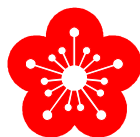


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ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with Limited Liability)

(Stock code: 316)

2014 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 2014 as follows:

Consolidated Profit and Loss Account For the year ended 31st December 2014

US\$'000	Note	2014	2013
Revenue	4	6,521,589	6,231,583
Operating costs		<u>(5,875,797)</u>	<u>(5,772,046)</u>
Gross profit		645,792	459,537
Fair value gain/(loss) from an investment property		9,653	(6,923)
Other operating income		119,380	63,242
Other operating expenses		<u>(445,678)</u>	<u>(425,542)</u>
Operating profit	5	329,147	90,314
Finance costs	6	(54,000)	(41,019)
Share of profits of joint ventures		4,364	4,001
Share of profits of associated companies		<u>15,072</u>	<u>13,703</u>
Profit before taxation		294,583	66,999
Taxation	7	<u>(24,145)</u>	<u>(19,866)</u>
Profit for the year		<u>270,438</u>	<u>47,133</u>
Profit attributable to :			
Equity holders of the Company		270,538	47,036
Non-controlling interests		<u>(100)</u>	<u>97</u>
		<u>270,438</u>	<u>47,133</u>
Earnings per ordinary share (US cents)	9		
Basic and diluted		<u>43.2</u>	<u>7.5</u>
Dividends	8	<u>68,266</u>	<u>11,765</u>

Consolidated Statement of Comprehensive Income
For the year ended 31st December 2014

US\$'000	2014	2013
Profit for the year	<u>270,438</u>	<u>47,133</u>
Other comprehensive income:		
Item that will not be subsequently reclassified to profit or loss:		
Remeasurement losses on defined benefit schemes	<u>(1,988)</u>	<u>(13,166)</u>
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
- Change in fair value	(42,287)	(5,841)
- Assets revaluation reserve realised	-	(112)
Currency translation adjustments		
- Foreign subsidiaries	1,048	2,292
- Non-controlling interests	(52)	185
- Associated companies	(525)	3,530
- Joint ventures	(30)	240
- Release of reserve upon disposal of a subsidiary	<u>(4,027)</u>	<u>-</u>
Total items that may be reclassified subsequently to profit or loss	<u>(45,873)</u>	<u>294</u>
Other comprehensive loss for the year, net of tax	<u>(47,861)</u>	<u>(12,872)</u>
Total comprehensive income for the year	<u><u>222,577</u></u>	<u><u>34,261</u></u>
Total comprehensive income attributable to :		
Equity holders of the Company	222,729	33,979
Non-controlling interests	<u>(152)</u>	<u>282</u>
	<u><u>222,577</u></u>	<u><u>34,261</u></u>

Consolidated Balance Sheet
As at 31st December 2014

US\$'000	Note	2014	2013
ASSETS			
Non-current assets			
Property, plant and equipment		5,608,929	5,320,251
Investment property		180,000	170,000
Prepayments of lease premiums		9,109	9,543
Joint ventures		9,011	8,674
Associated companies		152,499	134,697
Intangible assets		48,578	42,663
Deferred taxation assets		3,887	4,072
Derivative financial instruments		2,888	4,407
Restricted bank balances		54,168	24,731
Available-for-sale financial assets		139,636	149,667
Held-to-maturity investments		221,035	254,572
Other non-current assets		19,710	22,928
		<u>6,449,450</u>	<u>6,146,205</u>
Current assets			
Inventories		128,652	150,058
Debtors and prepayments	10	574,517	537,282
Amount due from an associated company		-	7,330
Amount due from a joint venture		237	-
Held-to-maturity investments		24,792	-
Portfolio investments		223,423	217,986
Tax recoverable		13,010	17,570
Restricted bank balances		413	1,441
Cash and bank balances		2,165,914	1,912,346
		<u>3,130,958</u>	<u>2,844,013</u>
Asset held for sale		53,047	-
		<u>3,184,005</u>	<u>2,844,013</u>
Total assets		<u>9,633,455</u>	<u>8,990,218</u>
EQUITY			
Equity holders			
Share capital		62,579	62,579
Reserves		4,572,173	4,408,228
		<u>4,634,752</u>	<u>4,470,807</u>
Non-controlling interests		-	5,817
Total equity		<u>4,634,752</u>	<u>4,476,624</u>
LIABILITIES			
Non-current liabilities			
Borrowings		3,595,625	3,265,555
Deferred taxation liabilities		53,655	55,557
Pension and retirement liabilities		1,665	2,409
Derivative financial instruments		2,949	4,728
		<u>3,653,894</u>	<u>3,328,249</u>
Current liabilities			
Creditors and accruals	11	942,704	904,624
Amounts due to joint ventures		7,145	6,991
Borrowings		388,877	268,310
Derivative financial instruments		406	-
Current taxation		5,677	5,420
		<u>1,344,809</u>	<u>1,185,345</u>
Total liabilities		<u>4,998,703</u>	<u>4,513,594</u>
Total equity and liabilities		<u>9,633,455</u>	<u>8,990,218</u>
Net current assets		<u>1,839,196</u>	<u>1,658,668</u>
Total assets less current liabilities		<u>8,288,646</u>	<u>7,804,873</u>

