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Statement to Shareholders from the Chairman and Chief Executive Officer

The first half of 2001 has in many ways been mixed but I am pleased to announce that the Orient Overseas (International) Limited Group has recorded a profit after tax and minority interests of US$49.1 million for the first six months of 2001 a substantial increase of 103% compared with US$24.2 million for the same period last year. Earnings per ordinary share were US9.5 cents compared with US4.7 cents for the first half of 2000.

DIVIDEND

The Board of directors has, after much deliberation, decided to declare an interim dividend of US1 cent (HK7.8 cents), unchanged from last year, in view of the poorer market conditions forecast for the remainder of the year. The directors will consider a further dividend for the full year, the level of which will depend upon business performance during the second six months.

INTERNATIONAL CONTAINERISED TRANSPORTATION

The strong first half performance is mainly attributable to the continued success of the Group's core business of international containerised transportation trading under the "OOCL" name. The first half of last year experienced a strengthening of global growth in terms of both GDP and international trade volumes. This continued strongly into the second half of the year but as we ended the year and entered 2001 it was becoming increasingly clear that the growth in both world GDP and international trade was weakening even to the extent that the US economy was threatening to enter recession. The fear was that other economies would suffer equally as a result. Volume growth did reduce during the first six months of 2001, which, together with the pressure being exerted by the additional tonnage capacity being deployed, served to exert a downward pressure on freight rates. Importantly however, these factors have been mitigated by the effects of lower bunker costs, lower interest costs and the continued strength of the US Dollar and the weakness of the Euro, Yen and other currencies. Our performance has been further aided by the continuing reduction in our unit costs as a result of the phased delivery and introduction into service of our larger and more fuel efficient newbuilding vessels. We continue to upgrade our fleet in accordance with our tonnage projections and presently have on order six new vessels each with a capacity of approximately 7,700 TEU, due for delivery in 2003 and 2004, and hold options for a further two similar vessels for delivery in 2005. In addition we have one approximately 4,100 TEU vessel on order which will be ice-strengthened for deployment as an upgrade to our fleet deployed on the Group's Europe / Canada services.

TERMINAL OPERATIONS

Our terminal activities have suffered during the first half of 2001, especially in Vancouver and New York, and have experienced a slight downturn in throughput as a result of the slowdown of the US economy. Unfortunately also, we have been obliged to make provisions against the doubtful recovery of receivables due from one former customer together with certain other but unrelated costs. We are hopeful of an improved performance during the second half of the year.

PROPERTY INVESTMENT AND DEVELOPMENT

The Group's property investment and development businesses have continued to perform more or less as expected. Wall Street Plaza in New York was fully let for the period and, aided by lower costs and overheads, has delivered a result better than forecast. We expect it to continue this level of performance during the second half. The leasing activities of Beijing Oriental Plaza in Beijing continued during the first six months of this year as the east office block of 150,000 sq.m. was completed. The prospects for this development have improved and the admission of China to the WTO is expected to act as a fillip to the Beijing property markets. Our development projects in Shanghai continue on schedule. The 70,000 sq.m. Joffre Gardens project received its occupation permit and handover procedures to buyers began in January. In June, The Courtyards, a similar sized residential development, also received its occupation permit. Also during the period, Phase 1 of 63,000 sq.m. of Century Metropolis was topped out and we expect Phase 2 to begin sales during the second half of the year. We expect that this property development business will turn in a full year result close to forecast. We continue to identify further suitable projects and are confident that during the second half of the year we shall conclude the acquisition of further development sites.

OUTLOOK

The slowdown in the US economy, which has now spread to other European economies, the continued economic stagnation in Japan and the consequent economic uncertainties throughout the rest of Asia have all occurred during a period in which the rate of new tonnage being introduced into service is at an all time high. The erosive effect upon freight rates of this imbalance in the simple supply and demand equation has resulted in a steeper than expected fall in freight rates. It is a situation which is likely to continue until such time as the rates of GDP growth in the major economies of the world begin to recover towards former levels and the introduction of new tonnage has subsided from 2003 onwards. As the timing of the former is uncertain, the prosperity of international container transportation remains equally uncertain.

