

The Directors announce the unaudited consolidated results of Orient Overseas (International) Limited as set out below:

	Note	Six months ended 30th June	
		2000 US\$'000	1999 US\$'000
Turnover	1	1,161,052	969,314
Operating costs		(975,227)	(827,458)
Gross profit		185,825	141,856
Other operating income		5,361	6,232
Other operating expenses	2	(138,307)	(121,910)
Other exchange gain		1,720	2,165
Operating profit before financing	3	54,599	28,343
Net finance expense	4	(19,581)	(21,560)
Share of losses less profits of jointly controlled entities		(1,446)	(1,086)
Profit before taxation		33,572	5,697
Taxation	5	(10,699)	(7,016)
Profit/(loss) after taxation		22,873	(1,319)
Minority interests		(274)	(230)
Profit/(loss) attributable to shareholders		22,599	(1,549)
Dividend	6	(5,171)	—
Retained profit/(loss) for the period		17,428	(1,549)
		US cents	US cents
Earnings/(loss) per ordinary share	7	4.4	(0.3)

#### NOTES

##### 1. TURNOVER

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

2. Other operating expenses include a one-time charge of US\$2.3 million being costs for terminating an agent.

##### 3. OPERATING PROFIT BEFORE FINANCING

	Six months ended 30th June	
	2000 US\$'000	1999 US\$'000
Operating profit before financing by activity is as follows:		
International containerised transportation	41,573	16,023
Container terminals	14,935	12,075
Investment property	2,204	3,351
Others	(209)	770
	58,503	32,219
Corporate services	(3,904)	(3,876)
	54,599	28,343

##### 4. NET FINANCE EXPENSE

	Six months ended 30th June	
	2000 US\$'000	1999 US\$'000
Interest expense	(26,848)	(26,244)
Financing charges	(3,962)	(2,601)
Interest income	6,654	5,484
Portfolio investment income	4,575	1,801
	(19,581)	(21,560)

##### 5. TAXATION

	Six months ended 30th June	
	2000 US\$'000	1999 US\$'000
Overseas current taxation		
Subsidiaries	(10,654)	(7,016)
Jointly controlled entities	(45)	—
	(10,699)	(7,016)

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 period. No provision for Hong Kong profits tax has been made as the Group does not have any assessable profit in Hong Kong for the period (1999: nil).

##### 6. DIVIDEND

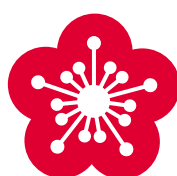
	Six months ended 30th June	
	2000 US\$'000	1999 US\$'000
Ordinary		
Proposed interim of US1 cent per share (1999: nil)	5,171	—

##### 7. EARNINGS/(LOSS) PER ORDINARY SHARE

The calculation of earnings/(loss) per ordinary share is based on the profit attributable to shareholders of US\$22.6 million (1999: loss of US\$1.5 million) and on 517.1 million ordinary shares in issue during the period.

By Order of the Board  
C C Tung  
Chairman

Hong Kong, 18th August 2000



## ORIENT OVERSEAS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

*"The profit before taxation of US\$33.6 million represents an improvement in our performance of US\$27.9 million from the first half of 1999 and reflects a continuation of strong global trade conditions."*

C. C. Tung, Chairman

•  
Turnover increased by 20% to US\$1,161.1 million

•  
Operating profit before financing of US\$54.6 million

•  
Operating profit before taxation of US\$33.6 million

•  
Interim dividend of US1 cent per ordinary share

#### RESULTS

In the first half of 2000, the Orient Overseas (International) Limited ("Company") Group made a profit before taxation of US\$33.6 million compared with a profit before taxation of US\$5.7 million in the same period last year. After taxation, the Group reported a profit of US\$22.9 million. For the same period in 1999, the after taxation loss was US\$1.3 million.

#### OPERATIONAL REVIEW

Operating profit before financing for the six months ended 30th June 2000 was US\$54.6 million compared with US\$28.3 million in the corresponding period in 1999.