Consolidated Cash Flow Statement
For the year ended 31st December 2014

US\$'000	2014	2013
Cash flows from operating activities		
Cash generated from operations	553,237	477,215
Interest paid	(33,572)	(26,728)
Interest element of finance lease rental payments	(20,218)	(11,860)
Hong Kong profits tax refunded/(paid)	645	(1,357)
Overseas taxes paid	(21,561)	(24,092)
Net cash from operating activities	<u>478,531</u>	<u>413,178</u>
Cash flows from investing activities		
Sale of property, plant and equipment	177,443	26,722
Sale of available-for-sale financial assets	37	116
Redemption on maturity of held-to-maturity investments	8,878	-
Purchase of property, plant and equipment	(360,448)	(562,183)
Addition of investment property	(347)	(11,923)
Purchase of held-to-maturity investments	(2,737)	-
Investment in a joint venture	(51)	-
Increase of investment in an associated company	(10,296)	(20,201)
Disposal of a subsidiary	6,152	-
Overseas tax paid on disposal of a subsidiary	(436)	-
Decrease/(increase) in portfolio investments	847	(22,387)
Increase in amount due from a joint venture	(237)	-
Increase in amounts due to joint ventures	154	1,043
(Increase)/decrease in bank deposits maturing more than three months from the date of placement	(30,961)	72,330
Increase in restricted bank balances	(28,409)	(7,682)
Increase in intangible assets	(14,228)	(12,174)
Decrease/(increase) in other non-current assets	3,218	(770)
Interest received	37,479	36,668
Dividends received from portfolio investments	803	700
Dividends received from available-for-sale financial assets	7,903	7,906
Distribution from available-for-sale financial assets	3,660	2,323
Dividends received from joint ventures	4,048	3,177
Dividends received from associated companies	14,371	7,324
Capital contribution from non-controlling interests	-	48
Net cash used in investing activities	<u>(183,157)</u>	<u>(478,963)</u>
Cash flows from financing activities		
Drawdown of loans	686,453	894,779
Repayment of loans	(477,485)	(339,189)
Capital element of finance lease rental payments	(225,864)	(319,430)
Dividend paid to equity holders of the Company	(58,784)	(44,987)
Dividends paid to non-controlling interests	-	(291)
Net cash (used in)/from financing activities	<u>(75,680)</u>	<u>190,882</u>
Net increase in cash and cash equivalents	219,694	125,097
Cash and cash equivalents at beginning of year	1,719,902	1,597,018
Currency translation adjustments	3,226	(2,213)
Cash and cash equivalents at end of year	<u><u>1,942,822</u></u>	<u><u>1,719,902</u></u>