I said at the outset that our experience during this first six months of 2001 had been mixed. On the one hand, our International Containerised Transportation business has performed above expectation whilst, on the other hand, the earlier fears of a slowdown in the growth of the world economy have been substantiated. Our future and sustained success remains dependent upon our longer term plans to achieve, through organic growth, those economies of scale necessary to maintain the process of reducing our unit costs and, at the same time, to continue in our efforts to improve our levels of operational efficiency yet further. As one of the core initiatives in our ongoing search for greater business efficiency we shall continue to develop and extend our IT capabilities. IRIS-2, our back office system, integrates the business processes of all OOCL offices, our customers' shipments and all the necessary management information into one system. It has changed the way OOCL itself operates by optimising business processes and provides integrated and tailor made logistics solutions to customers at every stage in their supply chain. They benefit from better management and distribution of their products as a result of these seamless connections. New Customer Profile and Service Contract modules have been introduced and released so far during 2001. Launched in October 2000, Cargo*Smart,* our neutral and open software platform now hosted by Hewlett Packard, has become the preferred choice of over 500 customers who actively use the portal on a daily basis to manage their logistics needs effectively. Two other independent carriers have now signed on as users of the system, and as potential investors, and we continue to solicit other carriers to join in the process of establishing it as an independent industry portal. Cargo*Smart* was designed specifically to enhance customer and carrier efficiency and online it provides those customers with the ability to manage their shipments with multiple carriers and empowers them to share information with other chosen service providers in their supply chain. We look to these improved processes to gain further operational efficiency as well as customer loyalty to alleviate the impact of the anticipated overcapacity in the near term.

The success of these and all our other business initiatives relies upon people and it is the skills, dedication and performance of the Group's employees which drive us to achieve our goals. To repeat our performances of the recent past it is upon them that all depends as we enter this potentially challenging period in the Group's development.

C C Tung
Chairman and Chief Executive Officer

Hong Kong, 17th August 2001

Management Discussion and Analysis

ANALYSIS OF RESULTS

In the first six months of 2001, Orient Overseas (International) Limited Group achieved a profit attributable to shareholders of US$49.1 million, representing an increase of US$24.9 million, or 103% over that of US$24.2 million for the corresponding period of 2000. This result was achieved due principally to an improvement in the quality of our services, a continued tight control over operating costs, a strong US dollar, lower fuel and interest costs and therefore specifically, a better than expected performance from the international containerised transportation business but also from the property investment and development businesses.

Turnover for the six months ended 30th June 2001 amounted to US$1,188 million, an increase of US$27 million when compared with the corresponding period in 2000. Profit before taxation for the first half of 2001 was US$54.7 million, compared with US$35.2 million for the same period in 2000.

The slowdown in the US economy, evident from late 2000 onwards, has undoubtedly taken its toll on the previously buoyant Trans-Pacific trades, inhibiting its rate of growth during 2001, but our international containerised transportation business, nevertheless, benefited from the recovery of Asian exports and the weakness of the Euro and other non US dollar currencies. The Intra-Asia trades and the Asia/Europe services both recorded steady improvements. The Transatlantic trade, benefiting equally from the weak Euro, also demonstrated an improvement in the westbound trades during the first half of 2001.

Turnover for the Group's four terminals in North America was, however, affected by the softening economy and decreased slightly as compared with last year. Throughput for the first six months of 2001 was also affected being 5.6% lower than for the same period last year. In addition, provisions amounting to US$10 million have been made in the first half of 2001 for doubtful receivables due to our terminals in New York and New Jersey as a result of disputes on the recovery of certain cost items and the bankruptcy of a customer.

The turnover of the Group's investment property was broadly equivalent to the corresponding period last year. Our investment property in New York was fully let during the period and sales of our development properties in Shanghai progressed as forecast.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June 2001, the Group had cash, bond and portfolio investment balances of US$409.1 million and a total indebtedness of US$912.1 million. The net debt to equity ratio remained stable at 0.6:1 being the same as at the end of 2000.

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. The profile of the Group's long-term liabilities is set out in Note 11 to the Accounts.

