	1.22500
MKES	16 December 2015	–	20,000	1.23000
MKES	25 February 2016	20,000	–	1.25000
MKES	25 February 2016	–	20,000	1.25000

5.9 Intentions of the Company Directors. The following Company Directors who have beneficial interests in the Company Shares have informed the Company of their intentions in respect of the Offer, as follows:

(a) Mr. Kwa Chong Seng intends to **accept** the Offer in respect of all of his 2,000,000 Company Shares; and

(b) Mr. Ng Yat Chung intends to **accept** the Offer in respect of all of his 1,797,750 Company Shares; and

(c) Mr. Tan Puay Chiang intends to **accept** the Offer in respect of all of his 100,000 Company Shares.

6. ARRANGEMENTS AFFECTING DIRECTORS

6.1 Directors' Service Contracts. As at the Latest Practicable Date, there are no service contracts between any Company Director or proposed director with the Company or any of its subsidiaries with more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying compensation.

In addition, save as disclosed in **paragraph 6.2(f)** of this **Appendix C**, there were no such service contracts entered into or amended between any Company Director or proposed director with the Company or any of its subsidiaries during the period between the start of six months preceding the Possible Offer Announcement Date and ending on the Latest Practicable Date.

6.2 No Payment or Benefit to Directors. As at the Latest Practicable Date, save as disclosed in **paragraph 5.6** of this **Appendix C** and below, it is not proposed that any payment or other benefit be made or given to any Company Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer:

(a) **Awards vesting on or after the Offer Unconditional Date.** In relation to up to 5,821,072 New Awards, up to 1,161,400 Outstanding PSP Awards and up to 4,370,254 Outstanding RSP Awards vesting on or after the Offer Unconditional Date, the ERCC has made such arrangement for the compensation in cash at the Offer Price of the holders of such New Awards, Outstanding PSP Awards and Outstanding RSP Awards as described in **paragraph 2.3(c)** of this Offeree's Circular. Out of this, Mr. Ng Yat Chung, like any other holders of New Awards, Outstanding PSP Awards and/or Outstanding RSP Awards, would be compensated in cash at the Offer Price for 731,400 New Awards (comprising 221,400 Company PSP Awards and 510,000 Company RSP Awards), 279,500 Outstanding PSP Awards and 354,001 Outstanding RSP Awards.

(b) **Transaction Bonus.** In connection with the process of considering, reviewing, negotiating and implementing the Offer ("**Transaction Process**"), the Company has established a change in control compensation package pursuant to which a transaction bonus ("**Transaction Bonus**") will be payable by the Company to each employee from the core team and core support team tasked to attend to all matters relating to the Transaction Process ("**Key Transaction Employee**"). The purposes of the Transaction Bonus are (i) to give recognition to the Key Transaction Employees for

their efforts and commitment during the Transaction Process and (ii) to ensure that the Key Transaction Employees remain in the employment of the Company throughout the duration of the Transaction Process.

As at the Latest Practicable Date, the aggregate amount of Transaction Bonus payable to Mr. Ng Yat Chung, who is a Key Transaction Employee, a Company Director and a director of certain of the Company's subsidiaries, is approximately US$1.7 million. In addition, the aggregate amount of Transaction Bonus payable to four Key Transaction Employees who are also directors of the Company's subsidiaries (but excluding Mr. Ng Yat Chung) is approximately US$1.4 million.

(c) **Retention Bonus.** In connection with the Transaction Process, the Company has established an employee retention plan for the NOL Group, pursuant to which a retention bonus ("**Retention Bonus**") will be payable by the Company to each employee who is responsible for the business and operations of the NOL Group and is critical to the NOL Group ("**Key Retention Employee**"), subject to the satisfaction of certain conditions (such as, the Key Retention Employee remaining in the employment of the NOL Group as at the date of payment of the Retention Bonus in the month of December 2016 (the "**Retention Bonus Repayment Date**") and satisfying certain performance rating(s) set or to be set by the ERCC). The purposes of the Retention Bonus are (i) to ensure that the operations of the NOL Group continue to be run in the ordinary course throughout the Transaction Process and (ii) to ensure that the Key Retention Employees remain in the employment of the Company until the Retention Bonus Repayment Date.

As at the Latest Practicable Date, no Retention Bonus is payable to any Company Director. The aggregate amount of Retention Bonus proposed to be paid to the 24 Key Retention Employees who are also directors of the Company's subsidiaries is approximately US$3.5 million.

(d) **Directors' and officers' liability insurance.** Under the terms of the Offer Implementation Agreement, the Offeror has, in respect of matters existing or occurring at or prior to the Offer Unconditional Date:

(i) consented to the provision of directors' and officers' liability insurance for both current and former directors and officers of the NOL Group for a period of six years after the Offer Unconditional Date; and

(ii) agreed to procure, for a period of six years after the Offer Unconditional Date, that members of the NOL Group honour and fulfil their respective obligations to indemnify their respective directors and officers and to advance expenses.

(e) **Covenants with respect to NOL Group Employees.** Under the terms of the Offer Implementation Agreement, the Offeror and the Company have agreed that, for a period of at least 12 months from the Offer Unconditional Date:

(i) NOL Group Employees who remain employed by the NOL Group after the Offer Unconditional Date will be given the same base salary as at the Pre-Conditional Offer Announcement Date and the right to participate in comparable compensation and/or incentive benefits, plans and/or programmes consistent with past practices of the NOL Group; and

(ii) the Offeror shall not, and shall procure that the NOL Group shall not, terminate or otherwise amend or vary certain severance policies of the NOL Group in a manner adverse to any NOL Group Employee who has been covered by such severance policies since the Pre-Conditional Offer Announcement Date.

(f) **Arrangement relating to Mr. Ng Yat Chung's employment.** As at the Latest Practicable Date, it is contemplated that Mr. Ng Yat Chung will continue in his employment with NOL on the same terms and conditions as his current employment with NOL, save that he will be re-designated from NOL Group President, CEO and executive director, with effect from the Offer Unconditional Date, to Special Adviser to Mr. Rodolphe Saadé (in Mr. Saadé's capacity as Chairman of the Board) and executive director.

6.3 No Agreement Conditional upon Outcome of Offer. As at the Latest Practicable Date, save as disclosed in **paragraphs 5.6** and **6.2** of this **Appendix C**, there are no agreements or arrangements made between any Company Director and any other person in connection with or conditional upon the outcome of the Offer.

6.4 No Material Contracts entered into by Offeror. As at the Latest Practicable Date, save as disclosed in **paragraph 6.2** of this **Appendix C**, there are no material contracts entered into by the Offeror in which any Company Director has a material personal interest, whether direct or indirect.

In the interests of full disclosure, it should be noted that:

(a) Mr. Alvin Yeo Khirn Hai is the Chairman and Senior Partner of WongPartnership LLP. WongPartnership LLP is advising the Offeror as to Singapore law in relation to the Offer. The Company understands from Mr. Alvin Yeo Khirn Hai that Chinese wall arrangements exist between Mr. Alvin Yeo Khirn Hai and the working team in WongPartnership LLP advising the Offeror as to Singapore law in relation to the Offer, and accordingly, Mr. Alvin Yeo Khirn Hai considers himself independent for the purposes of the Offer; and

(b) Ms. Jeanette Wong Kai Yuan is a Group Executive of DBS Bank Ltd. ("**DBS**") and is responsible for overseeing DBS's Institutional Banking Group, which comprises Corporate Banking, SME Banking and Global Transaction Services. DBS group provides financing to the NOL Group from time to time. As such financing is or will be provided to the NOL Group in the ordinary course of business of DBS group, Jeanette Wong Kai Yuan considers herself independent for the purposes of the Offer.

7. FINANCIAL INFORMATION

7.1 CONSOLIDATED INCOME STATEMENTS

Certain financial information extracted from the consolidated income statements of the NOL Group for FY2013, FY2014, FY2015 and 1Q2016 are set out below:

	FY2013 (Audited) (US$'000)	FY2014 (Audited) (US$'000)	FY2015 (Audited) (US$'000)	1Q2016 (Unaudited) (US$'000)
Revenue	8,831,193	8,616,782	5,382,596	1,138,009
Cost of sales	(8,247,254)	(7,945,772)	(5,029,914)	(1,133,474)
Gross profit	583,939	671,010	352,682	4,535
Other gains (net)				
– Miscellaneous	224,414	18,958	31,376	8,678
– Finance and investment income	5,448	6,274	6,653	1,035
Expenses				
– Administrative: IT	(153,795)	(123,838)	(80,100)	(20,293)
– Administrative: non-IT	(571,703)	(588,651)	(344,551)	(53,961)
– Restructuring costs	(8,645)	–	–	–
– Finance	(45,240)	(139,737)	(125,503)	(32,594)
– Other operating	(58,372)	(72,665)	(55,834)	(16,673)
Share of results of associated companies	7,572	9,700	(5,055)	(3,998)
Share of results of joint ventures	545	2,073	2,632	417
Loss before tax from continuing operations	(15,837)	(216,876)	(217,700)	(112,854)
Tax (expense)/credit	(56,131)	(34,621)	(1,170)	8,139
Loss from continuing operations, net of tax	(71,968)	(251,497)	(218,870)	(104,715)
Profit from discontinued operations, net of tax	–	–	929,946	–
Net (loss)/profit for the financial year/period	(71,968)	(251,497)	711,076	(104,715)
Net (loss)/profit attributable to:				
Equity holders of the Company				
– From continuing operations	(76,298)	(259,841)	(220,439)	(105,104)
– From discontinued operations	–	–	927,642	–
	(76,298)	(259,841)	707,203	(105,104)
Non-controlling interest				
– From continuing operations	4,330	8,344	1,569	389
– From discontinued operations	–	–	2,304	–
	4,330	8,344	3,873	389
	(71,968)	(251,497)	711,076	(104,715)

	FY2013 (Audited) (US cents)	FY2014 (Audited) (US cents)	FY2015 (Audited) (US cents)	1Q2016 (Unaudited) (US cents)
Earnings/(loss) per Company Share				
Basic				
– From continuing operations	(2.95)	(10.05)	(8.50)	(4.05)
– From discontinued operations	–	–	35.77	–
Diluted				
– From continuing operations	(2.95)	(10.05)	(8.50)	(4.05)
– From discontinued operations	–	–	35.77	–
Non-GAAP and other Data				
Net dividends per Company Share	Nil	Nil	Nil	Nil

The financial information for FY2013, FY2014 and FY2015 should be read in conjunction with the audited consolidated financial statements of the NOL Group and the accompanying notes as set out in the annual reports of the Company for the relevant years and the financial information for 1Q2016 should be read in conjunction with the 1Q2016 Results and the accompanying notes as set out therein.

7.2 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The consolidated statements of financial position of the NOL Group as at 25 December 2015 and 1 April 2016 have been extracted from the audited consolidated financial statements of the NOL Group for FY2015 and the 1Q2016 Results respectively and are reproduced below.

