

Company Announcements

NEPTUNE ORIENT LINES LIMITED  
 Unaudited Quarterly Financial Statements  
 For the Quarter Ended 2 April 2004

	Group		
	US\$'000 Q1 2004	US\$'000 Q1 2003	% Increase/ (Decrease)
1.(a)(i) Revenue	1,552,706	1,341,818	16
Cost of sales	(1,213,858)	(1,145,102)	6
Gross profit	338,848	196,716	72
Other operating income	16,321	18,152	(10)
Administrative expenses	(149,722)	(139,241)	8
Other operating expenses	(16,318)	(21,267)	(23)
Operating profit	189,129	54,360	248
Finance and investment income	2,466	5,565	(56)
Finance costs	(26,230)	(36,598)	(28)
Share of results of associated companies before tax	380	1	37,900
Share of results of joint ventures before tax	576	1,213	(53)
Profit before tax	166,321	24,541	578
Income tax expense	(1,475)	(2,739)	(46)
Profit from ordinary activities after tax	164,846	21,802	656
Minority interest	(1,676)	(1,522)	10
Net profit	163,170	20,280	705

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

	Group		
	US\$'000 Q1 2004	US\$'000 Q1 2003	% Change
(A) Investment Income	-	101	(100)
(B) Other Income Including Interest Income <sup>1</sup>	16,941	22,349	(24)
(C) Interest on Borrowings	(24,623)	(34,886)	(29)
(D) Depreciation and Amortisation	(69,454)	(84,606)	(18)
(E) Allowance for Doubtful Debts and Bad Debts Written Off	(3,353)	(3,145)	7
(F) Write-back/(Provision) for Impairment in Value of Investments	1,256	(15)	N/M
(G) Foreign Exchange Gain	2,610	3,204	(19)
(H) Adjustment for Over Provision for Tax in Prior Years	8,342	8,461	(1)
(I) Profit on Sale of Investments, Properties and Property, Plant and Equipment <sup>1</sup>	9,075	12,551	(28)

<sup>1</sup> Included in items under 1.(a)(ii)(B) and 1.(a)(ii)(I) is the gain on sale of Neptune Associated Shipping Pte Ltd and its subsidiaries ("NAS") completed on 16 March 2004.

