ORIENT OVERSEAS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with Limited Liability)

2000 RESULTS ANNOUNCEMENT

- **EPS GROWS 66%**
- **NET PROFIT INCREASED BY 67% TO US$111.9 MILLION**
- **GROUP TURNOVER INCREASED BY 12% TO US$2.4 BILLION**
- **PROPERTY DEVELOPMENTS BEGIN TO PRODUCE RETURNS**
- **INCREASING CONTRIBUTION AND BENEFITS FROM IT/LOGISTICS BUSINESS**

Consolidated Profit and Loss Account
For the year ended 31st December

	Note	2000 US$'000	1999 US$'000
Turnover	2	**2,395,160**	2,139,071
Operating costs		**(1,914,394)**	(1,731,926)
Gross profit		**480,766**	407,145
Other operating income		**11,935**	10,513
Other operating expenses		**(327,893)**	(289,384)
Revaluation deficit of the investment property		**—**	(10,000)
Other exchange gain		**1,591**	4,455
Operating profit before financing	3	**166,399**	122,729
Net financing charges		**(48,246)**	(41,421)
Share of profits less losses of jointly controlled entities		**13,311**	(967)
Profit before taxation		**131,464**	80,341
Taxation	4	**(18,987)**	(12,718)
Profit after taxation		**112,477**	67,623
Minority interests		**(614)**	(402)
Profit attributable to shareholders		**111,863**	67,221
Dividends	5	**(20,685)**	(15,514)
Retained profit for the year		**91,178**	51,707
		US cents	US cents
Earnings per ordinary share	6	**21.6**	13.0

NOTES

1. **Changes of accounting policies**

In previous years, pre-operating costs were deferred and amortised over a period of five years from the date of commencement of operations. Pursuant to the Interpretation 9 "Accounting for Pre-operating Costs" issued by the Hong Kong Society of Accountants, the Group has changed its accounting policies for pre-operating costs that all pre-operating costs are expensed as they are incurred.

In previous years, dry-docking and special survey costs were deferred and amortised over the dry-docking cycle of two to five years. Upon disposal of vessels, any relevant unamortised costs were written off to the profit and loss account. Pursuant to the Draft Interpretation 11 "Property, Plant and Equipment - Major Inspection or Overhaul Costs" issued by the Hong Kong Society of Accountants, the Group has changed its accounting policies for dry-docking and special survey costs that all dry-docking and special survey costs for vessels are written off as incurred.

The changes in accounting policies for pre-operating costs, dry-docking and special survey costs have been applied retrospectively by means of a prior year adjustment and as a result, reserves of the Group as at 31st December 1999 have been reduced by US$8.7 million and profit for the year then ended has been increased by US$5.3 million.

2. **Turnover**

Turnover represents gross freight, charterhire, service and other income from the operation of the international transportation and logistics and container terminal businesses and rental income from the investment property.

3. **Operating profit before financing**

Operating profit before financing by activity is as follows:

	2000 US$'000	1999 US$'000
International transportation and logistics	**159,207**	114,859
Container terminals	**24,583**	22,042
Property investment and development	**6,007**	(4,474)
Others	**(14,511)**	(2,175)
	175,286	130,252
Corporate services	**(8,887)**	(7,523)
	166,399	122,729

In respect of the international transportation and logistics activities which cover the world's major shipping lanes, the Directors consider that the nature of the trade and the way in which costs are allocated precludes a meaningful allocation of operating profit to specific geographical segments. Operating profit from international transportation and logistics includes the results from the operations of the terminals at Long Beach and Kaohsiung which form an integral part of that business. The other container terminals and the investment property are located in North America. The Group has no other significant identifiable components in one geographical location for the purpose of carrying on a distinct and separate business.

4. **Taxation**

	2000 US$'000	1999 US$'000
Current overseas taxation		
Company and subsidiaries	**18,974**	12,441
Jointly controlled entities	**13**	277
	18,987	12,718

Current taxation has been provided at the appropriate rates of taxation prevailing in the countries in which the Group operates on the estimated assessable profits for the year.