**Consolidated Statement of Changes in Equity
For the year ended 31st December 2014**

US\$'000	Equity holders			Non-controlling interests	Total
	Share capital	Reserves	Sub-total		
At 31st December 2012	62,579	4,419,236	4,481,815	5,778	4,487,593
Total comprehensive income for the year	-	33,979	33,979	282	34,261
Transactions with owners					
2012 final dividend	-	(44,987)	(44,987)	-	(44,987)
Dividends paid to non-controlling interests	-	-	-	(291)	(291)
Capital contribution from non-controlling interests	-	-	-	48	48
At 31st December 2013	62,579	4,408,228	4,470,807	5,817	4,476,624
Total comprehensive income for the year	-	222,729	222,729	(152)	222,577
Transactions with owners					
2013 final dividend	-	(11,795)	(11,795)	-	(11,795)
2014 interim dividend	-	(46,989)	(46,989)	-	(46,989)
Disposal of a subsidiary company	-	-	-	(5,665)	(5,665)
At 31st December 2014	<u>62,579</u>	<u>4,572,173</u>	<u>4,634,752</u>	<u>-</u>	<u>4,634,752</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 2014 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.

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 property, available-for-sale financial assets, portfolio investments and derivative financial instruments which are carried at fair value.

3. Accounting policies and basis of preparation (Continued)

The adoption of revised HKFRS

In 2014, the Group adopted the following amendments and interpretations to existing HKFRS below, which are relevant to its operations.

Amendments and interpretation to existing standards

HKAS 32 Amendment	Offsetting Financial Assets and Financial Liabilities
HKAS 36 Amendment	Recoverable Amount Disclosures for Non-Financial Assets
HK(IFRIC) – Int 21	Levies

There are no other new standards, amendments, interpretations and improvements that are effective for the first time in 2014 that would have a material impact on the Group.

New standards, amendments and improvements to existing standards that are relevant but not yet effective to the Group

New standards, amendments and improvements to existing standards	Effective for accounting periods beginning on or after	
HKAS 19 (2011) Amendment	Defined Benefit Plans : Employee Contributions	1st July 2014
HKFRSs	Annual Improvements 2010-2012 Reporting Cycle	1st July 2014
HKFRSs	Annual Improvements 2011-2013 Reporting Cycle	1st July 2014
HKFRSs	Annual Improvements 2012-2014 Reporting Cycle	1st January 2016
HKAS 16 and HKAS 38 Amendments	Classification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
HKFRS 15	Revenue from Contracts with Customers	1st January 2017
HKFRS 9	Financial Instruments	1st January 2018

The Group has not early adopted the above new standards, amendments and improvements 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	2014	2013
Container transport and logistics	6,494,859	6,205,342
Others	26,730	26,241
	<u>6,521,589</u>	<u>6,231,583</u>

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

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 2014 are as follows:

US\$'000	Container transport and logistics	Others	Elimination	Group
Revenue	6,494,859	27,638	(908)	6,521,589
Operating profit	229,979	99,168	-	329,147
Finance costs (note 6)	(54,000)	-	-	(54,000)
Share of profits of joint ventures	4,364	-	-	4,364
Share of profits of associated companies	15,072	-	-	15,072
Profit before taxation	195,415	99,168	-	294,583
Taxation	(16,727)	(7,418)	-	(24,145)
Profit for the year	178,688	91,750	-	270,438
Capital expenditure	848,422	347	-	848,769
Depreciation	323,481	1	-	323,482
Amortisation	8,672	-	-	8,672

4. Revenue and segment information (Continued)

(b) Segment information (Continued)

Operating segments (Continued)

The segment results for the year ended 31st December 2013 are as follows:

US\$'000	Container transport and logistics	Others	Elimination	Group
Revenue	6,205,342	27,115	(874)	6,231,583
Operating profit	57,381	32,933	-	90,314
Finance costs (note 6)	(41,019)	-	-	(41,019)
Share of profits of joint ventures	4,001	-	-	4,001
Share of profits of associated companies	13,703	-	-	13,703
Profit before taxation	34,066	32,933	-	66,999
Taxation	(16,476)	(3,390)	-	(19,866)
Profit for the year	17,590	29,543	-	47,133
Capital expenditure	987,525	11,926	-	999,451
Depreciation	302,883	1	-	302,884
Amortisation	8,917	-	-	8,917

4. Revenue and segment information (Continued)

(b) Segment information (Continued)

