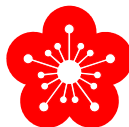


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ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with Limited Liability)

(Stock code: 316)

2009 RESULTS ANNOUNCEMENT

The Directors of Orient Overseas (International) Limited (the “Company”) announce the results of the Company and its subsidiaries (the “Group”) for the year ended 31st December 2009 as follows:

US\$'000	Note	2009	Restated 2008
Revenue	4	4,350,195	6,530,855
Operating costs		<u>(4,273,782)</u>	<u>(5,658,200)</u>
Gross profit		76,413	872,655
Fair value loss from an investment property		(25,000)	(25,000)
Other operating income		34,058	57,386
Other operating expenses		<u>(417,708)</u>	<u>(507,277)</u>
Operating (loss)/profit	5	(332,237)	397,764
Finance costs	6	(35,347)	(81,016)
Share of profits less losses of jointly controlled entities		1,099	2,101
Share of profits of associated companies		<u>4,615</u>	<u>3,697</u>
(Loss)/profit before taxation		(361,870)	322,546
Taxation	7	<u>(14,234)</u>	<u>(24,977)</u>
(Loss)/profit for the year from continuing operations		(376,104)	297,569
Discontinued operation :			
Loss for the year from discontinued operation		<u>(24,501)</u>	<u>(22,040)</u>
(Loss)/profit for the year		<u>(400,605)</u>	<u>275,529</u>
(Loss)/profit attributable to :			
Equity holders of the Company		(402,294)	272,337
Minority interests		<u>1,689</u>	<u>3,192</u>
		<u>(400,605)</u>	<u>275,529</u>
(Loss)/earnings per ordinary share (US cents)	9		
- from continuing operations		(60.4)	47.1
- from discontinued operation		<u>(3.9)</u>	<u>(3.6)</u>
Basic and diluted		<u>(64.3)</u>	<u>43.5</u>
Dividends	8	<u>-</u>	<u>68,921</u>

Year 2008 figures have been restated or reclassified to disclose the results of discontinued operation in a separate line.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2009

US\$'000	2009	2008
(Loss)/profit for the year	<u>(400,605)</u>	<u>275,529</u>
Other comprehensive income:		
Vessels		
- Assets revaluation reserve realised	(8,033)	-
Available-for-sale financial assets		
- Change in fair value	(7,580)	34,322
- Assets revaluation reserve realised	(1,407)	-
Currency translation adjustments	<u>5,080</u>	<u>30,533</u>
Other comprehensive (loss)/income for the year	<u>(11,940)</u>	<u>64,855</u>
Total comprehensive (loss)/income for the year	<u><u>(412,545)</u></u>	<u><u>340,384</u></u>
Total comprehensive (loss)/income attributable to :		
Equity holders of the Company	(414,200)	335,870
Minority interests	<u>1,655</u>	<u>4,514</u>
	<u><u>(412,545)</u></u>	<u><u>340,384</u></u>

**Consolidated Balance Sheet
As at 31st December 2009**

US\$'000	Note	2009	2008
ASSETS			
Non-current assets			
Property, plant and equipment		3,798,048	3,780,945
Investment property		150,000	175,000
Prepayments of lease premiums		10,175	14,201
Jointly controlled entities		4,465	10,748
Associated companies		59,737	57,163
Intangible assets		53,104	47,098
Deferred taxation assets		847	1,008
Pension and retirement assets		27,213	21,868
Restricted bank balances		447	92,759
Bank deposit		-	55,200
Other non-current assets		219,670	195,427
		<u>4,323,706</u>	<u>4,451,417</u>
Current assets			
Properties under development and for sale		-	826,889
Inventories		83,561	89,905
Debtors and prepayments	10	380,234	440,237
Portfolio investments		44,592	54,043
Derivative financial instruments		2,965	6,126
Restricted bank balances		1,760	28,108
Cash and bank balances		1,225,102	1,804,910
		<u>1,738,214</u>	<u>3,250,218</u>
Assets held for sale		1,268,254	-
		<u>3,006,468</u>	<u>3,250,218</u>
Total assets		<u>7,330,174</u>	<u>7,701,635</u>
EQUITY			
Equity holders			
Share capital		62,579	62,579
Reserves		3,882,105	4,324,492
		<u>3,944,684</u>	<u>4,387,071</u>
Minority interests		<u>23,723</u>	<u>34,292</u>
Total equity		<u>3,968,407</u>	<u>4,421,363</u>
LIABILITIES			
Non-current liabilities			
Borrowings		2,135,967	2,218,251
Deferred taxation liabilities		30,697	37,689
Pension and retirement liabilities		3,130	3,931
		<u>2,169,794</u>	<u>2,259,871</u>
Current liabilities			
Creditors and accruals	11	601,083	836,535
Derivative financial instruments		6,110	13,937
Borrowings		432,055	153,895
Current taxation		10,319	16,034
		<u>1,049,567</u>	<u>1,020,401</u>
Liabilities directly associated with assets classified as held for sale		142,406	-
		<u>1,191,973</u>	<u>1,020,401</u>
Total liabilities		<u>3,361,767</u>	<u>3,280,272</u>
Total equity and liabilities		<u>7,330,174</u>	<u>7,701,635</u>
Net current assets		<u>1,814,495</u>	<u>2,229,817</u>
Total assets less current liabilities		<u>6,138,201</u>	<u>6,681,234</u>