	25 December 2015 (Audited) (US$'000)	1 April 2016 (Unaudited) (US$'000)
ASSETS		
Current Assets		
Cash and cash equivalents	229,907	174,014
Trade and other receivables	520,458	502,221
Inventories at cost	91,720	80,855
Derivative financial instruments	435	1,102
Assets of group companies classified as held-for-sale	41,073	–
Other current assets	81,606	56,656
Total current assets	965,199	814,848
Non-current Assets		
Investments in associated companies	107,462	106,119
Investment in joint venture	21,970	22,705
Property, plant and equipment	5,590,142	5,511,375
Deferred charges	3,509	3,065
Intangible assets	12,277	11,264
Goodwill arising on consolidation	121,036	121,036
Deferred tax assets	39,773	32,502
Other non-current assets	47,368	51,838
Total non-current assets	5,943,537	5,859,904
Total Assets	6,908,736	6,674,752
LIABILITIES		
Current Liabilities		
Trade and other payables	854,661	766,112
Current tax liabilities	78,509	57,677
Borrowings	572,551	635,757
Provisions	29,983	26,362
Deferred income	205	209
Derivative financial instruments	11,034	3,237
Liabilities of group companies classified as held-for-sale	15,988	–
Other current liabilities	140,532	129,139
Total current liabilities	1,703,463	1,618,493
Non-current Liabilities		
Borrowings	2,309,811	2,346,688
Provisions	147,838	110,819
Deferred income	581	522
Deferred tax liabilities	2,717	3,348
Derivative financial instruments	233,267	158,406
Other non-current liabilities	18,503	17,908
Total non-current liabilities	2,712,717	2,637,691
Total Liabilities	4,416,180	4,256,184
Net Assets	2,492,556	2,418,568

	25 December 2015 (Audited) (US$'000)	1 April 2016 (Unaudited) (US$'000)
EQUITY		
Share capital	1,840,260	1,842,031
Treasury shares	(5,216)	(5,216)
	1,835,044	1,836,815
Shares held by employee benefit trust	(4,326)	(4,425)
Treasury shares reserve	(1,195)	(1,195)
Retained earnings	741,348	616,163
Statutory and other reserves	(96,529)	(47,472)
Capital and reserves attributable to equity holders of the Company	2,474,342	2,399,886
Non-controlling interest	18,214	18,682
Total Equity	2,492,556	2,418,568
Net current liabilities	(738,264)	(803,645)

The consolidated statements of financial position of the NOL Group as at 25 December 2015 should be read in conjunction with the audited consolidated financial statements of the NOL Group and the accompanying notes as set out in the annual report of the Company for FY2015 and the consolidated statements of financial position of the NOL Group as at 1 April 2016 should be read in conjunction with the 1Q2016 Results and the accompanying notes as set out therein.

8. MATERIAL CHANGES TO FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in the 1Q2016 Results and any other information on the NOL Group which is publicly available (including without limitation the announcements released by the Company on SGXNET up to the Latest Practicable Date), there have been no material changes to the financial position of the NOL Group since 25 December 2015, being the date of the last published audited accounts of the NOL Group laid before Shareholders at a general meeting.

9. SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The significant accounting policies and critical accounting estimates, assumptions and judgements of the NOL Group are disclosed in Notes 2 and 3 of the audited consolidated financial statements of the NOL Group for each of FY2015, FY2014 and FY2013.

The significant accounting policies and critical accounting estimates, assumptions and judgements of the NOL Group for FY2015 are set out in **Appendix D** to this Composite Document, and the significant accounting policies and critical accounting estimates, assumptions and judgements of the NOL Group for FY2014 and FY2013 are set out in the audited consolidated financial statements of the NOL Group for FY2014 and FY2013, respectively (copies of which are available for inspection as set out in **paragraph 14** of this **Appendix C**).

It should be noted that the significant accounting policies and critical accounting estimates, assumptions and judgements for each of FY2015, FY2014 and FY2013 should be read together with the consolidated financial statements of the NOL Group.

10. CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

As at the Latest Practicable Date, there has been no change to the accounting policies and critical accounting estimates, assumptions and judgements of the NOL Group over the last three financial years ended on 25 December 2015 which would cause the financial information of the NOL Group for those three financial years and which are disclosed in **paragraph 7** of this **Appendix C** not to be comparable to a material extent.

It should be noted that, following the sale by NOL of its logistics business in 2015, the results of the logistics business for the financial year ended 25 December 2015 were presented under "discontinued operations".

11. MATERIAL CONTRACTS

As at the Latest Practicable Date, save for the Offer Implementation Agreement, neither the Company nor any of its subsidiaries have entered into any material contracts with Interested Persons (other than those entered into in the ordinary course of business) during the period commencing three years before the Possible Offer Announcement Date and ending on the Latest Practicable Date.

12. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries are engaged in any material litigation as plaintiff or defendant which might materially and adversely affect the financial position of the NOL Group as a whole. The Company Directors are not aware of any proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the NOL Group taken as a whole.

13. GENERAL

13.1 Costs and Expenses. All costs and expenses incurred by the Company in relation to the Offer will be borne by the Company, save where CMA CGM has otherwise agreed in writing with the Company to bear the same.

13.2 Consent of the Offeree's Financial Adviser. Citi has given and has not withdrawn its written consent to (a) the issue of this Composite Document with the inclusion herein of the Fairness Opinion dated and as at 5 December 2015 issued by it and its name and (b) all references to its name and the Fairness Opinion, in the form and context in which they appear in this Composite Document, provided that such consent by Citi to the inclusion of the Fairness Opinion in this Composite Document shall not be construed as or deemed to amend, modify, revise or otherwise vary the terms on which the Fairness Opinion is given.

13.3 Consent of the IFA. MKES has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its name, the IFA Letter, its letter to the Company Directors dated 6 May 2016 relating to the 1Q2016 Results, and all references thereto in the form and context in which they appear in this Composite Document.

13.4 Consent of Auditors. Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its name with respect to the arrangements described in **paragraphs 6.2** and **6.3** of the Offeror's Letter and **paragraphs 2.3** and **2.4** of this Offeree's Circular in relation to the Company PSP, Company RSP and Company SOP and all references thereto in the form and context in which they appear in this Composite Document. PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its name, its review report dated 6 May 2016 reporting on the 1Q2016 Results in accordance with the Code and all references thereto in the form and context in which they appear in this Composite Document.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 9 North Buona Vista Drive, #14-01 The Metropolis, Singapore 138588 during normal business hours for the period which the Offer remains open for acceptance:

(a) the Memorandum and the Articles;

(b) the annual reports of the Company for FY2013, FY2014 and FY2015;

(c) the 1Q2016 Results;

(d) the Fairness Opinion as set out in **Appendix A** to this Composite Document;

(e) the IFA Letter as set out in **Appendix B** to this Composite Document; and

(f) the letters of consent referred to in **paragraphs 13.2** to **13.4** of this **Appendix C**.

APPENDIX D: SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS OF THE NOL GROUP FOR FY2015

All capitalised terms used in the following extracts shall have the same meanings given to them in the audited consolidated financial statements of the NOL Group for FY2015 (as set out in the annual report of the Company for FY2015, a copy of which is available for inspection at the registered office of the Company at 9 North Buona Vista Drive, #14-01 The Metropolis, Singapore 138588 during normal business hours for the period which the Offer remains open for acceptance).

The following is extracted from Notes 2 and 3 of the audited consolidated financial statements of the NOL Group for FY2015:

"**2. SIGNIFICANT ACCOUNTING POLICIES**

2.1 Basis of preparation

As at 25 December 2015, the Group's current liabilities exceeded its current assets by US$738.3 million (2014: current assets exceeded current liabilities by US$381.2 million). 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. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous financial year except for the adoption of new interpretations and amendments to published standards discussed as follows:

Interpretations and amendments to published standards effective in 2015

On 27 December 2014, the Group and the Company adopted the new or revised FRS, which are effective for the Group's financial year beginning 27 December 2014.

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

Amendments to FRS 102 Share Based Payments
Amendments to FRS 108 Operating Segments

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.

2.2 Revenue recognition

Revenue for the Group is earned from the provision of the Group's services after eliminating sales within the Group, and is recognised at the fair value of consideration received or receivable for the rendering of services, net of discount and value-added tax.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

(a) Rendering of service – Liner services

Revenue from liner services is recognised on an accrual basis, using the percentage-of-completion method, which is based on the proportion of transit time completed at financial year end date for each bill of lading.

(b) Rendering of service – Logistics services

The majority of revenue from logistics services is derived from the storage, handling and transportation of customer products. Such revenue is recognised when the services are provided. For shipments in transit, revenue is recognised on an accrual basis, using the percentage-of-completion method. Recognition of handling revenue is deferred until completion of the handling activity. Revenue is also recognised from fees earned upon the performance of certain logistics outsourcing activities, such as freight forwarding and customs clearance services. In this capacity, Logistics business unit acts, in substance, as an agent or broker on behalf of its customers.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Rental income

Rental income from operating leases of owned and leased assets is recognised on a straight-line basis over the lease term.

(e) Interest income

Interest income is recognised on a time-proportion basis, using the effective interest method.

2.3 Group accounting

(a) Subsidiaries

(i) *Consolidation*

Subsidiaries are entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the parent company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

A list of the Group's significant subsidiaries is shown in Note 41.

(ii) *Acquisition of businesses*

The acquisition method of accounting is used to account for business combinations of the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred or assumed and the equity interests issued by the Group. The consideration

transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to Note 2.7 for the subsequent accounting policy on goodwill.

(iii) *Disposals of subsidiaries or businesses*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.10 for the accounting policy of the Company in respect of investments in subsidiaries.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding of between and including 20% and 50% of the voting rights.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting. On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment.

The consideration transferred for the acquisition of an associate comprises the fair value of the assets transferred, the liabilities incurred or assumed and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the associate.

Acquisition-related costs are capitalised as incurred.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associated companies or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associated companies or joint ventures is impaired. If this

is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated companies or joint ventures and its carrying value and recognises the amount in profit or loss.

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

The most recently available audited financial statements of the associated companies and joint ventures are used by the Group in applying the equity method. Where the dates of the audited financial statements used are non-coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting year. Where necessary, adjustments are made to align the accounting policies with those of the Group.

There are no significant associated companies or joint ventures in the Group.

Please refer to Note 2.10 for the accounting policy of the Company in respect of investments in associated companies and joint ventures.

2.4 Property, plant and equipment

(a) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.13). The cost of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including borrowing costs incurred for the assets under construction. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Upon acquisition of a vessel, the components of the vessel which are required to be replaced at the next drydocking are identified. The cost of these components is depreciated over the period to the next estimated drydocking date. Costs incurred on subsequent drydocking of vessels are capitalised and depreciated over the period to the next drydocking date. When significant drydocking costs recur prior to the expiry of the depreciation period, the remaining costs of the previous drydocking are written off in the month of the subsequent drydocking.

(b) Depreciation

No depreciation is provided on freehold land. Depreciation on freehold buildings and leasehold land and buildings is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives or their lease terms, if shorter. The estimated useful lives are as follows:

Freehold buildings	20 – 32 years
Leasehold land and buildings	1 – 30 years

No depreciation is provided on assets under construction.

Depreciation on vessels in operation is calculated to reduce the cost of such assets to their estimated scrap value. The depreciable amount is allocated over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Vessels	17 – 25 years

Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives. The estimated useful lives are as follows:

Plant & machinery and operating equipment	5 – 20 years
Computers and software	2 – 10 years
Motor vehicles, office equipment, furniture, fixtures and fittings	2 – 10 years

The residual values and estimated useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised prospectively in the income statement.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item, in excess of the originally assessed standard of performance, will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the income statement when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement within “other gains (net) – miscellaneous”.

2.5 Borrowing costs

Borrowing costs are recognised on a time-proportion basis using the effective interest method. Borrowing costs are capitalised if they are directly attributable to the acquisition and construction of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and the borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale. All other borrowings costs are expensed in the period they occur.

2.6 Deferred charges

Deferred charges relate to costs incurred in connection with long-term financing facilities which are deferred and amortised on a straight-line basis over the tenure of the financing facilities.

2.7 Goodwill

Goodwill on acquisition of subsidiaries and business on or after 26 December 2009 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries and business prior to 26 December 2009 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries is recognised separately as goodwill arising on consolidation and carried at cost less accumulated impairment losses (Note 2.13).

Gains and losses on the disposal of subsidiaries, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

2.8 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses (Note 2.13).

(a) System technology and software

Where system technology and software is not an integral part of the related hardware, it is treated as an intangible asset. Computer software that is an integral part of the related hardware is treated as part of the hardware and classified as property, plant and equipment (Note 2.4).

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development, employee costs and an appropriate portion of relevant overheads.

Acquired computer software licences are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense when incurred.

Software costs which are assessed as having no continuing economic value are written off to the income statement.

(b) Terminal berthing rights

This represents amounts paid to obtain absolute berthing priority rights for a contractual period of 20 years at one of the terminal facilities.

(c) Licence fee

This represents amounts paid to obtain the rights to operate railway container and automobile freight train transportation services in a country that two subsidiaries of the Company operate in. The validity period of the licences is 20 years.

(d) Customer relationships

This represents the long-term relationships two subsidiaries of the Company have with their key customers, which averages 15 years.