5. **Dividends**

	2000 US$'000	1999 US$'000
Ordinary		
Interim of US1 cent per share (1999: nil)	**5,171**	—
Proposed final of US3 cents per share (1999: US3 cents)	**15,514**	15,514
	20,685	15,514

6. **Earnings per ordinary share**

The calculation of earnings per ordinary share is based on a profit of US$111.9 million (1999: US$67.2 million), being the profit attributable to ordinary shareholders, and on 517.1 million ordinary shares in issue during the year.

Dividends

The Directors have recommended a final dividend for the year ended 31st December 2000 of US3.0 cents (HK23.4 cents) per ordinary share to be paid on 18th May 2001 to the shareholders of the Company whose names appear on the register of members of the Company on 4th May 2001. Shareholders who wish to receive the dividend in US Dollars should complete the US Dollars Election Form and return it to the Branch Registrar on or before 11th May 2001.

Closure of Register of Members

The register of members will be closed from 25th April 2001 to 4th May 2001, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the final dividend, transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Central Registration Hong Kong Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 24th April 2001.

Results for 2000

Orient Overseas (International) Limited (the "Company") and its subsidiaries (the "Group") reported a profit after tax and minority interests of US$111.9 million which, comparing to US$67.2 million in 1999, represents an increase of 67%. Turnover increased by 12% to US$2.4 billion in 2000 on the back of continued buoyant demand for transportation from Asia to the United States and Europe, as well as higher export volumes from Europe to North America. Operating profit before financing increased from US$122.7 million in 1999 to US$166.4 million in 2000. Earnings per ordinary share were US21.6 cents as compared with US13.0 cents in 1999 and net asset value per ordinary share increased during the year from US$1.34 to US$1.51.

Review of Operations

Building upon the successes of 1999, the Group enjoyed a highly successful year in 2000. The business of international transportation, logistics and terminal operations, the principal business of the Group, performed well and continued to contribute the majority of profits. After a number of years of active development, our investments in China-related property projects have begun to contribute to earnings.

The international transportation, logistics and terminals businesses benefited from a generally favourable trading environment during 2000. With the demand for its products remaining strong, Asia continued its dominance as the driving force in international containerised trade during 2000. The strong ex-Asia legs of both the Trans-Pacific and Asia/Europe routes produced continued growth in both liftings and revenues compared with the year before. The weak Euro also favoured European exports to North America benefiting the sluggish Transatlantic trades. In the first half of 2000, OOCL took delivery of two new 5,500 TEU container vessels. In the second half of 2000, OOCL took delivery of another two new 5,700 TEU container vessels and ordered two more vessels for delivery during the first half of 2003, each with a capacity in excess of 7,000 TEU. At the same time, options were secured for a further four vessels of this size with delivery scheduled for the first half of 2004 and 2005. Together with the long term charter for four 2,600 TEU new vessels, as stated in the 2000 Interim Report, OOCL has committed but undelivered capacity of over 60,000 TEU under construction. These orders were placed with reference to OOCL's projected tonnage requirements over the next five years. Finance for the ordered vessels has been arranged and their delivery will not place any undue strain upon the Group's liquid resources. The development and application of Information Technology ("IT") is an achievement in which OOCL takes pride. Although initially a development purely for internal application, these systems are now potentially suitable for third party and international application. During 2000, OOCL signed an agreement with a major third party carrier to license its proprietary information system, IRIS-2. A further innovation introduced towards the end of 2000 was CargoSmart, an open system which provides users with a one-stop internet portal for booking, tracking, documentation and schedule enquiry for their cargo shipments. This portal is intended to improve the process efficiencies of both customer and carrier. Since its official launch in October 2000, CargoSmart has received significant attention from both shippers and other carriers as prospective users of the system.

Benefiting from the buoyant ocean trades on both the Trans-Pacific and Transatlantic routes, our container terminals in North America continued to produce a steady income for the Group during 2000.

The Group's property development business began to produce meaningful returns during 2000. The principal profit contributor was the "Joffre Gardens" development at Nan Chang Lu, Shanghai. By its completion at the year end, the project was more than 85% pre-sold. The sales price achieved was within our projections. The remaining profit from this project will accrue during 2001. Two other projects, "The Courtyards" at Zhen Ning Lu, Shanghai, and "Century Metropolis" at Zi Yang Lu, Shanghai, are progressing as planned. Pre-selling activities during 2000 indicated a very strong demand for quality housing units in prime Shanghai locations. The prospects for these two developments are promising.