N/M : not meaningful

## 1.(b)(i) Balance Sheet

	Group			Company		
	US\$'000 2 Apr 2004	US\$'000 26 Dec 2003	% Increase/ (Decrease)	US\$'000 2 Apr 2004	US\$'000 26 Dec 2003	% Increase/ (Decrease)
<b>Current Assets</b>						
Cash and cash equivalents	695,329	542,517	28	204,544	145,925	40
Trade and other receivables	718,766	666,726	8	418,669	202,561	107
Inventories at cost	59,372	62,108	(4)	448	448	0
Other current assets	54,717	46,342	18	10,282	10,270	0
<b>Total current assets</b>	<b>1,528,184</b>	<b>1,317,693</b>	<b>16</b>	<b>633,943</b>	<b>359,204</b>	<b>76</b>
<b>Non-current Assets</b>						
Investments in subsidiaries	-	-	0	912,685	946,052	(4)
Investments in associated companies	4,950	44	11,150	63	64	(2)
Investments in joint ventures	2,079	1,503	38	-	-	0
Long term investments	21,200	20,432	4	5,767	4,467	29
Property, plant and equipment	2,245,350	2,299,717	(2)	6,300	6,401	(2)
Deferred charges	4,316	4,746	(9)	318	335	(5)
Intangible assets	33,923	36,445	(7)	154	198	(22)
Goodwill arising on consolidation	262,982	267,898	(2)	-	-	0
Deferred tax assets	40,395	41,024	(2)	-	-	0
Other non-current assets	76,763	74,235	3	41,624	42,335	(2)
<b>Total non-current assets</b>	<b>2,691,958</b>	<b>2,746,044</b>	<b>(2)</b>	<b>966,911</b>	<b>999,852</b>	<b>(3)</b>
<b>TOTAL ASSETS</b>	<b>4,220,142</b>	<b>4,063,737</b>	<b>4</b>	<b>1,600,854</b>	<b>1,359,056</b>	<b>18</b>
<b>Current Liabilities</b>						
Trade and other payables	687,259	723,698	(5)	39,357	42,774	(8)
Current tax liabilities	63,649	56,245	13	10,589	10,540	0
Borrowings	134,866	105,193	28	14,231	14,096	1
Provisions	62,460	49,907	25	52,035	37,649	38
Other current liabilities	152,759	135,980	12	-	-	0
<b>Total current liabilities</b>	<b>1,100,993</b>	<b>1,071,023</b>	<b>3</b>	<b>116,212</b>	<b>105,059</b>	<b>11</b>
<b>Non-current Liabilities</b>						
Borrowings	1,143,899	1,147,126	(0)	347,275	297,275	17
Provisions	56,399	71,127	(21)	13,707	24,570	(44)
Deferred income	24,077	25,421	(5)	-	-	0
Deferred tax liabilities	242,794	256,459	(5)	10,157	10,727	(5)
Other non-current liabilities	168,873	177,313	(5)	45,748	44,563	3
<b>Total non-current liabilities</b>	<b>1,636,042</b>	<b>1,677,446</b>	<b>(2)</b>	<b>416,887</b>	<b>377,135</b>	<b>11</b>
<b>TOTAL LIABILITIES</b>	<b>2,737,035</b>	<b>2,748,469</b>	<b>(0)</b>	<b>533,099</b>	<b>482,194</b>	<b>11</b>
<b>NET ASSETS</b>	<b>1,483,107</b>	<b>1,315,268</b>	<b>13</b>	<b>1,067,755</b>	<b>876,862</b>	<b>22</b>
<b>Shareholders' Equity</b>						
Share capital	802,552	798,527	1	802,552	798,527	1
Reserves	668,670	505,541	32	265,203	78,335	239
<b>Total shareholders' equity</b>	<b>1,471,222</b>	<b>1,304,068</b>	<b>13</b>	<b>1,067,755</b>	<b>876,862</b>	<b>22</b>
Minority interests	11,885	11,200	6	-	-	0
	<b>1,483,107</b>	<b>1,315,268</b>	<b>13</b>	<b>1,067,755</b>	<b>876,862</b>	<b>22</b>
<b>Net current assets</b>	<b>427,191</b>	<b>246,670</b>	<b>73</b>	<b>517,731</b>	<b>254,145</b>	<b>104</b>

1.(b)(ii) Borrowings

	As at 2 April 2004			US\$'000 Total
	US\$'000 Secured bank loans <sup>2</sup>	US\$'000 Unsecured bank loans	US\$'000 Unsecured finance lease liabilities	
Amount repayable in one year or less, or on demand	67,868	-	66,998	134,866
Amount repayable on or before 2 April :				
2006	61,373	-	25,176	86,549
2007	128,995	-	26,910	155,905
2008	105,867	-	28,491	134,358
2009	47,020	347,275	30,538	424,833
Thereafter	77,015	98,316	166,923	342,254
	<b>488,138</b>	<b>445,591</b>	<b>345,036</b>	<b>1,278,765</b>

	As at 26 December 2003			US\$'000 Total
	US\$'000 Secured bank loans <sup>2</sup>	US\$'000 Unsecured bank loans	US\$'000 Unsecured finance lease liabilities	
Amount repayable in one year or less, or on demand	70,729	-	34,464	105,193
Amount repayable in :				
2005	60,479	-	36,065	96,544
2006	128,285	133	38,280	166,698
2007	113,640	-	40,110	153,750
2008	50,864	297,275	30,406	378,545
Thereafter	78,623	98,209	174,757	351,589
	<b>502,620</b>	<b>395,617</b>	<b>354,082</b>	<b>1,252,319</b>

<sup>2</sup> The loans are secured either on vessels or containers.