(e) Non-compete agreement

This represents an agreement whereby the sellers, whom a subsidiary of the Company acquired a trucking and brokerage business from, agree not to compete with the subsidiary in the business. The duration for the agreement is 3.5 years.

Intangible assets are amortised using the straight-line method over their estimated useful lives, which are as follows:

System technology and software	3 – 5 years
Terminal berthing rights	20 years
Licence fee	20 years
Customer relationships	15 years
Non-compete agreement	3.5 years

The amortisation period and amortisation method of intangible assets, other than goodwill, are reviewed at each financial year end. The effects of any revision of the amortisation period or amortisation method are recognised prospectively in the income statement.

2.9 Land use rights

This represents an amount paid to obtain the rights to use the land in a country that a subsidiary operates in.

Land use rights are initially measured at cost, and subsequently carried at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term of 39 years.

2.10 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses (Note 2.13) in the Company's statement of financial position.

On disposal of investments in subsidiaries, associated companies and joint ventures, the difference between net disposal proceeds and the carrying amounts of the investments is recognised in the income statement.

2.11 Assets classified as held-for-sale and discontinued operations

Non-current assets and disposal groups classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held-for-sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held-for-sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment and intangible assets once classified as held-for-sale are not depreciated or amortised.

2.12 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of these financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except those maturing later than 12 months after the financial year end which are classified as non-current assets.

The Group classifies the following financial assets as loans and receivables:

– Cash and cash equivalents
– Trade and other receivables
– Loans receivable
– Deposits
– Insurance recoverables

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the financial year end.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have ended or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the consideration received and the carrying amount is recognised in the income statement. Any cumulative amount in the fair value reserve relating to that asset is transferred to the income statement.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on available-for-sale financial assets are recognised separately in the income statement. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into foreign exchange differences on the amortised cost of the securities and the other changes; the foreign exchange differences are recognised in profit or loss and the other changes are recognised in the other comprehensive income and accumulated in the fair value reserve. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve within equity, together with the related foreign exchange differences.

(e) Impairment

The Group assesses at each financial year end whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as significant financial difficulties or probability of insolvency of the debtor, default or significant delay in payments, historical write-off statistics and potential credit risks.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the allowance for impairment is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of the impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amount charged to the allowance account is written off against the carrying value of the financial asset. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior years. The amount of reversal is recognised in the income statement.

(ii) Available-for-sale financial assets

Significant or prolonged declines in the fair value of the quoted equity and debt security below its cost and the disappearance of an active trading market for the quoted equity and debt security are objective evidence that the quoted and debt equity security is impaired.

When objective evidence of impairment exists, the fair value declines on available-for-sale financial assets that were recognised in the fair value reserve within equity are transferred to the income statement. The amount transferred is measured as the difference between acquisition cost and the current fair value, less any impairment loss previously recognised as an expense. Impairment loss on equity security is recognised in the income statement and any reversal of impairment loss in a subsequent period is recorded in the fair value reserve within equity. Impairment loss on debt security and any reversal of impairment loss in a subsequent period are recognised in the income statement.

2.13 Impairment of non-financial assets

(a) Goodwill arising on consolidation

Goodwill arising on consolidation is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill arising on consolidation, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised in the income statement when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

Impairment loss on goodwill is recognised in the income statement and shall not be reversed in a subsequent period.

(b) Intangible assets
Property, plant and equipment
Investments in subsidiaries, associated companies and joint ventures

Intangible assets, property, plant and equipment, and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

2.14 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortised to the income statement over the period of the borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank.

2.15 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Borrowings

Borrowings which are due to be settled within twelve months after the financial year end are presented as current borrowings in the statement of financial position. Other borrowings due to be settled more than twelve months after the financial year end are presented as non-current borrowings in the statement of financial position. The presentation of current and non-current borrowings takes into consideration the expected timing of repayments as well as the contractual final maturity dates of the borrowings.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.17 Accounting for leases

(a) When a Group entity is the lessee:

The Group leases certain property, plant and equipment from third parties.

(i) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and borrowings respectively at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

The property, plant and equipment acquired under finance leases are depreciated over the useful lives of the assets in accordance with the Group's depreciation policy.

(ii) Operating leases

Leases of property, plant and equipment where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Rental expenses incurred for certain operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the leases. The difference between the actual lease payment and the amount taken to the income statement is capitalised as deferred lease payables.

Contingent rent is the portion of the lease payments that is not fixed in amount but is based on a factor other than just the passage of time, for example, market interest rates. Contingent rent is recognised as an expense in the income statement when incurred.

Profits on sale and leaseback transactions which constitute operating leases are recognised immediately in the income statement when such sale and leaseback transactions are established at fair value. If the sale price is below fair value, any profit or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value shall be deferred and amortised over the period for which the asset is expected to be used.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

(b) When a Group entity is the lessor:

The Group leases certain assets under operating leases to third parties.

Assets owned by the Group that are leased out under operating leases are included in property, plant and equipment and are stated at cost less accumulated depreciation and accumulated impairment losses. Rental expenses of leased-in assets which are subsequently leased out to third parties are recognised in the income statement on a straight-line basis over the period of the lease.

Rental income (net of any incentives given to lessees) is recognised in the income statement on a straight-line basis over the lease term. The difference between the actual lease receipt and the amount taken to the income statement is capitalised as deferred lease receivables.

Contingent rent is the portion of the lease receipts that is not fixed in amount but is based on a factor other than just the passage of time, for example, market interest rates. Contingent rent is recognised as income in the income statement when earned.

2.18 Inventories

Inventories mainly comprise bunkers and consumable stores. Inventories are stated at the lower of cost and net realisable value. Cost is derived on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.19 Taxes

Current taxes for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the financial year end.

No provision is made for taxation on qualifying shipping income derived from the operation of the Group's vessels which is exempt from taxation under Section 13A of the Singapore Income Tax Act and the Singapore's Maritime Sector Incentive Approved International Shipping Enterprise Scheme. In the United States of America ("US") in which the Group operates, income arising from liner activities are subject to a tonnage-based tax system under which the computation of tax is based on the tonnages of the qualifying vessel fleet.

A concessionary tax rate is applied to certain qualifying shipping logistics income under the Marine Sector Incentive – Shipping Support Services (or "MSI-SSS"). The incentive also covers income from network companies for corporate management services provided.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

– where the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither accounting profit nor taxable profit or loss;

– in respect of temporary differences associated with investments in subsidiaries, associated companies and joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

– in respect of deductible temporary differences and carry-forward of unutilised tax credits and unutilised tax losses, if it is not probable that future taxable profit will be available against which the deductible temporary differences and carry-forward of unutilised tax credits and unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured:

(a) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the financial year end; and

(b) based on the tax consequence that would follow from the manner in which the Group expects, at the financial year end, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred taxes are recognised as income or expenses in the income statement for the period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from fair value gain and loss on available-for-sale financial assets and cash flow hedges that are recognised directly in equity are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

2.20 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If it is no longer probable that an outflow of economic resource will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are measured at the present value of the expenditure using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The details and methodology for estimating the amount of provision required are set out in Note 27.

2.21 Employee benefits

(a) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the financial year end.

(b) Post-employment benefit plans

The Group operates both defined benefit and defined contribution post-employment benefit plans.

(i) Defined benefit plans

The Group has defined benefit plans which generally call for benefits to be paid to eligible employees of certain subsidiaries at retirement, based on either the "cash balance" credited to each employee's account, or years of credited service and pensionable compensation. Participants entitled to a "cash balance" will receive past accruals credited to their account, but are no longer receiving additional annual accruals. The Group's general policy is to fund pension costs at no less than the statutory requirement.

In addition, certain subsidiaries in the Group contribute to a number of collectively bargained, multi-employer plans that provide pension benefits to certain union-represented employees. These contributions are determined in accordance with the provisions of negotiated labour contracts.

For defined benefit plans, pension costs are assessed using the projected unit credit method: Net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligations (measured as the present value of the estimated future cash outflows using interest rates of corporate securities which have terms to maturity approximating the terms of the related liability) reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contribution to the plan. When pension obligations exceed plan assets, the balance is classified as non-current liability. When plan assets exceed pension obligations, the balance is classified as non-current asset.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Current service costs, net interest costs, past service costs and gains or losses on non-routine settlements are recognised in profit or loss.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities. The Group has no legal or constructive obligation to pay further contributions if any of the funds does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior financial years.

The Group pays contributions to publicly and privately administered post-employment benefit plans on a mandatory, contracted or voluntary basis. The contributions are recognised as employee benefit expense in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(c) Share-based compensation

(i) Employee Share Option Plan

Share options under the NOL Share Option Plan ("NOL SOP") were granted to Directors and employees of the Group. The grant of NOL SOP to non-executive directors had ceased with effect from the financial year ended 28 December 2007. The exercise price of the options was determined based on the average closing market price of the shares for the three trading days immediately preceding the grant date. Individual awards to employees took into consideration the job level, performance and leadership potential of the employee. Pursuant to the terms of the NOL SOP, share options will vest after a specified number of years from the grant date. The NOL SOP was terminated following the adoption of the NOL Restricted Share Plan 2010 ("NOL RSP 2010") by the shareholders of the Company at an Extraordinary General Meeting ("EGM") held on 30 August 2010.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the income statement with a corresponding increase in share-based compensation reserve. The total amount to be recognised over the vesting period is determined by reference to the fair value of the share options at the date of the grant and the number of share options expected to become exercisable by vesting date. Non-market vesting conditions are included in the estimation of the number of options that are expected to become exercisable on vesting date. At every financial year end, the Group revises its estimates of the number of share options that are expected to become exercisable on vesting date. Any revision of this estimate is included in the income statement and a corresponding adjustment to share-based compensation reserve over the remaining vesting period.

When the share options are exercised, the proceeds received (net of any directly attributable transaction costs) and the related balance previously recognised in the share-based compensation reserve is credited to share

capital when new ordinary shares are issued. Where treasury shares are re-issued pursuant to the NOL SOP, the cost of the treasury shares is reversed from the treasury shares account against the proceeds received (net of any directly attributable transaction costs) and the related balances previously recognised in the share-based compensation reserve. The resulting realised gain or loss on re-issue, net of any directly attributable incremental transaction costs and related tax, is taken to the treasury shares reserve of the Company.

Where the terms of the NOL SOP are modified, the expense that is not yet recognised is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised over the remaining vesting period for any increase in the total fair value of the share options due to the modification, as measured at the date of the modification.

(ii) Restricted Share Plan

Awards of restricted shares to Directors and employees of the Group under the NOL RSP 2010 take into consideration the Group's financial performance, and the employee's job level, job performance, length of service (pro-rated for employees without full year of service) and contribution to the success and development of the Group. The above criteria will not apply to non-executive directors as such awards, if given, will form part of the directors' remuneration in lieu of cash. Pursuant to the terms of the NOL RSP 2010, the restricted shares will, except in certain special circumstances as approved by the Executive Resource & Compensation Committee ("ERCC"), vest after a specified number of years from the award date.

The fair value of the services from employees received in exchange for the award of the shares under the NOL RSP 2010 is recognised as an expense in the income statement with a corresponding increase in share-based compensation reserve. The total amount to be recognised over the vesting period is determined by reference to the fair value of the shares awarded under the NOL RSP 2010 at the date of the award and the number of shares expected to be vested by vesting date. Non-market vesting conditions are included in the estimation of the number of shares awarded under the NOL RSP 2010 that are expected to vest on vesting date. At every financial year end, the Group revises its estimates of the number of shares awarded under the NOL RSP 2010 that are expected to vest on vesting date. Any revision of this estimate is included in the income statement and a corresponding adjustment to share-based compensation reserve over the remaining vesting period.

When shares awarded under the NOL RSP 2010 are vested, the balance previously recognised in the share-based compensation reserve is credited to the share capital account when new ordinary shares are issued. Where treasury shares are re-issued pursuant to the NOL RSP 2010, the cost of the treasury shares is reversed from the treasury shares account

against the related balances previously recognised in the share-based compensation reserve. The resulting realised gain or loss on re-issue, net of any directly attributable incremental transaction costs and related tax, is taken to the treasury shares reserve of the Company.