Operating segments (Continued)

The segment assets and liabilities at 31st December 2014 are as follows:

US\$'000	Container transport and logistics	Others	Group
Segment assets	6,861,002	2,610,706	9,471,708
Joint ventures	9,248	-	9,248
Associated companies	152,499	-	152,499
Total assets	<u>7,022,749</u>	<u>2,610,706</u>	<u>9,633,455</u>
Segment liabilities	<u>(4,938,332)</u>	<u>(60,371)</u>	<u>(4,998,703)</u>

The segment assets and liabilities at 31st December 2013 are as follows:

US\$'000	Container transport and logistics	Others	Group
Segment assets	6,616,682	2,222,835	8,839,517
Joint ventures	8,674	-	8,674
Associated companies	142,027	-	142,027
Total assets	<u>6,767,383</u>	<u>2,222,835</u>	<u>8,990,218</u>
Segment liabilities	<u>(4,456,967)</u>	<u>(56,627)</u>	<u>(4,513,594)</u>

The segment of "Others" primarily includes assets and liabilities of property and corporate level activities. Assets under the segment of "Others" consist primarily of investment property, available-for-sale financial assets, held-to-maturity investments and portfolio investments together with cash and bank balances that are managed at the corporate level. Liabilities under the segment of "Others" primarily include creditors and accruals and deferred taxation liabilities related to 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 2014		
Asia	4,237,331	16,288
Europe	1,168,338	391
North America	894,056	177,601
Australia	221,864	14
Unallocated *	-	654,475
	<u>6,521,589</u>	<u>848,769</u>
Year ended 31st December 2013		
Asia	4,105,788	11,353
Europe	908,192	609
North America	994,121	104,438
Australia	223,482	1,012
Unallocated *	-	882,039
	<u>6,231,583</u>	<u>999,451</u>

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

5. Operating profit

US\$'000	2014	2013
Operating profit is arrived at after crediting :		
Operating lease rental income		
Land and buildings	<u>26,730</u>	<u>26,241</u>
and after charging:		
Depreciation		
Owned assets	247,301	226,458
Leased assets	76,181	76,426
Operating lease rental expense		
Vessels and equipment	323,156	355,154
Terminals and berths	33,865	34,343
Land and buildings	28,969	26,069
Rental outgoings in respect of an investment property	15,036	13,254
Amortisation of intangible assets	8,310	8,427
Amortisation of prepayments of lease premiums	362	490
Auditors' remuneration		
Audit	2,974	3,094
Non-audit	<u>1,209</u>	<u>1,573</u>

6. Finance costs

US\$'000	2014	2013
Interest expense		
Bank loans and bank overdrafts		
Wholly repayable within five years	17,243	12,266
Not wholly repayable within five years	19,473	16,895
Finance lease obligations		
Wholly repayable within five years	2,316	1,551
Not wholly repayable within five years	19,401	13,730
	<u>58,433</u>	<u>44,442</u>
Amount capitalised under assets	<u>(4,433)</u>	<u>(3,423)</u>
Net interest expense	<u>54,000</u>	<u>41,019</u>

7. Taxation

US\$'000	2014	2013
Current taxation		
Hong Kong profits tax	105	457
Overseas taxation	26,043	21,360
	<u>26,148</u>	<u>21,817</u>
Deferred taxation		
Hong Kong profits tax	43	-
Overseas taxation	(2,046)	(1,951)
	<u>(2,003)</u>	<u>(1,951)</u>
	<u>24,145</u>	<u>19,866</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 11% to 47% (2013: 10% to 47%) and the rate applicable for Hong Kong profits tax is 16.5% (2013: 16.5%).

8. Dividends

US\$'000	2014	2013
Interim paid: US7.5 cents (2013: nil) per ordinary share	46,989	-
Proposed final of US3.4 cents (2013: US1.88 cents) per ordinary share	<u>21,277</u>	<u>11,765</u>
	<u>68,266</u>	<u>11,765</u>

The Board of Directors proposes a final dividend in respect of 2014 of US3.4 cents (2013: US1.88 cents) per ordinary share. The proposed dividend will be accounted for as an appropriation of retained profit in the year ending 31st December 2015.