1.(b)(iii) Operating Lease Commitments

The aggregate minimum lease payments (including contingent rent) under non-cancellable operating leases are as follows:

As at 2 April 2004	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others <sup>3</sup> US\$'000	Total US\$'000
Amount repayable in 2004	226,428	47,289	60,101	18,986	56,281	409,085
Amount repayable in :						
2005	242,269	57,265	79,910	25,315	58,271	463,030
2006	164,363	42,015	80,006	25,174	45,628	357,186
2007	118,295	34,212	69,675	22,605	31,132	275,919
2008	117,660	17,068	56,123	20,123	25,413	236,387
Thereafter	445,292	8,662	893,631	7,236	57,261	1,412,082
	<b>1,314,307</b>	<b>206,511</b>	<b>1,239,446</b>	<b>119,439</b>	<b>273,986</b>	<b>3,153,689</b>

As at 26 December 2003	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others <sup>3</sup> US\$'000	Total US\$'000
Amount repayable in one year or less	288,017	66,001	82,524	25,699	72,721	534,962
Amount repayable in :						
2005	205,155	57,693	81,998	25,214	54,053	424,113
2006	130,991	42,309	82,128	25,073	41,968	322,469
2007	95,938	34,469	72,139	22,563	28,557	253,666
2008	97,141	17,192	59,429	20,124	23,204	217,090
Thereafter	434,156	8,727	956,649	7,230	54,528	1,461,290
	<b>1,251,398</b>	<b>226,391</b>	<b>1,334,867</b>	<b>125,903</b>	<b>275,031</b>	<b>3,213,590</b>

The contingent rent component included under the above non-cancellable operating leases are as follows:

As at 2 April 2004	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others <sup>3</sup> US\$'000	Total US\$'000
Amount repayable in 2004	1,074	-	11,115	-	-	12,189
Amount repayable in :						
2005	2,374	-	14,820	-	-	17,194
2006	2,849	-	14,820	-	-	17,669
2007	2,943	-	14,820	-	-	17,763
2008	2,812	-	14,820	-	-	17,632
Thereafter	5,697	-	291,460	-	-	297,157
	<b>17,749</b>	<b>-</b>	<b>361,855</b>	<b>-</b>	<b>-</b>	<b>379,604</b>

As at 26 December 2003	Vessels US\$'000	Containers US\$'000	Terminals US\$'000	Chassis US\$'000	Others <sup>3</sup> US\$'000	Total US\$'000
Amount repayable in one year or less	3,694	-	14,820	-	-	18,514
Amount repayable in :						
2005	4,186	-	14,820	-	-	19,006
2006	4,422	-	14,820	-	-	19,242
2007	4,281	-	14,820	-	-	19,101
2008	3,844	-	14,820	-	-	18,664
Thereafter	7,195	-	291,455	-	-	298,650
	<b>27,622</b>	<b>-</b>	<b>365,555</b>	<b>-</b>	<b>-</b>	<b>393,177</b>

<sup>3</sup> Others relate mainly to warehouse space, warehouse equipment, office space and land.

The present value for the aggregated operating lease commitments as at 2 April 2004 is US\$2.13 billion (2003: US\$2.17 billion). The present values are computed based on the Group's weighted average cost of capital ("WACC") of 6.8%. The same WACC is used for 2003 comparatives.