Where the terms of the NOL RSP 2010 are modified, the expense that is not yet recognised is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised over the remaining vesting period for any increase in the total fair value of the RSP awards due to the modification, as measured at the date of the modification.

(iii) Performance Share Plan

Performance shares under the NOL Performance Share Plan 2004 ("NOL PSP 2004") were awarded to key executives conditional upon the Group meeting or exceeding a prescribed financial target condition during the performance period, and also conditional on the participants meeting their performance conditions. Pursuant to the terms of the NOL PSP 2004, performance shares would vest after a specified number of years from the end of the performance period. The NOL PSP 2004 was terminated following the adoption of the NOL Performance Share Plan 2010 ("NOL PSP 2010") by the shareholders of the Company at an EGM held on 30 August 2010.

Awards of performance shares to key executives under the NOL PSP 2010 take into account the employee's individual performance, job level and length of service (pro-rated for employees without full year of service). The performance shares will only vest over a specified number of years conditional upon the Group attaining certain performance conditions in future years.

The fair value of the employee services received in exchange for the award of the performance shares under both the NOL PSP 2004 and NOL PSP 2010 is recognised as an expense in the income statement with a corresponding increase in share-based compensation reserve. The total amount to be recognised over the vesting period is determined by reference to the fair value of the performance shares at the date of the award and the number of performance shares expected to be vested by vesting date. Non-market vesting conditions are included in the estimation of the number of performance shares that are expected to vest on vesting date. At every financial year end, the Group revises its estimates of the number of performance shares that are expected to vest on vesting date. Any revision of this estimate is included in the income statement and a corresponding adjustment to share-based compensation reserve over the remaining vesting period.

When the performance shares are vested, the balance previously recognised in the share-based compensation reserve is credited to the share capital account when new ordinary shares are issued. Where

treasury shares are re-issued pursuant to the NOL PSP 2004 and NOL PSP 2010, the cost of the treasury shares is reversed from the treasury shares account against the related balances previously recognised in the share-based compensation reserve. The resulting realised gain or loss on re-issue, net of any directly attributable incremental transaction costs and related tax, is taken to the treasury shares reserve of the Company.

Where the terms of the NOL PSP 2004 and NOL PSP 2010 are modified, the expense that is not yet recognised is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised over the remaining vesting period for any increase in the total fair value of the performance shares due to the modification, as measured at the date of the modification.

(iv) Staff Share Ownership Scheme

The Group offers the Staff Share Ownership Scheme to all eligible Singapore employees. Certain companies in the Group will make corresponding contributions of S$0.50 for every S$1.00 contributed by the employees, up to a maximum of S$250 per month for each employee. All contributions collected will be credited to an employee benefit trust fund which will be used to buy the shares of the Company and for issuance of units to the employees. Cash is paid to employees when they exercise the right to redeem the units or upon full withdrawal from the scheme, which may occur whilst in employment or on their last day of service with the Group. The redemption of units or withdrawal from the scheme is subject to the terms and conditions under the Staff Share Ownership Scheme. The value of the units to be redeemed is based on the weighted average share price for the first three business days immediately following the date of receipt of notification by the Company to the trustee of the redemption or the last day of service of the employees.

The scheme has ceased to accept new members with effect from 1 July 2014 and has also ceased to make corresponding contributions of S$0.50 for every S$1.00 contributed by the employees since 1 July 2015.

Contributions made by the Group are recognised in the income statement as expense when incurred.

The Group consolidates the employee benefit trust set up for the purpose of the Company's share-based compensation arrangement under the Staff Share Ownership Scheme in accordance with INT FRS 12. Arising from the consolidation of the trust, the Company's shares held by the employee benefit trust are accounted for as part of equity in accordance with FRS 32.

(d) Termination benefits

Termination benefits are payable when employment is terminated involuntarily, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably

committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an acceptance by employees under its voluntary redundancy scheme.

2.22 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and the majority of its significant subsidiaries (listed under Note 41) is United States Dollars ("USD"). The financial statements of the Company and the Group are presented in USD and have been rounded to the nearest thousand as indicated.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates at the financial year end are recognised in the income statement.

(c) Translation of Group entities' financial statements

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the Group's presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the financial year;

(ii) Income and expenses are translated at average exchange rate (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing exchange rate at the end of the financial year.

2.23 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

For purposes of hedge accounting, hedges are classified as:

– fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment or an identified portion of such an asset, liability or unrecognised firm commitment that is attributable to a particular risk; or

– cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a highly probable forecast transaction.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is not more than 12 months.

(a) Fair value hedge

The fair value changes on the effective portion of derivatives that are designated and qualify as fair value hedges are recognised in the income statement within the same line item as the fair value changes from the hedged item. The fair value changes relating to the ineffective portion of the derivatives are recognised separately in the income statement.

The change in the fair value of a hedging derivative is recognised in income statement in finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in the income statement in finance costs.

(b) Cash flow hedge

The fair value changes on the effective portion of derivatives that are designated and qualify as cash flow hedges are recognised in the hedging reserve within equity and transferred to the income statement in the periods

when the hedged items affect the income statement. The fair value changes relating to the ineffective portion are recognised immediately in the income statement.

(c) Non-hedging instruments

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised immediately in the income statement.

2.24 Fair value estimation of assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the financial year end. The quoted market prices used for financial assets held by the Group are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each financial year end. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as estimated discounted cash flows analysis, are also used to determine the fair values for the financial instruments.

The fair values of foreign exchange forward contracts, bunker swaps, interest rate swaps and cross currency interest rate swaps are obtained from a number of reputable financial institutions.

The fair values of financial assets and liabilities carried at amortised cost approximate their carrying amounts except as disclosed in the financial statements.

The fair value of non-financial asset is based on comparable market transactions that considered historical sales prices of similar assets that have been transacted in the open market.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the senior management of the Group. The senior management are responsible for allocating resources and assessing performance of the operating segments. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Cash and cash equivalents

For purposes of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand and deposits with banks that are readily convertible to known amounts of cash.

2.27 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares (treasury shares), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders until they are cancelled, sold or re-issued.

When treasury shares are subsequently cancelled, the cost of the treasury shares is deducted against the share capital account if the shares are purchased out of the capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or re-issued pursuant to the NOL SOP, NOL PSP 2004, NOL RSP 2010 and NOL PSP 2010, the cost of the treasury shares is reversed from the treasury shares account against the proceeds received and the related balances previously recognised in the share-based compensation reserve. The resulting realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related tax, is taken to the treasury shares reserve of the Company.

2.28 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(i) Impairment of goodwill arising on consolidation and assets

The Group assesses whether there are any indicators of impairment for goodwill arising on consolidation and assets at each financial year end. Goodwill arising on consolidation is tested for impairment annually and at other times when such indicators arise. Tangible and intangible assets are tested for impairment when there is any objective evidence or indication that the carrying amounts may not be recoverable.

Recoverable amount is defined as the higher of an asset's or CGU's fair value less costs to sell and its value-in-use. When value-in-use calculations are undertaken, the Group uses discounted cash flow projections based on financial budgets approved by management covering a specified period. Cash flows beyond the specified period are forecasted after considering factors like past macroeconomic events, global trade forecasts, macroeconomic cycle, and industry information. Terminal value is computed using Gordon's growth methodology where the estimated growth rate does not exceed the long-term average growth rate for the relevant industry. Details of the key assumptions applied in the impairment assessment of goodwill arising on consolidation are given in Note 22.

(ii) Residual values and useful lives of property, plant and equipment

The Group reviews the residual values and useful lives of property, plant and equipment as at each financial year end, in accordance with the accounting policy stated in Note 2.4.

Significant assumptions and estimates are required in determining the residual values and useful lives of property, plant and equipment. In determining residual values, the Group considers the net proceeds that would be obtained from the disposal of the assets in the resale or scrap markets, fluctuations in scrap steel prices and industry practice. In determining the useful lives, which is based on the period over which an asset is expected to be available for efficient use, the Group considers factors like insurance coverage requirement, maintenance and repair cost, technical or commercial obsolescence and legal or similar limits to the use of the property, plant and equipment. The carrying amounts of property, plant and equipment as at the financial year end are disclosed in Note 18.

(iii) Impairment of trade receivables

The Group assesses at each financial year end whether there is objective evidence that trade receivables have been impaired. In the assessment, the Group considers factors such as significant financial difficulties or probability of insolvency of the debtor, default or significant delay in payments, historical write-off statistics and potential credit risks.

Impairment was performed on a collective general basis based on historical write-off statistics and on an individual basis based on specific credit risk exposure. The carrying amounts of trade receivables as at the financial year end are disclosed in Note 11.

(iv) Taxes

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in determining the Group-wide provision for taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based upon information presently available and the best estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the current and deferred tax balances in the period in which such determination is made. The details of taxes for the financial year and as at the financial year end are disclosed in Note 8.

(v) Provisions

Provisions are recognised in accordance with the accounting policy in Note 2.20. To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the Group takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information. The carrying amounts of provisions as at the financial year end are disclosed in Note 27."

NEPTUNE ORIENT LINES LIMITED (Reg. No. 196800632D)
Unaudited Quarterly Financial Information
For the 1st Quarter Ended 1 April 2016

1.(a)(i) Consolidated Income Statement

	Group		
	Q1 2016 US$'000	Q1 2015 US$'000	% Increase/ (Decrease)
Continuing operations[1]			
Revenue	1,138,009	1,580,637	(28)
Cost of sales	(1,133,474)	(1,445,272)	(22)
Gross profit	4,535	135,365	(97)
Other gains (net)			
– Miscellaneous	8,678	2,336	271
– Finance and investment income	1,035	1,378	(25)
Expenses			
– Administrative: IT	(20,293)	(22,130)	(8)
– Administrative: non-IT	(53,961)	(92,497)	(42)
– Finance	(32,594)	(42,201)	(23)
– Other operating	(16,673)	(26,650)	(37)
Share of results of associated companies	(3,998)	(127)	3,048
Share of results of joint venture	417	700	(40)
Loss before tax from continuing operations	(112,854)	(43,826)	158
Tax credit	8,139	8,044	1
Loss from continuing operations, net of tax	(104,715)	(35,782)	193
Discontinued operations[1]			
Profit from discontinued operations, net of tax	–	26,939	(100)
Net loss for the financial period	(104,715)	(8,843)	1,084
Net profit/(loss) attributable to:			
Equity holders of the Company			
– From continuing operations	(105,104)	(36,177)	191
– From discontinued operations	–	25,398	(100)
	(105,104)	(10,779)	875
Non-controlling interest			
– From continuing operations	389	395	(2)
– From discontinued operations	–	1,541	(100)
	389	1,936	(80)
	(104,715)	(8,843)	1,084

[1] "Continuing operations" refers to Liner business while Logistics business, as a result of the sale, was 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		
		Q1 2016 US$'000	Q1 2015 US$'000	% Increase/ (Decrease)
(A)	Other Income Including Interest Income	7,210	2,012	258
(B)	Interest on Borrowings	(29,470)	(36,765)	(20)
(C)	Depreciation and Amortisation	(101,997)	(103,367)	(1)
(D)	Allowance for Doubtful Debts and Bad Debts Written Off	(5,659)	(14,812)	(62)
(E)	Foreign Exchange Loss	(3,365)	(9,697)	(65)
(F)	Adjustment for Over Provision for Tax in Prior Years	21,394	13,745	56
(G)	Profit on Sale of Subsidiaries, Investments, Property, Plant and Equipment and Other Assets	2,448	364	573
(H)	Impairment Loss on Assets	(74)	–	N/M
(I)	Net Write-off of Inventories	(17)	(34)	(50)

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 was 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 Q1 2015 were as follows:

	Group
	Q1 2015 US$'000
Revenue	404,356
Expenses	(372,674)
Other gains (net)	1,429
Profit before tax from discontinued operations	33,111
Tax expense	(6,172)
Profit from discontinued operations, net of tax	26,939