9. Earnings per ordinary share

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

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

US\$'000	2014	2013
Number of ordinary shares in issue (thousands)	<u>625,793</u>	<u>625,793</u>
Group's profit attributable to:		
Equity holders of the Company	270,538	47,036
Non-controlling interests	<u>(100)</u>	<u>97</u>
	<u>270,438</u>	<u>47,133</u>
Earnings per share attributable to equity holders of the Company (US cents)	<u>43.2</u>	<u>7.5</u>

10. Debtors and prepayments

US\$'000	2014	2013
Group		
Trade receivables		
- Fully performing	226,750	231,041
- Past due but not impaired	141,228	124,604
- Impaired and provided for	<u>10,704</u>	<u>7,850</u>
	378,682	363,495
Less: provision for impairment	<u>(10,704)</u>	<u>(7,850)</u>
Trade receivables - net	367,978	355,645
Other debtors	89,299	75,718
Other prepayments	106,718	97,317
Utility and other deposits	<u>10,522</u>	<u>8,602</u>
	<u><u>574,517</u></u>	<u><u>537,282</u></u>

Trade receivables are normally due for payment on presentation of invoices or granted with an approved credit period ranging mainly from 10 to 30 days. Debtors with overdue trade receivables 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 old. The ageing analysis of the Group's trade receivables, net of provision for impairment, prepared in accordance with the due dates of invoices, is as follows:

US\$'000	2014	2013
Below one month	329,896	327,629
Two to three months	27,954	21,812
Four to six months	8,506	4,903
Over six months	<u>1,622</u>	<u>1,301</u>
	<u><u>367,978</u></u>	<u><u>355,645</u></u>

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

11. Creditors and accruals

US\$'000	2014	2013
Group		
Trade payables	238,149	303,829
Other creditors	114,675	76,741
Accrued expenses	509,265	455,583
Deferred revenue	80,615	68,471
	<u>942,704</u>	<u>904,624</u>

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

US\$'000	2014	2013
Below one month	162,147	171,269
Two to three months	58,567	122,463
Four to six months	7,929	6,102
Over six months	9,506	3,995
	<u>238,149</u>	<u>303,829</u>

Results for 2014

Orient Overseas (International) Limited and its subsidiaries (the “Group”) recorded a profit attributable to equity holders of US\$270.5 million for 2014, compared to a profit of US\$47.0 million in 2013.

OOIL ANNUAL RESULTS ANALYSIS		
<i>(US\$'000)</i>	2014	2013
Profit before tax from operation	284,930	73,922
Fair value gain/(loss) on Wall Street Plaza	9,653	(6,923)
Profit Before Tax for the Year Ended 31st December	294,583	66,999
Taxation	(24,145)	(19,866)
Non-controlling interests	100	(97)
Profit Attributable to Equity Holders	270,538	47,036

Review of Operations

The global economic environment saw mixed but encouraging results during 2014. The U.S. recorded a GDP growth of 2.4% for the year with satisfactory results in consumer spending. While the longer term effects of the Federal Reserve quantitative easing remain unclear, it seems that the U.S. has reached a stage of recovery. The Eurozone saw continued challenges during 2014. The two percent inflationary target set by the European Central Bank seemed increasingly untenable as the year progressed. According to the final tally, GDP growth of the Eurozone grew at a disappointing 0.8% for the year, an indication that sustainable recovery has not yet arrived but nevertheless an improvement from 2013. Private consumption rose 0.8%, a modest but encouraging performance from a negative 0.6% in 2013. The market was positive to the ECB quantitative easing program announced at the end of last year although the actual effects remain unclear at this point.

In Asia, China continued its structural reform program, and posted a 7.4% GDP growth. Government initiatives for reform in both the financial and State-owned-enterprise sector seem to be progressing but gradual in pace. While China’s overall economic growth has reached a level of “new normal”, its consumer spending continues to grow. Commodity based economies had a more challenging year, especially given the slow down of China. Overall, 2014 was an eventful year which saw political instability in Eastern Europe and the Middle East, diverging economic performance amongst the developed nations, and an unexciting growth picture in emerging markets.