Consolidated Cash Flow Statement
For the year ended 31st December 2009

US\$'000	2009	2008
Cash flows from operating activities		
Cash (used in)/generated from operations	(291,049)	463,341
Interest paid	(17,378)	(35,579)
Interest element of finance lease rental payments	(33,981)	(62,721)
Dividend on preference shares	(3,235)	(3,975)
Hong Kong profits tax paid	(382)	-
Overseas tax paid	(7,851)	(16,188)
Net cash (used in)/from operating activities	<u>(353,876)</u>	<u>344,878</u>
Cash flows from investing activities		
Sale of property, plant and equipment	24,131	24,964
Sale of available-for-sale financial assets	3,971	36
Sale of held-to-maturity investments	6,369	-
Purchase of property, plant and equipment	(363,821)	(394,444)
Purchase of available-for-sale financial assets	(60)	(123)
Purchase of held-to-maturity investments	(50,065)	(10,015)
Acquisition of additional interest in a subsidiary	(34,527)	-
Decrease in portfolio investments	9,451	207,155
Payment of lease premiums	-	(5,485)
(Increase)/decrease in amounts due by jointly controlled entities	(1,409)	445
Decrease/(increase) in restricted bank balances and bank deposits maturing more than three months from the date of placement	63,352	(108,376)
Purchase of intangible assets	(12,401)	(14,107)
Decrease/(increase) in other non-current assets	6,723	(232)
Interest received	14,290	51,957
Dividends received from portfolio investments	535	1,077
Income from available-for-sale financial assets	83	17
Dividends received from jointly controlled entities	1,881	2,477
Dividend received from an associated company	2,098	-
Net cash used in investing activities	<u>(329,399)</u>	<u>(244,654)</u>
Cash flows from financing activities		
New loans	525,154	504,419
Repayment of loans	(132,451)	(495,420)
Redemption of preference shares	(45,689)	(10,145)
Capital element of finance lease rental payments	(70,549)	(60,315)
Contribution from minority interests	-	15,224
Dividend paid to shareholders	(28,187)	(125,167)
Dividend paid to minority interests	(1,296)	(383)
Net cash from/(used in) financing activities	<u>246,982</u>	<u>(171,787)</u>
Net decrease in cash and cash equivalents	(436,293)	(71,563)
Cash and cash equivalents at beginning of year	1,778,453	1,855,289
Cash and cash equivalents of disposal group classified as held for sale	(262,124)	-
Currency translation adjustments	8,218	(5,273)
Cash and cash equivalents at end of year	<u>1,088,254</u>	<u>1,778,453</u>

Consolidated Statement of Changes in Equity
For the year ended 31st December 2009