N/M: Not meaningful

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

	Group	
	Q1 2016 US$'000	Q1 2015 US$'000
Net loss for the financial period	(104,715)	(8,843)
Other comprehensive income/(loss):		
Continuing operations		
Items that may be reclassified subsequently to profit or loss:		
Fair value gain/(loss) on cash flow hedges	15,097	(35,793)
Fair value (gain)/loss on cash flow hedges transferred to the income statement	(6,621)	34,377
Share of other comprehensive income of associated company	–	267
Currency translation differences	2,555	(9,563)
Reclassification of foreign currency translation reserve on disposal/liquidation of subsidiaries and an associated company	19,761	–
	30,792	(10,712)
Discontinued operations		
Items that may be reclassified subsequently to profit or loss:		
Fair value gain on cash flow hedges	–	193
Fair value gain on cash flow hedges transferred to the income statement	–	(314)
Fair value gain on available-for-sale financial assets	–	10
Currency translation differences	–	1,523
	–	1,412
Other comprehensive income/(loss) for the financial period, net of tax	30,792	(9,300)
Total comprehensive loss for the financial period	(73,923)	(18,143)
Total comprehensive (loss)/income attributable to:		
Equity holders of the Company		
– From continuing operations	(74,391)	(46,851)
– From discontinued operations	–	26,858
	(74,391)	(19,993)
Non-controlling interest		
– From continuing operations	468	357
– From discontinued operations	–	1,493
	468	1,850
	(73,923)	(18,143)

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

	Group			Company		
	1 Apr 2016 US$'000	25 Dec 2015 US$'000	% Increase/ (Decrease)	1 Apr 2016 US$'000	25 Dec 2015 US$'000	% Increase/ (Decrease)
ASSETS						
Current Assets						
Cash and cash equivalents	174,014	229,907	(24)	10,230	46,433	(78)
Trade and other receivables[2]	502,221	520,458	(4)	4,510,305	4,415,043	2
Inventories at cost	80,855	91,720	(12)	–	–	0
Derivative financial instruments	1,102	435	153	–	–	0
Assets of group companies classified as held-for-sale	–	41,073	(100)	–	–	0
Other current assets	56,656	81,606	(31)	6,287	4,664	35
Total current assets	814,848	965,199	(16)	4,526,822	4,466,140	1
Non-current Assets						
Investments in subsidiaries	–	–	0	775,212	775,212	0
Investments in associated companies	106,119	107,462	(1)	–	–	0
Investment in joint venture	22,705	21,970	3	–	–	0
Property, plant and equipment	5,511,375	5,590,142	(1)	8,551	8,870	(4)
Deferred charges	3,065	3,509	(13)	3,065	3,509	(13)
Intangible assets	11,264	12,277	(8)	1,974	2,172	(9)
Goodwill arising on consolidation	121,036	121,036	0	–	–	0
Deferred tax assets	32,502	39,773	(18)	–	–	0
Other non-current assets	51,838	47,368	9	127,377	125,256	2
Total non-current assets	5,859,904	5,943,537	(1)	916,179	915,019	0
TOTAL ASSETS	6,674,752	6,908,736	(3)	5,443,001	5,381,159	1
LIABILITIES						
Current Liabilities						
Trade and other payables	766,112	854,661	(10)	116,482	100,410	16
Current tax liabilities	57,677	78,509	(27)	2,572	2,794	(8)
Borrowings	635,757	572,551	11	410,000	350,000	17
Provisions	26,362	29,983	(12)	–	605	(100)
Deferred income	209	205	2	–	–	0
Derivative financial instruments	3,237	11,034	(71)	–	–	0
Liabilities of group companies classified as held-for-sale	–	15,988	(100)	–	–	0
Other current liabilities[3]	129,139	140,532	(8)	–	–	0
Total current liabilities	1,618,493	1,703,463	(5)	529,054	453,809	17
Non-current Liabilities						
Borrowings	2,346,688	2,309,811	2	1,010,231	960,421	5
Provisions	110,819	147,838	(25)	–	–	0
Deferred income	522	581	(10)	–	–	0
Deferred tax liabilities	3,348	2,717	23	706	686	3
Derivative financial instruments	158,406	233,267	(32)	95,786	150,397	(36)
Other non-current liabilities	17,908	18,503	(3)	–	–	0
Total non-current liabilities	2,637,691	2,712,717	(3)	1,106,723	1,111,504	(0)
TOTAL LIABILITIES	4,256,184	4,416,180	(4)	1,635,777	1,565,313	5
NET ASSETS	2,418,568	2,492,556	(3)	3,807,224	3,815,846	(0)

	Group			Company		
	1 Apr 2016	25 Dec 2015	% Increase/	1 Apr 2016	25 Dec 2015	% Increase/
	US$'000	US$'000	(Decrease)	US$'000	US$'000	(Decrease)
EQUITY						
Share capital	1,842,031	1,840,260	0	1,842,031	1,840,260	0
Treasury shares	(5,216)	(5,216)	0	(5,216)	(5,216)	0
	1,836,815	1,835,044	0	1,836,815	1,835,044	0
Shares held by employee benefit trust	(4,425)	(4,326)	2	–	–	0
Treasury shares reserve	(1,195)	(1,195)	0	(1,195)	(1,195)	0
Retained earnings	616,163	741,348	(17)	1,943,094	1,956,477	(1)
Statutory and other reserves	(47,472)	(96,529)	(51)	28,510	25,520	12
Capital and reserves attributable to equity holders of the Company	2,399,886	2,474,342	(3)	3,807,224	3,815,846	(0)
Non-controlling interest	18,682	18,214	3	–	–	0
TOTAL EQUITY	2,418,568	2,492,556	(3)	3,807,224	3,815,846	(0)
Net current (liabilities)/assets	(803,645)	(738,264)	9	3,997,768	4,012,331	(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.

1.(b)(ii) Borrowings

The Group As at 1 April 2016	Secured borrowings	Unsecured borrowings	Secured finance lease liabilities	Total
	US$'000	US$'000	US$'000	US$'000
Amount repayable on or before 7 Apr 2017, or on demand	115,503	508,921	11,333	635,757
Amount repayable on or before:				
6 Apr 2018	100,463	365,733	12,034	478,230
5 Apr 2019	92,290	–	12,665	104,955
3 Apr 2020	150,851	214,871	13,005	378,727
2 Apr 2021	88,788	207,398	13,740	309,926
Thereafter	549,153	323,980	201,717	1,074,850
	1,097,048	1,620,903	264,494	2,982,445

As at 25 December 2015	Secured borrowings	Unsecured borrowings	Secured finance lease liabilities	Total
	US$'000	US$'000	US$'000	US$'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

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 1 April 2016	Vessels	Containers	Terminals	Chassis	Others[4]	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Amount repayable for the remainder of FY2016	124,265	9,193	50,930	155	19,328	203,871
Amount repayable in:						
FY 2017	123,442	6,800	56,743	–	15,566	202,551
FY 2018	116,626	5,272	49,056	–	9,756	180,710
FY 2019	113,003	2,531	49,056	–	7,955	172,545
FY 2020	69,455	2,531	49,056	–	4,569	125,611
Thereafter	142,909	4,011	267,337	–	1,054	415,311
	689,700	30,338	522,178	155	58,228	1,300,599

As at 25 December 2015	Vessels	Containers	Terminals	Chassis	Others[4]	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'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

[4] Others relate mainly to inland container yards, housing rental and office space.

1.(c) Consolidated Statement of Cash Flows

	Group	
	Q1 2016 US$'000	Q1 2015 US$'000
Cash Flows from Operating Activities		
Loss before tax from continuing operations	(112,854)	(43,826)
Profit before tax from discontinued operations	–	33,111
Adjustments for:		
Depreciation and amortisation	101,997	103,367
Fair value loss/(gain) on financial instruments	350	(1,096)
Deferred charge expense	446	498
Interest expense	29,470	36,765
Interest income	(1,035)	(1,623)
Share-based compensation costs	2,047	1,734
Net write-off of inventories	17	34
Fair value loss on shares held by employee benefit trust	69	886
Net loss/(profit) on disposal of property, plant and equipment	192	(273)
Net loss/(profit) on disposal of other assets	27	(91)
Net profit on disposal/liquidation of subsidiaries	(2,196)	–
Net profit on disposal of an associated company	(471)	–
Net provision for impairment of assets	74	–
Net (write-back)/provision for liabilities	(32,634)	15,927
Share of results of associated companies	3,998	(797)
Share of results of joint venture	(417)	(700)
Unrealised currency translation gain	(233)	(438)
Operating cash flow before working capital changes	(11,153)	143,478
Changes in operating assets and liabilities		
Receivables and other assets	48,163	153,395
Inventories	10,848	41,322
Payables	(69,741)	(154,243)
Provisions	(7,644)	(19,831)
Cash (used in)/generated from operations	(29,527)	164,121
Interest paid	(23,429)	(32,587)
Interest received	956	1,827
Net taxes paid	(4,530)	(9,976)
Net cash (outflow)/inflow from operating activities	(56,530)	123,385
Cash Flows from Investing Activities		
Acquisition of additional interest in a subsidiary, net of cash acquired	–	(9,985)
Investment in an associated company	(339)	(3,866)
Proceeds from loans receivables	7	1
Loan to an associated company	(1,792)	–
Purchase of property, plant and equipment	(23,022)	(32,217)
Purchase of available-for-sale financial assets	–	(7,372)
Purchase of intangible assets	(3)	(471)
Cash disposed arising from disposal of a subsidiary	(2,414)	–
Proceeds from disposal of property, plant and equipment	666	1,020
Proceeds from disposal of other assets	20	4,854
Net cash outflow from investing activities	(26,877)	(48,036)

	Group	
	Q1 2016 US$'000	Q1 2015 US$'000
Cash Flows from Financing Activities		
Proceeds from borrowings	60,000	530,124
Net cash (outflow)/inflow contributed by employee benefit trust	(53)	130
Proceeds from issue of new ordinary shares	1,430	–
Repayment of borrowings	(36,277)	(1,135,698)
Payment of costs incurred in connection with long term financing	–	(49)
Net cash inflow/(outflow) from financing activities	25,100	(605,493)
Net decrease in cash and cash equivalents	(58,307)	(530,144)
Cash and cash equivalents at beginning of financial period	232,321	1,225,771
Cash and cash equivalents at end of financial period	174,014	695,627

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial period:

	Group	
	Q1 2016 US$'000	Q1 2015 US$'000
Continuing operations	174,014	616,879
Discontinued operations	–	78,748
Cash and cash equivalents	174,014	695,627

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 for Q1 2015 was as follows:

	Group
	Q1 2015 US$'000
Operating cash outflows	(3,400)
Investing cash outflows	(10,294)
Financing cash outflows	(128)
Total cash outflows	(13,822)

1.(d)(i) Statement of Changes in Equity

	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 26 December 2015	1,840,260	(5,216)	(4,326)	(1,195)	741,348	(96,529)	18,214	2,492,556
(Loss)/Profit for the financial period	–	–	–	–	(105,104)	–	389	(104,715)
Other comprehensive income for the financial period	–	–	–	–	–	30,713	79	30,792
Total comprehensive (loss)/income for the financial period	–	–	–	–	(105,104)	30,713	468	(73,923)
Employee equity compensation schemes:								
– value of employee services	–	–	–	–	–	2,047	–	2,047
– new shares issued	1,771	–	–	–	–	(3,819)	–	(2,048)
Sale of shares by employee benefit trust	–	–	(99)	–	–	–	–	(99)
Disposal of a subsidiary	–	–	–	–	(5,672)	5,672	–	–
Share of statutory reserves of associated company	–	–	–	–	–	35	–	35
Actuarial losses on post-retirement benefits transferred to retained earnings upon termination of post-retirement benefits plan, net of tax	–	–	–	–	(14,409)	14,409	–	–
Balance at 1 April 2016	1,842,031	(5,216)	(4,425)	(1,195)	616,163	(47,472)	18,682	2,418,568