## 1.(c)(i) Consolidated Cash Flow Statement

	Group	
	US\$'000 Q1 2004	US\$'000 Q1 2003
<b>Cash Flows from Operating Activities</b>		
Profit before tax	166,321	24,541
Adjustments for :		
Amortisation of non-current assets and deferred income	6,949	11,075
Depreciation of property, plant and equipment	62,505	73,531
Interest expense	24,623	34,886
Interest income	(1,972)	(5,435)
Investment income	-	(101)
Net profit on disposal of property, plant and equipment	(378)	(157)
Write-off of property, plant and equipment	-	120
Net profit on disposal of subsidiaries	(8,365)	(172)
Net profit on additional interest in subsidiary	(446)	-
Net loss/(profit) on disposal of long term investments	114	(12,222)
Net profit on early extinguishment of debts	-	(28)
Net (write-back of)/provision for impairment in value of long term investments	(1,256)	15
Net (write-back of)/provision for doubtful loans and non-trade debts to associated companies	(425)	3,734
Net provision for/(write-back of) doubtful loans receivable	18	(160)
Net provision for/(write-back of) impairment in value of property, plant and equipment	4,597	(14)
Net provision for drydocking costs	266	446
Net provision for associated companies	1,447	1,434
Net provision for termination and restructuring costs	238	-
Net write-back of provision for foreseeable shipping losses	(1,109)	-
Share of results of associated companies	(380)	(1)
Share of results of joint ventures	(576)	(1,213)
Exchange difference	(663)	(4,729)
Operating cashflow before working capital changes	251,508	125,550
<b>Changes in operating assets and liabilities, net of effects from purchase and disposal of subsidiaries :</b>		
Deferred charges	-	(15)
Deferred income	6	123
Receivables	(65,654)	(67,951)
Inventories	1,403	(11,717)
Payables	(17,354)	46,717
Net amount due to associated companies	(614)	(1,798)
Trading securities	-	840
Cash generated from operations	169,295	91,749
Interest paid	(26,449)	(29,671)
Interest received	1,896	5,474
Net income tax (paid)/refunded	(4,134)	10,252
Net cash inflow from operating activities	140,608	77,804
<b>Cash Flows from Investing Activities</b>		
Additional acquisition of interest in a subsidiary	(1,287)	-
Dividends paid to minority interests	(133)	(36)
Net proceeds from loans receivable	743	185
Investment income received	-	101
Additions in long term investments	(616)	-
Investment in associated companies	(3,515)	-
Purchase of property, plant and equipment <sup>4</sup>	(60,637)	(104,756)
Purchase of intangible assets	(462)	(1,838)
Proceeds from disposal of property, plant and equipment	1,578	1,502
Proceeds from disposal of long term investments	-	23,482
Proceeds (net of transaction cost) from disposal of subsidiaries <sup>5</sup>	45,824	2
Net cash outflow from investing activities	(18,505)	(81,358)
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	50,000	27,000
Capital contribution by minority interests	-	135
Proceeds from issue of new ordinary shares	4,365	56
Repayment of borrowings	(23,656)	(105,806)
Net cash inflow/(outflow) from financing activities	30,709	(78,615)
Net change in cash and cash equivalents	152,812	(82,169)
Cash and cash equivalents at beginning of financial period	542,517	334,530
Cash and cash equivalents at end of financial period	695,329	252,361

1.(c)(i) Consolidated Cash Flow Statement (continued)

<sup>4</sup> Purchase of Property, Plant and Equipment

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of US\$60.6 million (Q1 2003: US\$104.8 million). Cash payments of US\$60.6 million (Q1 2003: US\$104.8 million) were made for these property, plant and equipment.

	Group	
	US\$'000 Q1 2004	US\$'000 Q1 2003
<sup>5</sup> Summary of Effect of Changes on Disposal of Subsidiaries on the Group's Cash Flows		
Net assets disposed :		
Property, plant and equipment	47,584	-
Other non-current assets	12	-
Current assets	14,148	1,269
Current liabilities	(4,662)	(533)
Non-current liabilities	(9,769)	-
Net attributable assets disposed	47,313	736
Less : Foreign currency translation reserve	54	258
	47,367	994
Profit on disposal of subsidiaries	8,365	172
Net proceeds from disposal of subsidiaries	55,732	1,166
Less : Cash of subsidiaries disposed	(7,476)	(1,164)
Less : Cash receivable from buyer of a subsidiary	(2,432)	-
Net cash inflow on disposal of subsidiaries, net of cash disposed	45,824	2