Against this uncertain backdrop, seaborne trade growth for the liner industry was better than expected during 2014. East West trades recorded healthy volume growth while the Intra-Asia trades posted positive but inconsistent growth. In aggregate terms, global demand grew 5.3%, an improvement from 4.0% in 2013. The industry as a whole performed better than that of 2013, though freight rate across trades were mixed. The Asia-Europe trade saw better-than-expected performance, especially in the earlier part of the year, while those of the Trans-Pacific and Intra-Asia trades were more muted. While carriers faced multiple challenges including port congestion in Asia and Europe, increasing labour and logistics bottleneck in the U.S., and cascading effects in the Trans-Pacific and Intra-Asia trades, the industry benefitted from an overall trade volume growth and declining bunker prices during the year.

In 2014, our lifting increased by 5.5% while revenue improved by 3.5%. Compared to the previous year, OOCL average revenue per TEU fell 1.9%. Despite the increase in capacity and lifting, our operating costs continued to improve. A reduction in total bunker cost of 10%, attributable to both decrease in bunker price and consumption, was achieved.

During the year of 2014, the Group took delivery of two 'Mega' Class 13,208 TEU new vessels from the Geoje shipyard of Samsung Heavy Industries Co., Ltd. in South Korea. The 'Mega' Class 13,208 TEU vessels are currently the largest containerships owned by the Group. In 2015, the Group will take delivery of four 8,888 TEU vessels from Hudong-Zhonghua Shipbuilding (Group) Co., Ltd in China. These newbuildings will complete our current orderbook of SX class newbuildings. As part of the refloating plan, one 9-year old & two 11-year old 8,063 TEU SX Class vessels were sold and chartered back for a three year period during the year.

Building a sustainable logistics business remains a key objective for the Group. Operating under the brand name OOCL Logistics, the Group's logistics business is a stand alone profit center active in international supply chain management, import/export services, domestic transportation and warehousing services. The business has grown to 130 offices in 30 countries. We expect the logistics business will become a meaningful contributor to the Group's bottom line over the long term.

The Group is pleased to have the opportunity to work with the Port of Long Beach community in the Middle Harbor Redevelopment Project. The project will expand the total capacity and enhance the productivity and efficiency of the Port. The first phase is expected to be operational in 2016, and with its final phase scheduled for completion in 2019, the terminal will be the most competitive, and environmentally friendly container facility in North America. We expect the project to provide tangible benefits to OOCL's competitiveness going forward.

Wall Street Plaza was valued upwards by US\$10 million as at 30th June 2014 to reflect an assessed market value of US\$180 million. Based on an independent valuation as at 31st December 2014, the assessed market value of the property remains at US\$180 million. After offsetting a total of US\$0.3 million improvement works on the building in 2014, the net fair value gain for 2014 has come to US\$9.7 million. As at 31st December 2013, Wall Street Plaza was valued at US\$170 million with a net fair value loss of US\$6.9 million in 2013.

Looking Forward

Looking ahead, we will see relatively more newbuildings delivered in 2015, and a lower level of deliveries in 2016. In the first quarter of 2015, congestions in Asia and Europe have eased, and labour issues on the U.S. West Coast seem to be in the process of being resolved. It is expected that trade growth in 2015 will outperform that of 2014, and bunker cost savings for the industry will become more apparent in 2015.

Alliance is an integral part of the industry, and acts as one of the key elements for carriers to optimize efficiency and improve service coverage. It allows relatively small and medium sized carriers to compete effectively with the largest carriers. In 2014, the G6 Alliance extended its network with services covering all major East West trades, and opened the Singapore based Service Center to ensure that product quality is consistent and at the highest level. Looking forward, we will continue to work with alliance members to ensure efficiency, quality and competitiveness.

We remain focused and deliberate in our efforts to maintain a sustainable balance sheet that allows the Group the ability to retain the widest degree of initiative and flexibility as a competitive edge. We are committed to ensuring an appropriate balance between adequate liquidity, efficient capital structure suitable for our industry, and sustainable returns to shareholders throughout the economic and market cycles.