US\$'000	Equity holders			Minority interests	Total
	Share capital	Reserves	Sub-total		
At 31st December 2007	62,579	4,113,789	4,176,368	14,937	4,191,305
Total comprehensive income for the year	-	335,870	335,870	4,514	340,384
Transaction with owners					
2007 final dividend	-	(84,433)	(84,433)	-	(84,433)
2008 interim dividend	-	(40,734)	(40,734)	-	(40,734)
Contribution from minority interests	-	-	-	15,224	15,224
Dividend paid to minority interests	-	-	-	(383)	(383)
At 31st December 2008	62,579	4,324,492	4,387,071	34,292	4,421,363
Total comprehensive income/(loss) for the year	-	(414,200)	(414,200)	1,655	(412,545)
Transaction with owners					
2008 final dividend	-	(28,187)	(28,187)	-	(28,187)
Acquisition of additional interest in a subsidiary	-	-	-	(10,928)	(10,928)
Dividend paid to minority interests	-	-	-	(1,296)	(1,296)
At 31st December 2009	<u>62,579</u>	<u>3,882,105</u>	<u>3,944,684</u>	<u>23,723</u>	<u>3,968,407</u>

NOTES

1. Scope of work of PricewaterhouseCoopers

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2009 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated accounts for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

2. General information

Orient Overseas (International) Limited ("the Company") is a limited liability company incorporated in Bermuda. The address of its registered office is 33rd floor, Harbour Centre, No. 25 Harbour Road, Wanchai, Hong Kong.

The Company has its listing on the Main Board of The Stock Exchange of Hong Kong Limited.

On 18th January 2010, the Board announced that the Company had entered into the Sale and Purchase Agreement with CapitaLand China (RE) Holdings Co., Ltd. to sell its entire interest in Orient Overseas Developments Limited and its subsidiaries and jointly controlled entities (collectively referred to as the "Disposal Group") and the assignment and transfer of the shareholder's loan for an aggregate consideration of US\$2.2 billion, receivable in cash. After transaction costs, the gain arising on the disposal is estimated to be approximately US\$1.06 billion which will be recognised in the consolidated profit and loss account in 2010 upon completion of the sale on 10th February 2010.

3. Accounting policies and basis of preparation

The consolidated accounts have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, and financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss, which are carried at fair value.

3. Accounting policies and basis of preparation (Continued)

The adoption of new / revised HKFRS

In 2009, the Group adopted the new standards, amendments and interpretations of Hong Kong Financial Reporting Standards below, which are relevant to its operations.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HKFRS 7 Amendment	Financial Instruments : Disclosures

Annual improvements to HKFRS published in October 2008

HKAS 1 Amendment	Presentation of Financial Statements
HKAS 10 Amendment	Events after the Reporting Period
HKAS 16 Amendment	Property, Plant and Equipment
HKAS 19 Amendment	Employee Benefits
HKAS 23 Amendment	Borrowing Costs
HKAS 27 Amendment	Consolidated and Separate Financial Statements
HKAS 28 Amendment	Investments in Associates
HKAS 31 Amendment	Interests in Joint Ventures
HKAS 34 Amendment	Interim Financial Reporting
HKAS 36 Amendment	Impairment of Assets
HKAS 38 Amendment	Intangible Assets
HKAS 39 Amendment	Financial Instruments: Recognition and Measurement
HKAS 40 Amendment	Investment Property
HKFRS 7 Amendment	Financial Instruments: Disclosures

The Group has assessed the impact of the adoption of these new standards, amendments and interpretations and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the accounts except the presentation of the consolidated statement of comprehensive income to present the non-owner consolidated changes in equity as required under HKAS 1 (Revised), the segment information as required under HKFRS 8 and the improving disclosures about financial instruments as required under HKFRS 7 Amendment.

3. Accounting policies and basis of preparation (Continued)

Standards, interpretations and amendments to existing standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published which are relevant to the Group's operations and accounts and are mandatory for the Group's accounting periods beginning on or after 1st July 2009 or later periods as follows :

		Effective for accounting periods beginning on or after
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1st July 2009
HKFRS 3 (Revised)	Business Combinations	1st July 2009
HK(IFRIC) - Int 17	Distributions of non-cash assets to owners	1st July 2009
HKFRS 5 Amendment	Non-current assets held for sale and discontinued operations	1st July 2009
HKAS 7 Amendment	Statement of Cash Flows	1st January 2010
HKAS 17 Amendment	Leases	1st January 2010
HKAS 36 Amendment	Impairment of Assets	1st January 2010
HKFRS 8 Amendment	Operating Segments	1st January 2010
HKFRS 9	Financial Instrument	1st January 2013

Improvement to HKFRS published in May 2009

HKFRS 5 Amendment	Non-current assets held for sale and discontinued operations	1st January 2010
HKAS 1 Amendment	Presentation of Financial Statements	1st January 2010
HKAS 7 Amendment	Statement of Cash Flows	1st January 2010
HKAS 17 Amendment	Leases	1st January 2010
HKAS 18 Amendment	Revenue	1st January 2010
HKAS 36 Amendment	Impairment of Assets	1st January 2010
HKAS 38 Amendment	Intangible Assets	1st July 2010
HKFRS 8 Amendment	Operating Segments	1st January 2010

The Group has not early adopted the above standards, amendments and interpretations and is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of accounts will result.