1.(d)(i) Statement of Changes in Equity

	Share capital US\$'000	Share premium US\$'000	Foreign currency translation reserve US\$'000	Retained earnings/ (Accumulated losses) US\$'000	Total US\$'000
<b>GROUP</b>					
Balance at 27 December 2003	798,527	552,535	5,021	(52,015)	1,304,068
Currency translation differences	-	-	(381)	-	(381)
Net loss not recognised in income statement	-	-	(381)	-	(381)
Net gain for the financial period	-	-	-	163,170	163,170
Total (losses)/gains recognised for the financial period	-	-	(381)	163,170	162,789
Issue of new ordinary shares	4,025	340	-	-	4,365
Balance at 2 April 2004	802,552	552,875	4,640	111,155	1,471,222
Balance at 28 December 2002	654,623	376,754	5,517	(480,841)	556,053
Currency translation differences	-	-	641	-	641
Net gain not recognised in income statement	-	-	641	-	641
Net gain for the financial period	-	-	-	20,280	20,280
Total gains recognised for the financial period	-	-	641	20,280	20,921
Issue of new ordinary shares	56	-	-	-	56
Balance at 4 April 2003	654,679	376,754	6,158	(460,561)	577,030
<b>COMPANY</b>					
Balance at 27 December 2003	798,527	552,535	-	(474,200)	876,862
Net gain for the financial period	-	-	-	186,528	186,528
Issue of new ordinary shares	4,025	340	-	-	4,365
Balance at 2 April 2004	802,552	552,875	-	(287,672)	1,067,755
Balance at 28 December 2002	654,623	376,754	-	(576,674)	454,703
Net gain for the financial period	-	-	-	(11,632)	(11,632)
Issue of new ordinary shares	56	-	-	-	56
Balance at 4 April 2003	654,679	376,754	-	(588,306)	443,127

- 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 at the end of the current financial period reported on and as at the end of the previous period of the immediately preceding financial year.

As at 2 April 2004, the Company's issued and paid-up capital comprised 1,433,363,132 (26 December 2003 : 1,426,468,029) ordinary shares of S\$1.00 each.

During the financial period, the Company issued 6,895,103 ordinary shares of par value S\$1.00 each fully paid to participants of the NOL Group Share Option Plan ("SOP") who exercised their options to purchase ordinary shares at the subscription price of between S\$1.00 to S\$2.05 per share.

As at 2 April 2004, options to subscribe for 37,709,554 (26 December 2003: 44,747,157) ordinary shares remain outstanding under the SOP. There were 30,000 (26 December 2003: 34,500) options exercised in Q1 2004 but shares have yet to be allotted.

2. **Audit or Review of Figures**

The figures have not been audited nor reviewed by our auditors.

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

N.A.

4. **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. 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 26 December 2003.

5.(a) **Changes in accounting policies and methods of computation, including any required by an accounting standard. To include reasons for, and the effect of, the change.**

N.A.

5.(b) **Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

6.

	Q1 2004	Q1 2003
<b>GROUP</b>		
<b>Earnings per ordinary share after deducting any provision for preference dividends</b>		
a) Based on the weighted average number of ordinary shares on issue	11.41 US cts	1.72 US cts
b) On a fully diluted basis (detailing any adjustments made to the losses)	11.31 US cts	1.72 US cts

7. **Net Asset Value**

	Group			Company		
	2 Apr 2004 US\$	26 Dec 2003 US\$	Inc / (Dec) %	2 Apr 2004 US\$	26 Dec 2003 US\$	Inc / (Dec) %
<b>Net Asset Value per ordinary share based on issued share capital of the issuer</b>	1.03	0.91	13.19	0.74	0.61	21.31

## 8. Review of the Performance of the Group

NOL Group recorded a 16% increase in revenue to US\$1.55 billion (Q1 2003 : US\$1.34 billion) and 705% increase in net profit to US\$163.2 million (Q1 2003: US\$20.3 million). The continued turnaround came from improved performances from both the Liner and Logistics business units.