The strong first half performance is attributable to the Group's core business of international containerised transportation. The primary profit drivers in the first half of 2000 were exports from Asia to the United States and Europe. Both of these routes showed substantial improvements in revenues which reflect high load factors, increases in capacity, and higher freight rates compared to the same period of last year. There has been very substantial improvement, highlighted by strong exports from Europe to North America, in the Transatlantic trade. While aggregate trade profitability in the Transatlantic has not been achieved in the first half of 2000, the improvement in the trade is major. Load factors in the Intra-Asia trade declined in the first half of 2000 and financial results are disappointing in the context of the first half of 1999.

Average revenue per TEU increased in the first half of 2000 on all major trade routes except the Intra-Asia trade, where revenue per TEU was essentially flat with that of the preceding year. Increases in both freight rates and total liftings contributed to improved year-to-year results in the Trans-Pacific, Asia-Europe and North Atlantic trades. While performance on the outbound legs from Asia to Europe and North America can be described as healthy and improving, return voyages from Europe and North America continue to be weak but marginally improved on last year. Trade from Europe to North America and Asia continues to strengthen with better economic growth in Europe and a comparably weak Euro currency which makes European goods very competitive in the United States and Asia. In Intra-Asia, the growth in capacity has not been matched by comparable growth in liftings and revenues, although total revenues have increased. Higher charterhire and bunker prices have also impacted Intra-Asia performance negatively.

Our investment container terminals, principally in North America, performed to our expectations and budget during the first half of 2000. TSI Terminal Systems Inc., which operates Vanterm and Deltaport facilities in Vancouver, continued to post favourable results in the first half of 2000. Our Global Terminal in New Jersey, bolstered in productivity by four new cranes, continues to perform very well. Increased volumes in recent months at our Howland Hook Terminal in New York portend modest improvements in profitability.

Non-containerised activities, notably domestic housing in China, are on plan and on budget. "Orient Garden" in Hangzhou, completed in fourth quarter 1999, has surpassed 90% in sales and has achieved profitability. "Joffre Gardens" in Shanghai, expected to be completed by year end, has surpassed 50% in pre-sales. Initial pre-sales at the Zhenning Lu and Ziyang Lu projects in Shanghai, expected to be completed in 2001 and 2002, are strong and within budget. Some profits will be taken in 2000, but the major part remains for future years. In Beijing, progress of Beijing Oriental Plaza is proceeding according to schedule and Phase 1 will commence occupancy in the second half of the year. We continue to hold an 8% stake in the project, and expect the project to make a future contribution to the Company. Activities at our unsuccessful "Foody's" brand soft drinks business in Shanghai has been minimised in the year 2000. We expect to exit the business by the fourth quarter of 2000. The provision taken in 1999 is expected to be sufficient.

The current arrival of the peak season in our containerised transportation business and continued performance according to budget in our non-containerised activities augur well for the remainder of the year. We currently expect 2000 full year results to be better than those of 1999.

#### DIVIDEND

The Directors are pleased to announce an interim dividend of US1 cent (HK7.8 cents) per ordinary share to be paid on 29th September 2000 to the shareholders of the Company whose names appear in the register of members of the Company on 15th September 2000. 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 22nd September 2000.

#### CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 8th September 2000 to 15th September 2000, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim 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 7th September 2000.

#### DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES AND DEBT SECURITIES

As at 30th June 2000, none of the Directors or Chief Executive of the Company (or any of their spouses or children under 18 years of age) had any right to acquire shares in or debt securities of the Company. No such rights were exercised by any Director or Chief Executive (or any of their spouses or children under 18 years of age) during the six-month period ended 30th June 2000.

#### PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30th June 2000, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

#### COMPLIANCE WITH CODE OF BEST PRACTICE

The Directors are not aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months period ended 30th June 2000, in compliance with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except that independent non-executive directors are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company.