NEW-BUILDING VESSELS

During the first half of 2001, the Group took delivery of two 5,500 TEU vessels under long-term charters and concluded orders for a total of four new container vessels, each of approximately 7,700 TEU in capacity, to be delivered during 2004. The total consideration for these four vessels amounts to approximately US$320 million. Finance has been arranged for two of the vessels and negotiations relating to the other two are nearing their conclusion.

The Group also placed an order for an ice-strengthened new container vessel of approximately 4,100 TEU for delivery in 2003. Consideration for the vessel is approximately US$51 million and negotiations relating to the finance of this vessel are also nearing completion.

Together with the two vessels ordered in November 2000, the Group has a total of seven vessels on order. The Group holds options to build two further vessels of 7,700 TEU each. These new vessels in total, serve to satisfy the projected capacity needs of our international containerised transportation business for the foreseeable future. Adequate resources have been reserved to ensure that the delivery of these vessels does not impose an undue financial burden on the Group as a whole.

OTHER SIGNIFICANT INVESTMENTS

The Group continues to hold an 8% interest in the "Beijing Oriental Plaza" project in Beijing. The first phase was completed during the first half 2000 and the whole project is due to reach completion during the second half of 2002. As at 30th June 2001, the Group's total investment in this project amounted to US$93.6 million.

The Group is currently exploring new property development projects in several Shanghai districts. Discussions on partnership and finance arrangements for these projects continue.

CURRENCY EXPOSURE AND RELATED HEDGES

The Group's principal income is mainly comprised of freight revenues, receipts from terminal operations and rental income from the investment property all of which are denominated in US dollars. Over 66% of cost items were also US dollars based. Certain costs, such as terminal charges, transportation and administrative expenses for regional offices were expended in domestic currencies. The Group's policy is to hedge the payment of some major domestic currencies such as the Euro, Canadian dollars and Japanese Yen.

Over 88% of the Group's total liabilities were denominated in US dollars. The non-US dollars liabilities were backed by an equivalent value of assets denominated in the respective local currencies. Consequently, the risk of currency fluctuations affecting the Group's debt profile is effectively reduced.

EMPLOYEE INFORMATION

As at 30th June 2001, the Group employed approximately a total staff of 4,600 around the world. The Group provides employee benefits such as staff insurance schemes, provident and pension funds, discretionary bonuses, education assistance and medical & dental schemes. The Group also provides in-house training programs and external training sponsorships.

Other Information

DIVIDEND

The Directors are pleased to announce an interim dividend of US1 cent (HK7.8 cents) per ordinary share in view of the six months performance. The dividend will be paid on 28th September 2001 to the ordinary shareholders whose names appear in the register on 13th September 2001. For shareholders who wish to receive the dividend in US dollars, the election form, which accompanies this Interim Report, should be completed and returned to the Hong Kong Branch Registrar on or before 21st September 2001.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 7th September 2001 to 13th September 2001, 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 6th September 2001.

DIRECTORS' INTERESTS IN SHARES

As at 30th June 2001, Directors and their associates had the following interests in the ordinary shares of the Company as recorded in the register maintained under Section 29 of the Securities (Disclosure of Interests) Ordinance:

			Other Interests		
	Personal Interests	**Family Interests**	**Beneficial**	**Voting**	**Total**
C C Tung	–	–	80,835,548 *(Note 1)*	253,641,662 *(Note 2)*	334,477,210
Roger King	–	–	80,835,548 *(Note 1)*	–	80,835,548
T R Chang	506,390	–	–	–	506,390

Note 1: C C Tung and Roger King have an interest in the Tung Trust which, through Springfield Corporation ("Springfield"), beneficially owns 55,409,576 ordinary shares and, through Monterrey Limited ("Monterrey"), beneficially owns 25,425,972 ordinary shares.

Note 2: Wharncliff Limited ("Wharncliff"), a company owned by a discretionary trust established by the Tung family, holds 253,641,662 ordinary shares of the Company and the voting rights in respect of such shares are held by C C Tung through Tung Holdings (Trustee) Inc.

Note 3: Wharncliff, Springfield and Monterrey together are hereafter referred to as the "controlling shareholders".