4. Revenue and segment information

(a) Revenue

US\$'000	2009	2008
Container transport and logistics	4,325,998	6,502,631
Property investment	<u>24,197</u>	<u>28,224</u>
	<u>4,350,195</u>	<u>6,530,855</u>

The principal activities of the Group are container transport and logistics and property investment.

Revenue comprises turnover which includes gross freight, charterhire, service and other income from the operation of the container transport and logistics and rental income from the investment property.

4. Revenue and segment information (Continued)

(b) Segment information

Operating segments

The segment results for the year ended 31st December 2009 are as follows:

US\$'000	Continuing operations				Discontinued operation	
	Container transport and logistics	Others	Elimination	Sub-total	Property development	Group
Revenue	<u>4,325,998</u>	<u>25,193</u>	<u>(996)</u>	<u>4,350,195</u>	<u>4,435</u>	<u>4,354,630</u>
Operating loss	(331,181)	(1,056)	-	(332,237)	(22,230)	(354,467)
Finance costs (note 6)	(34,606)	(741)	-	(35,347)	(2,981)	(38,328)
Share of profits less losses of jointly controlled entities	1,099	-	-	1,099	1,080	2,179
Share of profits of associated companies	4,615	-	-	4,615	-	4,615
Loss before taxation	<u>(360,073)</u>	<u>(1,797)</u>	<u>-</u>	<u>(361,870)</u>	<u>(24,131)</u>	<u>(386,001)</u>
Taxation credit/(expense)	(15,002)	768	-	(14,234)	(370)	(14,604)
Loss for the year	<u>(375,075)</u>	<u>(1,029)</u>	<u>-</u>	<u>(376,104)</u>	<u>(24,501)</u>	<u>(400,605)</u>
Capital expenditure	375,567	-	-	375,567	4,594	380,161
Depreciation	203,826	-	-	203,826	3,449	207,275
Amortisation	6,882	-	-	6,882	96	6,978

4. Revenue and segment information (Continued)

(b) Segment information (Continued)

Operating segments (Continued)

The segment results for the year ended 31st December 2008 are as follows:

US\$'000	Continuing operations				Discontinued operation	
	Container transport and logistics	Others	Elimination	Sub-total	Property development	Group
Revenue	<u>6,502,631</u>	<u>29,162</u>	<u>(938)</u>	<u>6,530,855</u>	<u>14,285</u>	<u>6,545,140</u>
Operating profit/(loss)	392,115	5,649	-	397,764	(9,497)	388,267
Finance costs (note 6)	(79,063)	(1,953)	-	(81,016)	(9,868)	(90,884)
Share of profits less losses of jointly controlled entities	2,101	-	-	2,101	1,108	3,209
Share of profits of associated companies	3,697	-	-	3,697	-	3,697
Profit/(loss) before taxation	<u>318,850</u>	<u>3,696</u>	<u>-</u>	<u>322,546</u>	<u>(18,257)</u>	<u>304,289</u>
Taxation credit/(expense)	(33,405)	8,428	-	(24,977)	(3,783)	(28,760)
Profit/(loss) for the year	<u>285,445</u>	<u>12,124</u>	<u>-</u>	<u>297,569</u>	<u>(22,040)</u>	<u>275,529</u>
Capital expenditure	596,666	-	-	596,666	53,902	650,568
Depreciation	180,907	-	-	180,907	991	181,898
Amortisation	<u>7,047</u>	<u>-</u>	<u>-</u>	<u>7,047</u>	<u>416</u>	<u>7,463</u>

Others mainly represent property investment and corporate level activities including central treasury management and administrative function.

Inter-segment transfers or transactions are conducted at prices and terms mutually agreed amongst those business segments.