	Q1 2004 US\$m	Q1 2003 US\$m
<b>(a) Revenue</b>		
Liner	1,231	957
Logistics	288	231
Others	55	185
Elimination	(21)	(31)
<b>Total</b>	<b>1,553</b>	<b>1,342</b>
<b>(b) Core EBIT<sup>6</sup></b>		
Liner	176	5
Logistics	3	(1)
Others	(3)	38
<b>Total</b>	<b>176</b>	<b>42</b>

<sup>6</sup> Earnings before Interest, Tax and Exceptional Items.

## (c) Analysis by Business Units

### (c)(i) Liner

The Liner business achieved very good results in Q1 2004. Core EBIT rose to US\$176 million from US\$5 million for the same period last year.

Revenue increased by 29% over Q1 2003 to a five year high of US\$1.23 billion. This was because of continued strong demand in all key trade lanes, active yield management and a higher freight rate base at the beginning of the year.

Discipline continued around costs. Saving initiatives that contributed to the net improvement included contract re-negotiations, network rationalisation and various innovative equipment arrangements which improved trade imbalance. This helped offset higher bunker and vessel costs.

	Q1 2004	Q1 2003
<b>Load Factors %</b>		
Trans-Pacific East Bound	94%	98%
Trans-Pacific West Bound	88%	99%
<b>Trans-Pacific Trade</b>	<b>92%</b>	<b>98%</b>
Latin America - North Bound	77%	67%
Latin America - South Bound	75%	55%
<b>Latin America Trade</b>	<b>76%</b>	<b>61%</b>
Asia-Europe	95%	103%
Europe-Asia	99%	95%
<b>Asia-Europe Trade</b>	<b>97%</b>	<b>99%</b>
Trans-Atlantic - East Bound	76%	74%
Trans-Atlantic - West Bound	89%	98%
<b>Trans-Atlantic Trade</b>	<b>83%</b>	<b>86%</b>

**APL Q1 RESULTS 2004 and 2003***Unaudited*

	Q1 2004	Q1 2003
<b>Volume (000s FEU)</b>		
<u>Americas</u>		
Trans-Pacific	175	163
Latin America	36	29
	<u>211</u>	<u>192</u>
<u>Europe</u>		
Asia-Europe	86	78
Trans-Atlantic	26	27
	<u>112</u>	<u>105</u>
<u>Asia/Middle East</u>		
Intra-Asia	119	100
<b>Total Volume</b>	<b>442</b>	<b>397</b>
<b>Operating Expenses (US\$m)</b>		
<u>Americas</u>		
Trans-Pacific	549	505
Latin America	98	88
	<u>647</u>	<u>593</u>
<u>Europe</u>		
Asia-Europe	182	161
Trans-Atlantic	61	59
	<u>243</u>	<u>220</u>
<u>Asia/Middle East</u>		
Intra-Asia	165	139
<b>Total Operating Expenses</b>	<b>1,055</b>	<b>952</b>
<b>Analysis of Expenses (US\$m)</b>		
Operating Cost	895	808
General and Administrative	104	89
Depreciation and Amortisation	57	53
Others <sup>7</sup>	(1)	2
<b>Total Operating Expenses</b>	<b>1,055</b>	<b>952</b>

<sup>7</sup> Others consists of minority interest and share of results of associated companies.

**(c)(ii) Logistics**

Logistics business continued to show improvement.

Revenue increased by 25% to US\$288 million (Q1 2003: US\$231 million). Core EBIT was US\$3 million compared to a loss of US\$1 million in Q1 2003.

This was a result of continued strong revenue growth particularly from Contract Logistics in Americas and from International Services in Asia and Europe.