SUBSTANTIAL SHAREHOLDERS

1. Shares

As at 30th June 2001, the register of substantial shareholders maintained under Section 16(1) of the Securities (Disclosure of Interests) Ordinance showed the following interests being 10 per cent. or more of the Company's issued ordinary shares:

Name	Beneficially held	%
Wharncliff Limited	253,641,662	49.05
Springfield Corporation	55,409,576	10.71

2. Disclosure

As at 30th June 2001, the Group had the following bank borrowings requiring the controlling shareholders of the Company to retain sufficient voting power in the Company to pass ordinary resolutions during the tenure of the respective loans.

Aggregate outstanding loan amount as at 30th June 2001	Tenure
US$256,500,000	12 years from April 1997
US$31,825,970.50	12 years and 7 months from February 1998

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

As at 30th June 2001, none of the Directors nor the Chief Executive of the Company (or any of their spouses or children under 18 years of age) had been granted any rights 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 2001.

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 six-month period ended 30th June 2001.

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

COMPANY'S COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by these interim results except that the Non-Executive Directors of the Company are not appointed for a specific term as they are subject to retirement by rotation in accordance with the Company's Bye-laws.

Review Report of the Auditors

TO THE BOARD OF DIRECTORS OF ORIENT OVERSEAS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

Introduction

We have been instructed by the Company to review the financial information set out on pages 12 to 24.

Directors' responsibilities

The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited require the preparation of the interim financial information to be in compliance with the Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants and the relevant provisions thereof. The interim financial information is the responsibility of and has been approved by the Directors.

Review work performed

We conducted our review in accordance with the Statement of Auditing Standard 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of the management and applying analytical procedures to the interim financial information and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial information.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial information for the six months ended 30th June 2001.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 17th August 2001

Financial Statements

Consolidated Profit and Loss Account

For The Six Months Ended 30th June 2001

US$'000	Note	**2001**	2000
Turnover	2	**1,187,672**	1,161,052
Operating costs		**(949,897)**	(974,284)
Gross profit		**237,775**	186,768
Other operating income		**3,857**	5,361
Other operating expenses		**(170,161)**	(137,664)
Other exchange (loss)/gain		**(28)**	1,720
Operating profit before financing	3	**71,443**	56,185
Net financing charges	5	**(25,501)**	(19,581)
Share of profits less losses of jointly controlled entities		**8,721**	(1,446)
Profit before taxation		**54,663**	35,158
Taxation	6	**(5,355)**	(10,699)
Profit after taxation		**49,308**	24,459
Minority interests		**(239)**	(274)
Profit attributable to shareholders		**49,069**	24,185
		US cents	US cents
Earnings per ordinary share	7	**9.5**	4.7

Consolidated Balance Sheet

As At 30th June 2001

US$'000	Note	30th June 2001	31st December 2000
Fixed assets		**1,307,809**	1,286,197
Jointly controlled entities		**59,490**	50,829
Other investments		**127,925**	145,112
Other non-current assets		**53,545**	58,078
Non-current assets		**1,548,769**	1,540,216
Properties held for sales		**1,855**	3,671
Debtors and prepayments	9	**222,834**	243,410
Current portion of investments in finance leases		**535**	522
Portfolio investments		**53,631**	53,243
Bank balances and deposits		**283,630**	314,192
Current assets		**562,485**	615,038
Creditors and accruals	10	**357,882**	389,230
Current portion of long-term liabilities	11	**134,337**	130,579
Bank loans and overdrafts		**52,177**	67,713
Current taxation		**999**	6,655
Current liabilities		**545,395**	594,177
Net current assets		**17,090**	20,861
Long-term liabilities	11	**(725,548)**	(753,761)
Other non-current liabilities		**(5,421)**	(6,037)
		834,890	801,279
Capital employed			
Share capital	12	**51,714**	51,714
Reserves	13	**778,812**	745,033
Shareholders' funds		**830,526**	796,747
Minority interests		**4,364**	4,532
		834,890	801,279