4. Revenue and segment information (Continued)

(b) Segment information (Continued)

Operating segments (Continued)

The segment assets and liabilities at 31st December 2009 are as follows:

US\$'000	Container transport and logistics	Others	Group
Segment assets	4,698,468	1,299,250	5,997,718
Jointly controlled entities	4,465	-	4,465
Associated companies	59,737	-	59,737
	<u>4,762,670</u>	<u>1,299,250</u>	<u>6,061,920</u>
Assets held for sale			<u>1,268,254</u>
Total assets			<u>7,330,174</u>
Segment liabilities	<u>(3,152,987)</u>	<u>(66,374)</u>	(3,219,361)
Liabilities directly associated with assets held for sale			<u>(142,406)</u>
Total liabilities			<u>(3,361,767)</u>

The segment assets and liabilities at 31st December 2008 are as follows:

US\$'000	Container transport and logistics	Others	Property development	Group
Segment assets	4,876,040	1,228,957	1,528,727	7,633,724
Jointly controlled entities	3,831	-	6,917	10,748
Associated companies	57,163	-	-	57,163
Total assets	<u>4,937,034</u>	<u>1,228,957</u>	<u>1,535,644</u>	<u>7,701,635</u>
Segment liabilities	<u>(2,850,466)</u>	<u>(69,181)</u>	<u>(360,625)</u>	<u>(3,280,272)</u>

Others primarily included assets and liabilities of property investment and corporate level activities. Other assets consist primarily of investment property, available-for-sale financial assets, held-to-maturity investments, loan to an investee company and portfolio investments together with restricted bank balances and cash and bank balances that are managed at corporate level. While other liabilities primarily include creditors and accruals and deferred tax liabilities related to property investment and corporate level activities.

4. Revenue and segment information (Continued)

(b) Segment information (Continued)

Geographical information

The Group's two reportable operating segments operate in four main geographical areas, even though they are managed on a worldwide basis. Freight revenues from container transport and logistics are analysed based on the outbound cargoes of each geographical territory.

The Group's total assets mainly include container vessels and containers which are primarily utilised across geographical markets for shipment of cargoes throughout the world. Accordingly, non-current assets by geographical areas are not presented.

US\$'000	Revenue	Capital expenditure
Year ended 31st December 2009		
Continuing operation :		
Asia	2,770,420	19,080
North America	880,785	2,672
Europe	582,633	219
Australia	116,357	12
Unallocated *	-	353,584
	<u>4,350,195</u>	<u>375,567</u>
Discontinued operation	<u>4,435</u>	<u>4,594</u>
	<u>4,354,630</u>	<u>380,161</u>
Year ended 31st December 2008		
Continuing operation :		
Asia	4,334,816	93,144
North America	1,182,093	20,284
Europe	894,646	864
Australia	119,300	65
Unallocated *	-	536,211
	<u>6,530,855</u>	<u>650,568</u>
Discontinued operation	<u>14,285</u>	<u>-</u>
	<u>6,545,140</u>	<u>650,568</u>

* Unallocated capital expenditure comprises additions to vessels, dry-docking, containers and intangible assets.

Certain comparative figures have been restated to conform with the adoption of HKFRS8: Operating segments.

5. Operating (loss)/profit

US\$'000	2009		2008	
	Continuing operations	Discontinued operation	Continuing operations	Discontinued operation
Operating (loss)/profit is arrived at after crediting :				
Operating lease rental income				
Land and buildings	<u>24,197</u>	<u>-</u>	<u>28,224</u>	<u>-</u>
and after charging:				
Depreciation				
Owned assets	126,809	3,449	117,602	991
Leased assets	77,017	-	63,305	-
Operating lease rental expense				
Vessels and equipment	469,892	-	573,618	-
Land and buildings	28,055	1,408	27,048	1,174
Rental outgoings in respect of an investment property	14,413	-	14,573	-
Amortisation of intangible assets	6,395	-	6,705	-
Amortisation of leasehold land and land use rights	487	96	342	416
Auditors' remuneration				
Audit	2,337	148	2,790	147
Non-audit	<u>959</u>	<u>-</u>	<u>1,768</u>	<u>-</u>