**APLL Q1 RESULTS 2004 and 2003**

Unaudited  
US\$ millions

	<b>Q1 2004</b>	<b>Q1 2003</b>
<b>BY REGION</b>		
<b>Revenue</b>		
Americas	207	174
Europe	40	22
Asia & Middle East	41	35
<b>Total Revenue</b>	<b>288</b>	<b>231</b>
<b>BY BUSINESS SEGMENT</b>		
<b>Revenue</b>		
Contract Logistics Services	209	175
International Services	79	56
<b>Total Revenue</b>	<b>288</b>	<b>231</b>
<b>Operating Expenses</b>		
Contract Logistics Services	208	180
International Services	77	52
<b>Total Operating Expenses</b>	<b>285</b>	<b>232</b>
<b>Core EBIT<sup>8</sup></b>		
Contract Logistics Services	1	(5)
International Services	2	4
<b>Total Core EBIT</b>	<b>3</b>	<b>(1)</b>
<b>Analysis of Expenses</b>		
Operating Cost	238	187
General and Administrative	39	36
Depreciation and Amortisation	7	8
Others <sup>9</sup>	1	1
<b>Total Operating Expenses</b>	<b>285</b>	<b>232</b>

<sup>8</sup> Earnings before Interest, Tax and Exceptional Items.

<sup>9</sup> Others consist of minority interest and share of results of associated companies.

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

N.A.

10. **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.**

**Group**

With the positive business environment, yield management and continued cost cutting, the Group continues to expect to perform better in 2004, barring any unforeseen circumstances.

**Liner**

The outlook for the rest of this year remains buoyant with on-going strong demand growth and high utilisation. By continuing to focus on efficient use of existing resources and tight cost management, we expect to mitigate against higher bunker costs. APL is expected to achieve significant earnings in FY 2004.

**Logistics**

APLL expects to improve its performance for FY 2004 through cost controls, revenue growth and building on the initiatives implemented in FY 2003.

11. **Dividend**

- 11.(a) **Any dividend recommended for the current financial period reported on?**

Nil

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

Nil

- 11.(c) **Date payable**

N.A.

- 11.(d) **Books closure date**

N.A.

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

N.A.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR QUARTERLY ANNOUNCEMENT**

**12. Interested Person Transactions**

<b>Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual</b>	<b>US\$'000 Q1 2004</b>	<b>US\$'000 Q1 2003</b>
<b>Transactions for the Purchase of Goods and Services</b>		
PSA Corporation Limited and its associates	30,363	20,520
Sembcorp Marine Ltd and its associates	1,884	1,382
<b>Aggregate value of all transactions during the financial period under review (excluding transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) pursuant to Rule 907 of the SGX-ST Listing Manual</b>		
<b>Transactions for the Sale of Goods and Services</b>		
Sembcorp Industries Ltd and its associates	-	68
Keppel Telecommunications & Transportation Ltd and its associates	168	76
CWT Distribution Limited and its associates	506	329
<b>Transactions for the Purchase of Goods and Services</b>		
Singapore Petroleum Company Limited and its associates	7,130	9,192
Keppel Telecommunications & Transportation Ltd and its associates	99	336
PSA Corporation Limited and its associates	775	297
Pacific Internet Limited and its associates <sup>10</sup>	-	63

The above relates to cumulative value of transactions more than S\$100k.

<sup>10</sup> Purchases from subsidiary of Pacific Internet Limited: Safe2Travel Pte Ltd.

**13. Subsequent Events**

On 15 April 2004, Neptune Orient Lines Limited ("NOL") announced it had completed the sale of its entire stake in its ship chandelling business, Orient Marine Pte Ltd ("OMPL"), to STH Logistics Pte Ltd ("STH").

The sale of OMPL, announced on 25 March 2004, sees the transfer of NOL's 72.5% equity stake and CIAS Enterprises Pte Ltd's 27.5% equity stake in OMPL to STH. NOL received a cash sum of US\$1.67 million for its shareholding in OMPL.

**BY ORDER OF THE BOARD**

**MARJORIE WEE AND WONG KIM WAH**  
**Company Secretaries**

**Dated this 13th May 2004**