Looking forward, in spite of the fact that the global geopolitical environment remains uncertain, we believe that world economic demand is on a positive trajectory. Notwithstanding the larger order book for delivery in the year 2015, we anticipate gradually improving industry dynamics and margin. The Group continues to be an industry leader in terms of operational excellence and financial robustness. We continue to be well placed in our ability to deliver superior performance, invest in the future, and form effective alliances in our drive to provide the best possible service quality at the most cost-efficient level possible. We look forward to furthering our position as one of the leading carriers in the industry.

Final Dividend

The Board of Directors has recommended the payment of a final dividend of US3.4 cents (HK\$0.27 at the exchange rate of US\$1 : HK\$7.8) per ordinary share for the year ended 31st December 2014 to be paid on 10th June 2015 to the shareholders of the Company whose names appear on the register of members of the Company on 12th May 2015. Shareholders should complete the Dividend Election Form (if applicable) and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited (the "Branch Share Registrar"), not later than 4:30 p.m. on 2nd June 2015.

Liquidity and Financial Resources

As at 31st December 2014, the Group had liquid assets amounting to US\$2,689.8 million and a total indebtedness of US\$3,984.5 million. The Group had a net debt to equity ratio of 0.28 : 1 as at end of 2014, compared with 0.25 : 1 at the end of 2013.

The indebtedness of the Group mainly comprises bank loans and finance leases 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 2014, the Group has 9,504 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 during the following periods:

- (a) from 24th April 2015 to 30th April 2015, both days inclusive, to ascertain the shareholders entitled to attend and vote at the Annual General Meeting of the Company. To be eligible to attend and vote at the Annual General Meeting, the share transfers must be accompanied with the relevant share certificates and lodged with the Branch Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 23rd April 2015; and
- (b) from 8th May 2015 to 12th May 2015, both days inclusive, to ascertain the shareholders entitled to the proposed final dividend. To qualify for the proposed final dividend, the share transfers must be accompanied with the relevant share certificates and lodged with the Branch Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 7th May 2015.

No transfers of shares will be registered during the periods mentioned in sub-paragraphs (a) and (b) above.

Purchase, Sale or Redemption of Shares

During the year ended 31st December 2014, 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 Corporate Governance Code

The Board of Directors and the 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 has adopted its own corporate governance code (the “CG Code”), which in addition to applying the principles as set out in the Corporate Governance Code and Corporate Governance Report (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 applied by the Group and is constantly reviewed to ensure transparency, accountability and independence.

Throughout the year of 2014, the Company complied with the SEHK Code, save for the following:-

- there was no separation of the roles of Chairman and Chief Executive Officer of the Company during the year 2014. Mr. TUNG Chee Chen currently assumes the roles of both Chairman and Chief Executive Officer of the Company. The executive members of the Board currently consist of chief executive officer of the principal division of the Group and there is an effective separation of the roles between the chief executive of its principal division and the Chief Executive Officer of the Company. The Board considers that further separation of the roles of the 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 2014 Annual Report.

Audit Committee

The Audit Committee has reviewed the annual results of the Group for the year ended 31st December 2014, in conjunction with the external and internal auditors.

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 Code and the Model Code for the year ended 31st December 2014.

Annual General Meeting

The Annual General Meeting of the Company will be held on 30th April 2015. Notice of the meeting will be sent to shareholders on or around 23rd March 2015.

Publication of Results Announcement and Annual Report

This annual results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (“HKEx”) at <http://www.hkexnews.hk> and the Company at <http://www.ooilgroup.com>. The 2014 Annual Report will be despatched to shareholders of the Company on or around 2nd April 2015 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, TUNG Lieh Cheung Andrew and TUNG Lieh Sing Alan; our Non-Executive Director is Professor Roger KING and our Independent Non-Executive Directors are Mr. Simon MURRAY, Mr. CHANG Tsann Rong Ernest, Mr. CHOW Philip Yiu Wah, 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, 6th March 2015

* *For identification only*
Website : <http://www.ooilgroup.com>