6. Finance costs

US\$'000	2009	2008
Interest expense		
Bank loans, overdrafts and other loans		
Wholly repayable within five years	6,346	15,022
Not wholly repayable within five years	4,235	4,797
Loans from minority interests		
Wholly repayable within five years	85	-
Not wholly repayable within five years	2,730	5,987
Finance lease obligations		
Wholly repayable within five years	6,122	12,799
Not wholly repayable within five years	16,249	42,440
	<u>35,767</u>	<u>81,045</u>
Amount capitalised under assets	<u>(2,024)</u>	<u>(3,642)</u>
Net interest expense	33,743	77,403
Dividend on preference shares	<u>1,604</u>	<u>3,613</u>
	<u>35,347</u>	<u>81,016</u>

7. Taxation

US\$'000	2009	2008
Current taxation		
Hong Kong profits tax	5	(123)
Overseas taxation	<u>10,232</u>	<u>24,268</u>
	10,237	24,145
Deferred taxation		
Overseas taxation	<u>3,997</u>	<u>832</u>
	<u>14,234</u>	<u>24,977</u>

Taxation has been provided at the appropriate tax rates prevailing in the countries in which the Group operates on the estimated assessable profits for the year. These rates range from 12% to 47% (2008: 8% to 52%) and the rate applicable for Hong Kong profits tax is 16.5% (2008: 16.5%).

8. Dividends

US\$'000	2009	2008
Interim paid of nil (2008: US6.5 cents) per ordinary share	-	40,734
Proposed final of nil (2008: US4.5 cents) per ordinary share	-	28,187
	<u>-</u>	<u>28,187</u>
	<u>-</u>	<u>68,921</u>

The Board of Directors do not recommend a final dividend in respect of 2009 (2008: US4.5 cents per ordinary share).

9. (Loss)/earnings per ordinary share

The calculation of basic and diluted (loss)/earnings per ordinary share is based on the Group's (loss)/profit attributable to equity holders of the Company divided by the number of ordinary shares in issue during the year.

The basic and diluted (loss)/earnings per ordinary share are the same since there are no potential dilutive shares.

	2009	2008
Number of ordinary shares in issue (thousands)	<u>625,793</u>	<u>625,793</u>
Group's (loss)/profit from continuing operations attributable to :		
Equity holders of the Company	(377,891)	294,640
Minority interests	<u>1,787</u>	<u>2,929</u>
	<u>(376,104)</u>	<u>297,569</u>
(Loss)/earnings per share from continuing operations (US cents) attributable to equity holders of the Company	<u>(60.4)</u>	<u>47.1</u>
(Loss)/profit from discontinued operation attributable to :		
Equity holders of the Company	(24,403)	(22,303)
Minority interests	<u>(98)</u>	<u>263</u>
	<u>(24,501)</u>	<u>(22,040)</u>
Loss per share from discontinued operation (US cents) attributable to equity holders of the Company	<u>(3.9)</u>	<u>(3.6)</u>

10. Debtors and prepayments

US\$'000	2009	2008
Group		
Trade receivables		
- Fully performing	158,832	187,757
- Past due but not impaired	77,171	97,374
- Impaired and provided for	<u>5,664</u>	<u>4,072</u>
	241,667	289,203
Less : provision for impairment	<u>(5,664)</u>	<u>(4,072)</u>
Trade receivables - net	236,003	285,131
Other debtors	39,364	50,594
Other prepayments	80,321	72,349
Utility and other deposits	7,518	9,208
Tax recoverable	<u>17,028</u>	<u>22,955</u>
	<u>380,234</u>	<u>440,237</u>

Trade receivables are normally due for payment on presentation of invoices or granted with an approved credit period ranging mainly from 10 to 45 days. Trade receivables with overdue balances are requested to settle all outstanding balances before any further credit is granted.

The majority of past due but not impaired trade receivables are less than three months. The ageing analysis of the Group's trade receivables, net of provision for impairment, prepared in accordance with the due date of invoices, is as follows:

US\$'000	2009	2008
Below one month	223,184	255,626
Two to three months	12,397	24,693
Four to six months	<u>422</u>	<u>4,812</u>
	<u>236,003</u>	<u>285,131</u>

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed. Other debtors are fully performing.

The carrying amounts of the Group's trade receivables are mainly denominated in US dollar.