	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
(Loss)/Profit for the financial period	–	–	–	–	(10,779)	–	1,936	(8,843)
Other comprehensive loss for the financial period	–	–	–	–	–	(9,214)	(86)	(9,300)
Total comprehensive (loss)/income for the financial period	–	–	–	–	(10,779)	(9,214)	1,850	(18,143)
Employee equity compensation schemes:								
– value of employee services	–	–	–	–	–	1,734	–	1,734
– new shares issued	2,685	–	–	–	–	(2,685)	–	–
Sale of shares by employee benefit trust	–	–	259	–	–	–	–	259
Acquisition of non-controlling interest without a change in control	–	–	–	–	–	(5,672)	(4,313)	(9,985)
Share of statutory reserves of associated company	–	–	–	–	–	26	–	26
Balance at 3 April 2015	1,837,026	(5,216)	(5,460)	(1,195)	17,977	(116,665)	55,301	1,781,768

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 26 December 2015	1,840,260	(5,216)	(1,195)	1,956,477	25,520	3,815,846
Loss for the financial period	–	–	–	(13,383)	–	(13,383)
Other comprehensive income for the financial period	–	–	–	–	4,762	4,762
Total comprehensive (loss)/income for the financial period	–	–	–	(13,383)	4,762	(8,621)
Employee equity compensation schemes:						
– value of employee services	–	–	–	–	2,047	2,047
– new shares issued	1,771	–	–	–	(3,819)	(2,048)
Balance at 1 April 2016	1,842,031	(5,216)	(1,195)	1,943,094	28,510	3,807,224

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
Loss for the financial period	–	–	–	(22,438)	–	(22,438)
Other comprehensive loss for the financial period	–	–	–	–	(6,737)	(6,737)
Total comprehensive loss for the financial period	–	–	–	(22,438)	(6,737)	(29,175)
Employee equity compensation schemes:						
– value of employee services	–	–	–	–	1,734	1,734
– new shares issued	2,685	–	–	–	(2,685)	–
Balance at 3 April 2015	1,837,026	(5,216)	(1,195)	1,098,286	9,694	2,938,595

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 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 ordinary shares.

During the first quarter ended 1 April 2016, the Company issued and allotted 1,793,459 ordinary shares upon the exercise of share options under the NOL Share Option Plan ("NOL SOP"). There were 41,119 share options exercised but for which shares have yet to be allotted.

As at 1 April 2016, the Company's issued and paid-up capital (including treasury shares) comprised 2,604,920,701 ordinary shares. The Company's issued and paid-up capital (excluding treasury shares) comprised 2,603,193,984 ordinary shares.

Share options

As at 25 December 2015, there were 23,645,532 outstanding share options to subscribe for unissued ordinary shares exercisable at any time during the exercise periods under the NOL SOP.

During the first quarter ended 1 April 2016, 1,834,578 share options were exercised, 8,162,433 share options were expired and 586,321 share options were cancelled.

As at 1 April 2016, share options to subscribe for 13,062,200 (3 April 2015: 30,664,224) ordinary shares remain outstanding under the NOL SOP.

Restricted shares

As at 25 December 2015, there were 8,362,149 outstanding restricted shares under the NOL Restricted Share Plan 2010 ("NOL RSP 2010").

During the first quarter ended 1 April 2016, 4,931,000 restricted shares were awarded, 3,480,466 restricted shares were vested and 400,340 restricted shares were cancelled. The said 3,480,466 restricted share awards that were vested will be settled in the form of cash at S$1.30 per share award, instead of shares.

As at 1 April 2016, 9,412,343 (3 April 2015: 12,190,846) restricted shares remain outstanding under the NOL RSP 2010.

Performance shares

As at 25 December 2015, there were 7,446,747 outstanding performance shares under the NOL Performance Share Plan 2010 ("NOL PSP 2010").

During the first quarter ended 1 April 2016, 3,392,000 performance shares were awarded and 179,001 performance shares were cancelled.

As at 1 April 2016, 10,659,746 (3 April 2015: 13,066,139) performance shares remain outstanding under the NOL PSP 2010.

Treasury shares

As at 25 December 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 first quarter ended 1 April 2016, 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 1 April 2016, there were 1,726,717 (3 April 2015: 1,726,717) treasury shares remaining that have not been re-issued.

2. Basis of Preparation

The preparation of the 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 and disclosure of contingent assets and liabilities at the date of the interim financial information and the reported amounts of revenues and expenses during the financial period. 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 financial information for the first quarter ended 1 April 2016 to be false or misleading in any material aspect.

On behalf of the board of directors

QUEK SEE TIAT	NG YAT CHUNG
Director	Director

Dated this 6 May 2016

4. Audit or Review of Figures

The financial information of the Group set out in sections 1(a)(i), 1(a)(iii), 1(b)(i) to 1(b)(iii), 1(c) to 1(d)(ii), 2, 6 and 9 of this announcement has been extracted from the interim financial report prepared in accordance with Singapore Financial Reporting Standard 34, Interim Financial Reporting, and reviewed in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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

Please refer to the independent auditors' review report dated 6 May 2016 appended to this announcement.

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 1, 2016, 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, 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 25 December 2015.

8. 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 26 December 2015, 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 26 December 2015.

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

Amendments to FRS 1	:	Disclosure Initiative (Effective for annual periods beginning on or after 1 January 2016)
Amendments to FRS 16 and FRS 38	:	Clarification of Acceptable Methods of Depreciation and Amortisation (Effective for annual periods beginning on or after 1 January 2016)
Amendments to FRS 110, FRS 112 and FRS 28	:	Investment Entities: Applying the Consolidation Exception (Effective for the annual periods beginning on or after 1 January 2016)
Amendments to FRS 19	:	Employee Benefits (Effective for the annual periods beginning on or after 1 January 2016)

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.

9.

	Q1 2016	Q1 2015
GROUP		
(Loss)/Earnings 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	**(4.05 US cts)**	**(1.40 US cts)**
– From discontinued operations	**–**	**0.98 US cts**
(b) On a fully diluted basis (detailing any adjustments made to the earnings)		
– From continuing operations	**(4.05 US cts)**	**(1.40 US cts)**
– From discontinued operations	**–**	**0.98 US cts**

10. Net Asset Value

	Group			Company		
	1 Apr 2016 US$	**25 Dec 2015 US$**	**Inc/(Dec) %**	**1 Apr 2016 US$**	**25 Dec 2015 US$**	**Inc/(Dec) %**
Net Asset Value per ordinary share based on issued share capital (adjusted to exclude treasury shares) of the issuer	**0.92**	**0.95**	**(3.16)**	**1.46**	**1.47**	**(0.68)**

11. Review of the Performance of the Group

Income Statement:

Continuing operations:

NOL Group achieved revenue of US$1.14 billion (Q1 2015: US$1.58 billion), a decrease of US$0.44 billion. This was mainly due to decrease in Liner revenue from weak container trade demand and challenging freight rate environment.

The Group's cost of sales decreased by US$0.31 billion or 22% YoY to US$1.13 billion mainly due to operational cost efficiencies and lower bunker costs.

Other miscellaneous gains increased by US$6 million mainly due to income from provision of shared services support function rendered to APL Logistics Group since June 2015.

Administrative expenses decreased by US$40 million or 35% YoY to US$74 million mainly due to write-back of provision of defined benefit plans pursuant to termination of a post-retirement benefits plan.

Finance expenses decreased by US$10 million or 23% YoY to US$33 million mainly due to lower interest expense from lower average loan balances in Q1 2016 compared to Q1 2015.

Other operating expenses decreased by US$10 million or 37% YoY to US$17 million mainly due to decrease in provision of doubtful debts.

Net loss attributable to equity holders of the Company increased by US$69 million or 191% to US$105 million mainly due to decrease in Liner revenue from weak container trade demand and challenging freight rate environment.

Balance Sheet:

NOL Group's total assets decreased by US$0.23 billion from US$6.91 billion as at 25 December 2015 to US$6.67 billion as at 1 April 2016. The decrease in total assets was mainly due to 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 Q1 2016.

The Group's total liabilities decreased by US$0.16 billion from US$4.42 billion as at 25 December 2015 to US$4.26 billion as at 1 April 2016. The decrease in total liabilities was mainly due to decrease in trade and other payables and derivative financial liabilities. The decrease in trade and other payables was mainly due to the set-off of consideration of sale of a subsidiary and an associated company against amount owing to APL Logistics. The decrease in derivative financial liabilities was due to the reduction in fair value losses of the derivative financial instruments as a result of appreciation of SGD against USD in Q1 2016.

The Group's total equity decreased by US$74 million from US$2.49 billion as at 25 December 2015 to US$2.42 billion as at 1 April 2016 mainly due to net loss for Q1 2016.

As at 1 April 2016, the Group was in a net current liabilities position mainly due to decrease in cash and cash equivalents. As at 1 April 2016, 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$58 million from US$232 million as at 25 December 2015 to US$174 million as at 1 April 2016 mainly due to net cash outflow from operating activities of US$56 million and net cash outflow from investing activities of US$27 million, partially offset by net cash inflow from financing activities of US$25 million. Net cash outflow from operating activities was mainly due to cash loss incurred in Q1 2016. Net cash outflow from investing activities was mainly due to purchase of property, plant and equipment. Net cash inflow from financing activities was mainly due to net proceeds from borrowings.

		Q1 2016 US$'m	Q1 2015 US$'m
(a)	**Revenue**		
	Liner	1,138	1,601
	Logistics (Discontinued operations)	–	406
	Elimination	–	(22)
	Total	**1,138**	**1,985**
(b)	**Core EBIT**[5]		
	Liner	(84)	13
	Logistics (Discontinued operations)	–	17
	Total	**(84)**	**30**

[5] Earnings before Net Finance, Tax and Exceptional (Non-Recurring) Items.

(c) Liner Analysis

Liner achieved Q1 2016 revenue of US$1.14 billion, a year-on-year (YoY) decrease of 29% mainly due to lower volume and Revenue/FEU.

Volume decreased by 6%YoY mainly due to weak container trade demand.

Weaker freight rates across all trade lanes lowered average revenue per FEU to US$1,594 or 23% lower YoY.

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

Cost of sales per FEU decreased by 16% YoY mainly due to operational cost efficiencies and lower bunker costs.

As a result, Liner recorded a Core EBIT loss of US$84 million in Q1 2016.

LINER Q1 RESULTS 2016 and 2015
Unaudited

	Q1 2016	Q1 2015
Load Factors(%)		
Transpacific and Asia-Latin America/Mexico Eastbound	88%	95%
Intra-Asia Westbound	96%	99%
Asia-Europe Westbound	93%	87%
Transatlantic Westbound	88%	92%
Headhaul	**92%**	**94%**
Volume ('000 FEU)		
Transpacific	173	180
Intra-Asia	299	317
Asia-Europe	103	112
Latin America	38	44
Transatlantic	11	14
Total Volume[6]	**624**	**667**
Average Revenue/FEU (US$/FEU)		
Transpacific	2,629	3,153
Intra-Asia	952	1,262
Asia-Europe	1,333	2,111
Latin America	2,417	3,052
Transatlantic	2,320	2,717
Total	**1,594**	**2,063**

[6] 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.

Industry overcapacity worsened in the second half of 2015. Freight rates across major trade lanes continued declining to hit historic lows in Q1 2016. 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.

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	**Q1 2016 US$'000**
Transactions for the Purchase of Goods and Services	
PSA Corporation Limited and its associates	37,563
Singapore Telecommunications Limited and its associates	123
Transactions for the Sale of Goods and Services	
Olam International Limited	580

The above relates to cumulative value of transactions (inclusive of GST) more than S$100,000 (approximately US$71,331).

16. Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD

LOOI LEE HWA AND WONG KIM WAH
Company Secretaries

Dated this 6 May 2016

The Singapore Code on Take-overs and Mergers

The unaudited consolidated financial information of the Group for the first quarter ended 1 April 2016 have been reported on in accordance with the Singapore Code on Take-overs and Mergers.

Auditors' Consent

PricewaterhouseCoopers LLP has given and has not withdrawn its consent to the reproduction in its entirety of their report on the review of the unaudited consolidated financial information of the Group for the first quarter ended 1 April 2016 ("Interim Results") in this announcement of Interim Results.