The Group holds an 8% interest in Beijing Oriental Plaza in Beijing. Phase I of the project was completed during 2000 and the occupancy rate was within expectations. Further phases are due for completion during the next few years. The Group continues to hold an investment property, Wall Street Plaza, in the downtown area of the financial district of New York, USA. As at 31st December 2000, the property enjoyed an occupancy rate of 100% although rental income did not show any notable improvement due to the inclusion of rent-free periods.

The Group's food and beverage business in Shanghai was wound down during 2000 in preparation for its closure. It was finally sold under an agreement concluded in December 2000.

Looking Forward

Our International Transportation, Logistics and Terminal division continued to enjoy a significant improvement in performance during 2000 despite a considerable increase in bunker prices and softening of the US economy in the latter part of the year. We are proud of our efforts and look forward to repeating these successes in 2001. The eastbound leg of the Trans-Pacific trades, having enjoyed double-digit growth over the past three years, are expected to soften in 2001. This is expected to be at least partially offset by growth in European exports and continuing recovery of the Asian economies, benefiting the Intra-Asia and Asia-Europe trades. Whether the notable rise in Transatlantic trade during 2000 will continue in 2001 will depend, amongst other things, on the Euro exchange rate and US consumer demand.

The decision taken some years ago to completely redesign the Group's IT infrastructure is now beginning to produce dividends. The adoption of object-orientated technology as the basis for our back office system, IRIS-2, has proven far-sighted. The technology has allowed us to build enterprise-wide and integrated systems significantly more easily and speedily. The initial response from potential users, both shippers and other carriers, to both IRIS-2 and CargoSmart, has been encouraging. We expect these businesses to begin accruing income during 2001 and envisage significant potential for each to evolve further as an individually profitable entity over the coming years.

Our terminals in North America are expected to produce a stable income in 2001. We expect consolidation at our operations in Vancouver which have demonstrated rapid growth since the new terminal in Deltaport opened in 1997. However, demand for container terminal capacity in the ports of New York and New Jersey is high and additional capacity is quickly absorbed, a situation that should continue to benefit our Global and Howland Hook terminals.

The Group's investment in property developments in mainland China will show increasing returns as different phases of the various joint venture projects come to completion during 2001 and 2002.

Our international transportation, logistics and terminal operations, backed by a highly efficient fleet of modern container vessels operating within a major alliance, are well positioned for future growth. Combined with property investments in the rapidly growing China market, prudent financial management, a responsive market strategy and an integrated IT infrastructure unique within the industry, we are confident of another positive performance in 2001.

Annual General Meeting and Annual Report

The annual general meeting of the Company will be held on 4th May 2001. Notice of the meeting will be sent to shareholders together with the annual report on or about 4th April 2001.

The respective selected language version of the 2000 Annual Report and Accounts (the "Reports") will be mailed to the shareholders who have made a selection. For the shareholders who have not made a selection, the Chinese version of the Reports will be sent to all individual shareholders with a Chinese name and a Hong Kong address (the "Individual Shareholders") and the English version of the Reports will be sent to all overseas shareholders and to all Hong Kong shareholders other than Individual Shareholders. Whether a shareholder is a Hong Kong or an overseas person will be determined by his or its registered address.

Disclosure of Information on the Website of The Stock Exchange of Hong Kong Limited ("HKSE")

Both the English and Chinese versions of the Reports will always be available from our share registrar on request. The soft copy of the Reports will be available on the Company's website at www.oocl.com around 4th April 2001.

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 will be subsequently published on the HKSE's website www.hkex.com.hk in due course.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries, has purchased or sold any of the Company's shares during the year.

Corporate Governance

With the exception that non-executive Directors have not been appointed for a specific term, the Company was in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the year ended 31st December 2000.

By Order of the Board
C C TUNG
Chairman

Hong Kong, 16th March 2001