11. Creditors and accruals

US\$'000	2009	2008
Group		
Trade payables	171,111	159,436
Other creditors	61,328	43,728
Accrued expenses	306,988	586,744
Deferred revenue	61,656	46,627
	<u>601,083</u>	<u>836,535</u>

The ageing analysis of the Group's trade payables, prepared in accordance with date of invoices, is as follows:

US\$'000	2009	2008
Below one month	117,856	103,227
Two to three months	49,532	47,894
Four to six months	3,463	7,873
Over six months	260	442
	<u>171,111</u>	<u>159,436</u>

Results for 2009

2009 presented the worst market conditions ever experienced in the container shipping industry. The financial tsunami had hit the real economy by the end of 2008 and 2009 opened with a collapse in container freight rates as excess shipping capacity chased a dearth of demand volume. Recessionary economic conditions in OECD countries in the first half of 2009 affected global trade volumes, with demand for consumer goods and semi-finished goods contracting.

As a result of the extremely difficult trading environment, Orient Overseas (International) Limited and its subsidiaries (the “Group”) has recorded a loss attributable to shareholders for the year of 2009 of US\$402.3 million compared with a profit of US\$272.3 million reported for 2008.

The Board of Directors has decided that there will be no final dividend for 2009. The suspension of the final dividend reflects the lack of profitability for the year and is consistent with the Group’s efforts in preserving capital and minimising cash outflows over the course of 2009.

Review of Operations

2009 was an unprecedented year in container transport. OOCL suffered a double-digit decline in lifting in the first three quarters, and stabilized to a 4% drop in the last quarter. Overall, 2009 volume was 14% lower than that in 2008 and revenue was 33% lower.

In 2009, we took delivery of five new vessels of 4,583 TEU and scrapped one ship of 3,161 TEU. We did not place new orders for ships in 2009; and at the same time, negotiated with shipyards to postpone the delivery of our new ships.

During the year, net operating capacity was reduced by as a result of redelivery of chartered ships to owners. Charter rates were reduced substantially for the remaining chartered vessels.

Slow steaming was extensively deployed as bunker costs escalated and spare ships became available. Besides cost savings, slow steaming also reduced greenhouse gas emissions and kept surplus ships employed.

On 18th January 2010, we announced the sale of Orient Overseas Developments Ltd (“OODL”) to CapitaLand China (RE) Holdings Co. Ltd. for US\$2.2 billion. The sale was of our PRC property development business conducted under OODL and excluded our investments in Wall Street Plaza and Beijing Oriental Plaza. With the sale having occurred after year-end, the disposal and associated profit are not in our 2009 results, but will appear in the 2010 accounts.

Our exit from the property development sector in China gives the Group the opportunity to redeploy capital and to strategically reposition and focus the Group as a well-capitalised container transportation and logistics business.

The Group continues to hold a 7.9% interest in Beijing Oriental Plaza. The Group also continues to hold a 100% interest in the Wall Street Plaza investment property in New York City's Lower Manhattan financial district. Wall Street Plaza maintained an occupancy rate in excess of 90% in 2009 and had only a 4.7% vacancy rate at the end of the year. As in 2008, while the performance of Wall Street Plaza was satisfactory in 2009, the weak market has resulted in a further reduction in the assessed value of the property of US\$25 million in total for the year, leaving the property valued at US\$150 million as at year-end 2009.

Final Dividend

The Directors do not recommend the payment of a final dividend for the year ended 31st December 2009.

Liquidity and Financial Resources

As at 31st December 2009, the Group had liquid assets amounting to US\$1,354.4 million and a total indebtedness of US\$2,568.0 million. The Group had a net debt to equity ratio of 0.31 : 1 as at end of year 2009, compared with 0.07 : 1 at end of 2008.

The indebtedness of the Group mainly comprises bank loans, finance leases and other obligations which are largely denominated in US dollars. The Group's borrowings are monitored to ensure a smooth repayment schedule to maturity.

Employee Information

As at 31st December 2009, the Group has 7,748 full time employees whose salary and benefit levels are maintained at competitive levels. Employees are rewarded on a performance related basis within the general policy and framework of the Group's salary scheme, and discretionary bonus schemes based on the performance of the Company, which are regularly reviewed. Other benefits are also provided including medical insurance and pension funds, and social and recreational activities are arranged around the world.