APPENDIX A: Report on review of interim financial information

The extract of the review report dated 6 May 2016, on the condensed interim financial information of the Company and its subsidiaries for the first quarter ended 1 April 2016 which has been prepared in accordance with Singapore Financial Reporting Standards 34 Interim Financial Reporting, is as follows:

To the Members of Neptune Orient Lines Limited
Report on review of interim financial information for the first quarter ended 1 April 2016

Introduction

We have reviewed the accompanying condensed interim financial information of Neptune Orient Lines Limited (the "Company") and its subsidiaries (the "Group") as at 1 April 2016, which comprise the condensed consolidated interim statement of financial position of the Group as at 1 April 2016, and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows of the Group for the first quarter ended 1 April 2016, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Financial Reporting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with Financial Reporting Standard 34 Interim Financial Reporting.

Other matter

The comparative information for the condensed consolidated interim statement of financial position is based on the audited financial statements as at 25 December 2015, which were audited by another firm of auditors whose report, dated 3 March 2016, expressed an unmodified opinion on those statements. The comparative information for the condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated interim statement of cash flows of the Group, and related explanatory notes, for the first quarter ended 3 April 2015 has not been audited or reviewed.

APPENDIX E – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE NOL GROUP FOR 1Q2016

Restriction of Use

Our work was undertaken solely to assist the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited – ST Listing Manual and for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and is not to be used for any other purpose.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 6 May 2016



The Members
Neptune Orient Lines Limited
9 North Buona Vista Drive
#14-01 The Metropolis
Singapore 138588

6 May 2016

Our ref: ASR /02512160/YOJ/MC (15)
(When Replying Please Quote Our Reference)

Report on review of interim financial information for the first quarter ended 1 April 2016

Introduction

We have reviewed the accompanying condensed interim financial information of Neptune Orient Lines Limited (the "Company") and its subsidiaries (the "Group") as at 1 April 2016, which comprise the condensed consolidated interim statement of financial position of the Group as at 1 April 2016, and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows of the Group for the first quarter ended 1 April 2016, and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Financial Reporting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with Financial Reporting Standard 34 Interim Financial Reporting.

PricewaterhouseCoopers LLP, 8 Cross Street #17-00, PWC Building, Singapore 048424
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Other matter

The comparative information for the condensed consolidated interim statement of financial position is based on the audited financial statements as at 25 December 2015, which were audited by another firm of auditors whose report, dated 3 March 2016, expressed an unmodified opinion on those statements. The comparative information for the condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated interim statement of cash flows of the Group, and related explanatory notes, for the first quarter ended 3 April 2015 has not been audited or reviewed.

Restriction of Use

Our work was undertaken solely to assist the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited – ST Listing Manual and for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and is not to be used for any other purpose.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 6 May 2016

Maybank Kim Eng

6 May 2016

Maybank Kim Eng Securities Pte. Ltd.
Co. Reg. No.:197202125 6N
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Singapore 059304
Telephone +65 6231 5000
www.maybank-ke.com.sg

To: The Independent Directors of

Neptune Orient Lines Limited
9 North Buona Vista Drive
#14-01 The Metropolis
Singapore 138588

Dear Sirs,

On 7 December 2015 (**"Pre-Conditional Offer Announcement Date"**), BNP Paribas, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, and J.P. Morgan (S.E.A.) Limited. (collectively, the **"Offeror's Financial Advisers"**) announced, for and on behalf of CMA CGM S.A. (the **"Offeror"**), that the Offeror intends to make an Offer for all the issued and paid up ordinary shares in the capital of Neptune Orient Lines Limited (the **"Company"**), other than those already owned, controlled or agreed to be acquired by the Offeror (the **"Offer Shares"**) on the basis of S$1.30 in cash for each Offer Share.

On 6 May 2016, the Company announced its reviewed first quarter 2016 financial statements for the quarter ended 1 April 2016 (the "**Reviewed Interim Financial Results**"). The Reviewed Interim Financial Results are solely the responsibility of the directors of the Company ("**Directors**").

We have examined the Company's review process and have held discussions with the management of the Company on the Reviewed Interim Financial Results. We have also considered the review report dated 6 May 2016 prepared by the Company's auditors PricewaterhouseCoopers LLP in relation to its review of the Reviewed Interim Financial Results for the quarter ended 1 April 2016.

In rendering our opinion, we have relied on the accuracy and completeness of all financial and other information provided to, or discussed with us and we have not verified the accuracy and completeness of such information for the purpose of rendering our opinion in this letter. Save as provided in this letter, we do not express any other opinion on the Reviewed Interim Financial Results.

Based on the above, we are of the view that the Reviewed Interim Financial Results have been prepared by the Directors after due and careful enquiry.

This letter is addressed to the Directors for the sole purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any other person (other than to the Independent Directors) in respect of, arising from or in connection with this letter.

Sincerely yours,

Maybank Kim Eng Securities Pte Ltd



Strictly Private and Confidential

All capitalised terms used in the following extracts shall have the same meanings given to them in the Articles, a copy of which is available for inspection at the registered office of the Company at 9 North Buona Vista Drive, #14-01 The Metropolis, Singapore 138588 during normal business hours for the period which the Offer remains open for acceptance.

The rights of Shareholders in respect of capital, dividends and voting as set out in the Articles are as follows:

(a) **The rights of Shareholders in respect of capital**

"**SHARES**

6. No part of the funds of the Company or any subsidiary thereof shall directly or indirectly be employed in the purchase of or on loan upon the security of the Company's shares and the Company shall not except as authorised by the Act give any financial assistance for the purpose of or in connection with any purchase of shares of the Company. *Company not to finance its own shares.*

7. Subject to the Act and to these Articles, no shares be issued by the Board without the prior approval of the Company in General Meeting but subject thereto, and to these Articles and any special rights attached to any shares for the time being issued, the Board may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash, and has full power to give to any person the call of any shares as the Board may determine. Such shares may be issued with preferential, deferred, qualified or special rights, privileges or conditions as the Board may think fit. Preference shares may be issued which are, or at the option of the Company are, liable to be redeemed, and the terms and manner of redemption will be determined by the Board provided always that:– *Issue of shares.*

(a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 51 with such adaptations as are necessary shall apply; and

(b) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 52, shall be subject to the approval of the Company in General Meeting.

The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

(1) Preference shares may be issued subject to such limitation thereof as may be prescribed by any Stock Exchange upon which shares in the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices,

reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

(2) (a) Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital other than redeemable preference capital may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

(b) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

TREASURY SHARES

8A. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. *Treasury Shares.*

8. If by the conditions of allotment of any shares the whole or part of the amount or issue price thereof shall be payable by instalments every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be registered holder of the share or his legal personal representative and the word "call" wherever used in these Articles shall be deemed to include an instalment. *Instalments on shares to be duly paid.*

9. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. *Powers of paying commission and brokerage.*

10. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of such share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in Section 78 of the Act and may charge the same to capital as part of the cost of the construction of the works or buildings or the provision of plant. *Interest on capital raised for construction, etc.*

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than CDP) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share. *Trusts not to be recognised.*

TRANSFER OF SHARES

26. Subject to these Articles any Member may transfer all or any of his shares, but every transfer must be in writing and in the usual or common form or in any other form for the time being approved by any Stock Exchange upon which the Company is listed or in such other form as the Directors may approve. *Transfer in writing and to be left at office.*

27. (1) The instrument of transfer of a share shall be signed by or on behalf of both the transferor and the transferee and by the witness or witnesses thereto and the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is *Both parties must sign transfer.*

entered in the Register of Members in respect thereof provided that CDP shall not be required to sign any instrument of transfer for the transfer of shares to it for such period as the Directors may deem fit and that the Directors may dispense with the signature of the instrument of transfer by or on behalf of the transferee and/or the witness in any other case in which they think fit. All instruments of transfer which shall be registered shall be retained by the Company. Any instrument of transfer which the Board may decline to register shall be returned to the person who tendered the same for registration, unless the Board suspect fraud.

Persons to whom shares not transferable.

(2) No share shall in any circumstances be transferred to any infant, bankrupt, person of unsound mind or to a firm in the firm's name. Any instrument of transfer must be in respect of only one class of shares.

Right of refusal to register.

28. The Directors may, in their sole discretion, refuse to register any instrument of transfer unless:–

(a) such fee not exceeding $2 as the Directors may from time to time require is paid to the Company in respect thereof;

(b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;

(c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(d) the instrument of transfer is in respect of only one class of shares.

29. (1) The Directors may refuse to register the transfer of any share(s) not being fully paid up share or shares on which the Company has a lien.

(2) The provisions of Article 29 shall not apply to registration, transfer, and/or transmission of any securities which are convertible into new shares or which carry rights to subscribe for new shares of the Company.

30. If the Directors refuse to register a transfer of any shares, they shall within one month after the date on which the transfer was lodged with the Company send to the transferor and transferee notice of the refusal pursuant to Section 128 of the Act and stating the facts which are considered to justify such refusal.

31. The Company shall provide a book to be called "Register of Transfers", which shall be kept by the Secretary under the control of the Board, and in which shall be entered the particulars of every transfer or transmission of every share. The Register of Transfers may be closed during such time or times as the Board thinks fit provided always that the Register shall not be closed for more than thirty days in any year. The Company shall give prior notice of such closure as may be required to any Stock Exchange upon which the Company is listed, stating the period and the purpose or purposes of such closure.

Register of transfers to be provided and closing of register.

31A. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; Provided always that:

Destruction of transfers.

(a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and

(c) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

32. In the case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any share solely or jointly held by him.

Transmission.

33. Any person becoming entitled to a registered share in consequence of the death or bankruptcy of any Member may, upon producing such evidence or title as the Board shall require and subject as hereinafter provided, either be registered himself as holder of the share, or elect to have some person nominated by him registered as the transferee thereof.

Death or bankruptcy of member.

34. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him and stating that he so elects. For all purposes of these Articles relating to the registration of transfer of shares, such notice shall be deemed to be a transfer, and the Board shall have the same power of refusing to give effect thereto by registration as if the event upon which the transmission took place had not occurred, and the notice were a transfer executed by the person from whom the title by transmission is derived.

Election of person entitled to be registered himself.

35. If the person so becoming entitled shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share. The Board shall have, in respect of transfers so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.

Registration of nominee.

36. A person entitled to a registered share by transmission shall be entitled to receive and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share, but he shall not be entitled to receive notices of or to attend or vote at meetings of the Company, or, save as aforesaid, to any of the rights or privileges of a Member, unless and until he shall have become a Member in respect of the share.

Person entitled to receive and give discharge for dividends.

FORFEITURE OF SHARES

38. If a Member fails to pay the whole or any part of any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued by reason of such non-payment.

Notice to pay calls.

39. The notice shall name a further day (not being less than fourteen days from the service of the notice) on or before which the payment required by the notice is to be made. It shall also name the place where payment is to be made, and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

Length of notice.

40. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before payment of all money due thereon with interest and expenses shall have been made, be forfeited by a resolution of the Board

If notice not complied with, shares including dividend may be forfeited.

to that effect. Such forfeiture shall include all dividends in respect of the forfeited shares not actually paid before the forfeiture notwithstanding that they shall have been declared.

CONVERSION OF SHARES INTO STOCK

46. The Board may, from time to time, with the sanction of the Company previously given in General Meeting, convert any paid up shares into stock, and may from time to time, with the like sanction, convert such stock into paid up shares. *Conversion of shares into stock and reconversion.*

47. When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in General Meeting shall direct, but in default of any such direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances will admit. But the Board may, if they think fit, from time to time fix the minimum number of stock units transferable. *Shareholders of stock may transfer their interests.*

48. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by the number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. *Rights of stockholders.*

49. All such provisions of these Articles as are applicable to paid up shares shall apply to stock, and in all such provisions the words "share" and "shareholder" shall include "stock" and "stockholder". *Provisions applicable to paid up shares to apply to stock.*

INCREASE OF CAPITAL

51. Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the SGX-ST's listing rules, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of these shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new *Offer for new shares.*

shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.