Closure of Register of Members

The register of members of the Company will be closed from 4th May 2010 to 7th May 2010, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for voting at the annual general meeting of the Company to be held on Friday, 7th May 2010 (“Annual General Meeting”), all share transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 3rd May 2010.

Purchase, Sale or Redemption of Shares

During the year ended 31st December 2009, the Company has not redeemed any of its shares and neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s shares.

Pre-emptive Rights

No pre-emptive rights exist under Bermudan law in relation to the issue of new shares by the Company.

Corporate Governance

Compliance with the Code on Corporate Governance Practices

The Board of Directors and management of the Company are committed to maintaining high standards of corporate governance and the Company considers that effective corporate governance makes an important contribution to corporate success and to the enhancement of shareholder value. The Company had adopted its own code on corporate governance practices (the “CG Code”) which in addition to applying the principles as set out in the Code on Corporate Governance Practices (the “SEHK Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), also incorporates and conforms to local and international best practices. The CG Code sets out the corporate governance principles to be applied by the Group and is constantly reviewed to ensure transparency, accountability and independence.

Throughout the year of 2009, the Company has complied with the SEHK Code, except that there is no separation of the role of Chairman and Chief Executive Officer. Mr. TUNG Chee Chen currently assumes the role of both Chairman and Chief Executive Officer of the Company. The executive members of the Board currently consist of chief

executive officers of its principal divisions and there is effective separation of the roles between chief executives of its principal divisions and the Chief Executive Officer of the Company. The Board considers that further separation of the roles of Chief Executive Officer and Chairman would represent duplication and is not necessary for the time being.

Further information on the CG Code will be set out in the Corporate Governance Report to be contained in the Company's 2009 Annual Report.

Audit Committee

The Audit Committee currently comprises four Independent Non-Executive Directors, with the Head of Internal Audit of the Company as the secretary and the Company Secretary as the assistant secretary.

The Audit Committee has reviewed the annual results of the Group for the year ended 31st December 2009, in conjunction with the external and internal auditors.

Remuneration Committee

The Remuneration Committee currently comprises the Chairman and two Independent Non-Executive Directors of the Company, with the Company Secretary as the secretary of the Committee.

Securities Transactions by Directors

The Company has adopted its own code of conduct regarding securities transactions by Directors (the "Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules.

All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standards set out in both the Model Code and the Code for the year ended 31st December 2009.

Annual General Meeting

The Annual General Meeting of the Company will be held on 7th May 2010. Notice of the meeting will be sent to shareholders on or around 7th April 2010.

Publication of Results Announcement and Annual Report

This annual results announcement is available for viewing on the websites of The Stock Exchange of Hong Kong Limited (“HKEx”) at <http://www.hkex.com.hk> and the Company at <http://www.ooilgroup.com>. The 2009 Annual Report will be despatched to shareholders of the Company on or around 15th April 2010 and will also be available on the HKEx’s website and the Company’s website.

Directors

As at the date of this announcement, our Executive Directors are Messrs. TUNG Chee Chen, CHOW Philip Yiu Wah, Kenneth Gilbert CAMBIE and TUNG Lieh Sing Alan; our Non-Executive Director is Mr. KING Roger and our Independent Non-Executive Directors are Mr. Simon MURRAY, Mr. CHANG Tsann Rong Ernest, Professor WONG Yue Chim Richard and Mr. CHENG Wai Sun Edward. .

Forward looking Statements

This announcement contains forward looking statements. Statements which are not of historical facts, including statements of the Company’s beliefs and expectations, are forward looking statements. They are based upon current plans, estimates and projections and, therefore, no undue reliance should be placed upon them. Forward looking statements are correct only as of the day on which they are made. The Company has no obligation and does not undertake to update any of them publicly in the light of fresh information or of future events. Forward looking statements contain inherent risks, uncertainties and assumptions. The Company warns that should any of these risks or uncertainties ever materialise or that any of the assumptions should prove incorrect or should any number of important factors or events occur or not occur, then the actual results of the Company may differ materially from those either expressed or implied in any of these forward looking statements.

On behalf of the Board

Orient Overseas (International) Limited

TUNG Chee Chen

Chairman

Hong Kong, 18th March 2010

** For identification only*

Website : <http://www.ooilgroup.com>