52. Notwithstanding Article 51, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:– *General authority.*

(a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

provided that:–

(1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the SGX-ST;

(2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance is waived by the SGX-ST) and these Articles; and

(3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

53. Subject to any directions that may be given in accordance with the powers contained in the Memorandum of Association or these Articles, any capital raised by the creation of new shares shall be considered as part of the original capital, and as consisting of ordinary shares, and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it has been part of the original capital. *Creation of new shares to be considered as part of original capital.*

ALTERATIONS OF CAPITAL

Power to consolidate, subdivide and convert shares.

54. (1) The Company may by Ordinary Resolution:–

(a) consolidate and divide all or any of its shares; or

(b) subdivide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes), and so that as between the holders of the resulting shares one or more of such shares may by the resolution by which the subdivision is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares; or

(c) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.

Power to reduce capital and undertake share purchases.

(2) The Company may reduce its share capital or any undistributable reserve, in any manner and with, and subject to any incident authorised and consent required by law. The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time deem fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of a share as aforesaid, the rights and privileges attached to that share shall expire, and the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. In any other instance, the Company may hold or deal with any such share which is purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.

(3) Anything done in pursuance of this Article shall be done in the manner provided and subject to any conditions imposed by the Act, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the Board deem most expedient.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

Power to issue free bonus shares and/or to capitalise reserves.

133. (1) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 52):

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Article 52) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Article 52) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

Power to Directors to give effect to bonus issues and capitalisations.

(2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 133(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

Power to issue free shares and/or to capitalise reserves for employee share-based incentive plans.

(3) In addition and without prejudice to the powers provided for by Article 133(1) and Article 133(2), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and

to apply such profits or other moneys in paying up in full unissued shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.

149. If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of the shares issued upon special terms and conditions. *Distribution of assets.*

151. If the Company shall be wound up the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members or any of them as the Liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability." *Distribution of assets in specie.*

(b) **The rights of Shareholders in respect of dividends**

"**DIVIDENDS AND RESERVES**

123. Subject as hereinafter provided, and to any rights or privileges for the time being attaching to any shares in the capital of the Company having preferential or special rights in regard to dividend, the profits or other moneys of the Company determined by the Board to be available for dividend shall be applied in payment of dividends upon the shares of the Company. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act: *Payment of dividends.*

(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and

(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

124. The Board may, with the sanction of a General Meeting from time to time declare dividends, but no such dividend:– *Declaration of dividend.*

(a) shall exceed the amount recommended by the Board; and

(b) shall (except by the Act expressly authorised) be payable otherwise than out of the profits of the Company.

A declaration by the Board as to the amount of the profits or other moneys at any time available for the dividends shall be conclusive.

125. The Board may if they think fit, and if in their opinion the position of the Company justifies such payment, from time to time declare an interim dividend. *Interim dividend.*

126. With the sanction of a General Meeting, dividends or bonuses may be paid wholly or in part in specie, and may be satisfied in whole or in part by the distribution amongst the Members in accordance with their rights of fully paid shares, debentures or other securities of this Company or any other company, or of any other property suitable for distribution as aforesaid. The Board shall have full liberty to make all such valuations adjustments and arrangements and to issue all such certificates or documents of title as may in their opinion be necessary or expedient with a view to facilitating the equitable distribution amongst the Members of any dividends or portions of dividend to be satisfied as aforesaid or to giving them the benefit of their proper shares and interests in their property, and no valuation, adjustment or arrangement so made shall be questioned by any Member. Where required a proper contract shall be filed pursuant to Section 63 of the Act and the Board may appoint any person to sign such contract on behalf of the Members or any of them. *Dividend in specie.*

127. (1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sum or sums as they think proper as a reserve fund or reserve funds which shall, at the discretion of the Board, be applicable for any purpose or purposes as set out in paragraph (2) of this Article and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit. The Board from time to time may deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide any reserve fund into such special funds as they think fit, and employ the reserve fund or funds or any part thereof in the business of the *Reserve funds.*

Company without being bound to keep the same separate from the other assets. The Board may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

(2) Subject to any provisions to the contrary contained in the Act, any such reserve fund or part thereof shall be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company, or for equalising dividends, or for special dividends, or for repairing, improving and maintaining any of the property of the Company, for initiating or developing new works or business which the Company by its Memorandum of Association is authorised to operate or conduct, or for such other purposes as the Board shall at their absolute discretion think conducive to the interests of the Company. *Application of reserve funds.*

128. Notice of any dividend that may have been declared shall be given in the manner hereinafter provided to such Members as are entitled under these Articles to receive notices from the Company. *Notice of dividend.*

129. The Board may deduct from any dividend, bonus or other moneys payable in respect of any shares held by a Member either alone or jointly with any other Member all such sums of money (if any) as may be due and payable by him either alone or jointly with any other person to the Company on account of calls or otherwise. *Debts may be deducted.*

129A. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If CDP returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable. *Unclaimed dividends.*

130. Any dividend, instalment of dividend, bonus or interest in respect of any share may be paid by cheque or warrant payable to the order of the Member or first-named Member registered in the Register of Members. Where the CDP is a Member, the Company's obligation in respect of a dividend or distribution shall be discharged if that dividend or distribution is made or paid to CDP or to such persons and in such proportions as CDP may direct. *Payment by cheque or warrant.*

131. Every such cheque or warrant shall be sent by post to the last registered address of the Member or senior Member appearing on the Register of Members or to such person and to such address as a Member or joint *Payment by post and discharge.*

holders may in writing direct and the receipt by such a Member, senior Member or person aforementioned shall be a good discharge to the Company for all dividends, bonuses or other payment made in respect of such share. Every such cheque or warrant shall be sent at risk of the person entitled to the money represented thereby.

132. No unpaid dividend, bonus or interest shall bear interest as against the Company." *No interest on unpaid dividend.*

(c) **The rights of Shareholders in respect of voting**

"**GENERAL MEETINGS**

55. The Company shall, in each year, hold a General Meeting as its Annual General Meeting, in addition to any other meetings in that year. Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. The First Annual General Meeting shall be held within eighteen months of incorporation. *Annual General Meeting.*

56. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. *Extraordinary General Meeting.*

57. The Board may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as approved by Section 176 of the Act. *How convened.*

58. The time and place of any meeting shall be determined by the conveners of the meeting. *Time and place.*

59. (1) A meeting called for the passing of a Special Resolution shall be called by 21 days' notice in writing at the least. The Annual General Meeting and any other meeting of the Company shall be called by 14 days' notice in writing at the least. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so permitted by the Act. *Notice of meetings.*

At least 14 days' notice of such meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which the Company may be listed.

(2) The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting, and, in the case of special business, the general nature of the business. *Notice to specify time and business.*

(3) Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. *Special Business.*

(4) The notice convening a meeting to consider a Special Resolution shall specify the intention to propose the resolution as a Special Resolution. *Notice of Special Resolution.*

(5) In every notice calling a meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not also be a Member. *Members' right to appoint proxy.*

60. (1) Notice of every General Meeting shall be given in any manner authorised by these Articles to:– *To whom given.*

(a) All Members other than those as are not under the provisions of these Articles and the Act entitled to receive such notices from the Company;

(b) The Directors (including alternate Directors) of the Company; and

(c) The Auditors for the time being of the Company.

(2) No other person shall be entitled to receive notices of General Meetings. *Person not entitled to notice.*

(3) The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting. *Omission not to invalidate proceedings.*

PROCEEDINGS AT GENERAL MEETING

61. All business shall be deemed special that is transacted at an Extraordinary General Meeting, also all that is transacted at an Annual General Meeting with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, the fixing of the remuneration of Directors, the election of Directors in the place of those retiring, and the appointment of, and the fixing of the remuneration of, the Auditors. *Extraordinary Meeting and Annual General Meeting.*

62. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Two Members, present in person or by proxy and entitled to vote shall be a quorum at a General Meeting. For the purpose of this Article a corporation which is a Member of the Company shall whether present by its authorised representative or by proxy, be deemed to be present in person. No business other than the appointment of a Chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. *Quorum.*

63. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, (or if that day be a holiday to *When a quorum not present.*

the next working day thereafter) and at the same time and place as the original meeting. At any adjourned meeting, if a quorum is not present within fifteen minutes from the time appointed, the Members then present in person or by proxy shall be a quorum.

64. The Chairman of the Board and in his absence the Vice Chairman (if any), or in the case of there being more than one Vice Chairman, any one of them as may be nominated by the Chairman of the Board, shall preside as Chairman at every General Meeting, but if there be no such Chairman or Vice Chairman, or if at any meeting no such officer is present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Members present shall choose some Director, or if no Director be present, or if all Directors present decline to take the chair, then the Members present shall choose one of their number to act as Chairman of the meeting. *Chairman of General Meeting.*

65. The Chairman of the meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting other than the businesses left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. *Meeting adjourned.*

66. When a meeting is adjourned for thirty days or more or *sine die*, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting. *Meeting adjourned for 30 days or more or sine die.*

67. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:- *How vote and poll to be decided.*

(a) the Chairman of the meeting; or

(b) not less than two Members present in person or by proxy and entitled to vote at the meeting; or

(c) any Member present in person or by proxy holding or representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or

(d) any Member present in person or by proxy holding or representing not less than 10 per cent. of the total number of paid up shares of the Company (excluding treasury shares),

Provided always that no poll shall be demanded on the choice of a Chairman or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.

68. If a poll is demanded as aforesaid it shall be taken in such a manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In case of any dispute as to the admission or rejection of a vote the Chairman shall determine the same and such determination made in good faith shall be final and conclusive. *Poll when taken.*

69. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. *Poll does not prevent meeting continuing.*

VOTES OF MEMBERS

71. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 8A, each Member entitled to vote may vote in person or by proxy. On a show of hands, every Member who is present in person or by proxy shall have one vote (provided that in the case of a Member who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll, every Member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by CDP to the Company. *Right to vote.*

72. Subject to the provisions of these Articles every Member shall be entitled to be present to speak and to vote at any General Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative and to be reckoned in a quorum in respect of any share or shares upon which all calls due to the Company have been paid. *Vote by company.*

73. Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy that one of the said persons so present whose name stands first on the Register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose sole name any shares stand shall for the purposes of this Article be deemed joint holders thereof. *Joint holders.*

74. A Member who of unsound mind, or in respect of whom an order has been made under the law relating to mental disorders may vote by his committee, or other person as properly has the management of his estate or on a poll by a proxy of such a person. *Vote by a person under disability.*

75. (1) An instrument appointing a proxy shall be in writing in any usual or common form (including any form approved from time to time by CDP) or in any other form which the Directors may approve and:– *Appointment of proxy to be in writing.*

(a) in the case of an individual, shall be signed by the appointor or his attorney; and

(b) in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

(2) The signature on an instrument of proxy need not witnessed. Where an instrument appointing a proxy is signed on behalf of a Member or a Depositor by an attorney, the letter or Power of Attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Article 76, failing which the instrument of proxy may be treated as invalid.

76. The Power of Attorney (if any) or the instrument appointing a proxy and the Power of Attorney (if any) under which it is signed or an office copy or notarially certified copy thereof shall be deposited at the office not less than forty-eight hours before the time for the holding of the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote. The Power of Attorney (if any) or instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. A Member not resident in Singapore may by cable or other telegraphic communication appoint some person who need not be a Member of the Company as proxy to vote for him at any meeting of the Company provided (a) such cable or other telegraphic communication shall have been received at the office not less than forty-eight hours before the time for the holding of the meeting or adjourned meeting as the case may be at which the person named in such cable or other telegraphic communication proposes to vote and (b) the Directors are satisfied as to the genuineness of such cable or other telegraphic communication. *Instruments appointing proxy to be deposited.*

77. A vote given in accordance with the terms of an instrument of proxy or Power of Attorney shall be valid notwithstanding the previous death of the principal or revocation of the proxy or Power of Attorney or transfer of the share in respect of which the vote is given provided no imitation in writing of the death revocation or transfer shall have been received at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used. *Validity of proxy.*

78. (1) A Member may appoint not more than two proxies to attend and vote at the same General Meeting. Provided that if the Member is a Depositor, the Company shall be entitled and bound:– *Proxy form.*

(a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and

(b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by CDP to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(2) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

(3) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(4) A proxy need not be a Member of the Company."

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