Consolidated Cash Flow Statement

For The Six Months Ended 30th June 2001

US$'000	2001	2000
Net cash inflow from operating activities	**115,763**	77,966
Net cash outflow from returns on investments and servicing of finance	**(42,058)**	(34,374)
Net tax paid	**(10,978)**	(14,208)
Investing activities		
Sale of fixed assets	**4,926**	4,170
Sale of long-term investments	**21,965**	5,458
Purchase of fixed assets	**(23,240)**	(29,435)
Purchase of long-term investments	**(4,179)**	(10,297)
Capital element from investments in finance leases	**143**	234
Increase in amounts due by jointly controlled entities	**(375)**	(2,665)
Increase in bank deposits maturing more than three months from the date of placement	**(5,308)**	(1,158)
Deferred expenditure incurred	**(1,413)**	(2,736)
Net cash outflow from investing activities	**(7,481)**	(36,429)
Net cash inflow/(outflow) before financing	**55,246**	(7,045)
Financing		
New long-term loans	**27,800**	2,434
Repayment of long-term loans	**(53,256)**	(25,233)
Capital element of finance lease rental payments	**(49,786)**	(8,799)
Decrease in short-term loans repayable more than three months from the date of advance	**(1,001)**	(3,201)
Net cash outflow from financing	**(76,243)**	(34,799)
Decrease in cash and cash equivalents	**(20,997)**	(41,844)
Cash and cash equivalents at beginning of period	**324,663**	275,818
Changes in exchange rates	**748**	(2,574)
Cash and cash equivalents at end of period	**304,414**	231,400
Analysis of cash and cash equivalents		
Bank balances and deposits maturing within three months from the date of placement	**302,960**	242,160
Portfolio investments	**53,631**	69,708
Overdrafts and bank loans repayable within three months from the date of advance	**(52,177)**	(80,468)
	304,414	231,400

Consolidated Statement of Recognised Gains and Losses

For The Six Months Ended 30th June 2001

US$'000	**2001**	2000
Exchange differences arising on translation of overseas operations	**224**	(3,005)
Net gain/(loss) not recognised in the profit and loss account	**224**	(3,005)
Net profit for the period	**49,069**	24,185
Total recognised gain	**49,293**	21,180

Notes on the Accounts

1. Accounting Policies

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in conformity with generally accepted accounting principles in Hong Kong.

In 2001, the Group adopted the following revised or new Statement of Standard Accounting Practices ("SSAP's") issued by the Hong Kong Society of Accountants:

SSAP 9 (revised) Events after the balance sheet date
SSAP 26 Segment reporting
SSAP 28 Provisions, contingent liabilities and contingent assets
SSAP 29 Intangible assets
SSAP 30 Business combinations
SSAP 31 Impairment of assets
SSAP 32 Consolidated financial statements and accounting for investments in subsidiaries

The adoption of these SSAP's has no changes in the accounting policies of the Group except for the following:

(a) In accordance with the revised SSAP 9, dividends proposed or declared after the balance sheet date are no longer recognised as liabilities at the balance sheet date. This change in accounting policy has been applied retrospectively and as a result, reserves of the Group as at 31st December 2000 have been increased by US$15.5 million.

(b) Goodwill arising on acquisition of subsidiaries and jointly controlled entities occurring on or after 1st January 2001 is included in the balance sheet as a separate asset and amortised using the straight line method over its estimated useful life of not more than twenty years. Goodwill on acquisitions, which occurred prior to 1st January 2001, was taken directly to reserves. This change in accounting policy has no effect to the accounts for the period.

Apart from the foregoing, the accounting policies adopted are consistent with those described in the 2000 Annual Report and Accounts.

During 2000, the Group changed its accounting policies for pre-operating, dry-docking and special survey costs, details of which were given in the 2000 Annual Report and Accounts. The corresponding amounts for the six months ended 30th June 2000 have been restated to take effect of these changes.

2. Turnover

US$'000	**2001**	2000
International containerised transportation and logistics		
Asia	**682,461**	685,303
North America	**216,001**	195,434
Europe	**156,966**	144,604
Australia	**17,353**	16,890
	1,072,781	1,042,231
Container terminals		
North America	**105,064**	108,710
Property investment and development		
North America	**9,827**	10,111
	1,187,672	1,161,052

The principal activities of the Group are international containerised transportation and logistics, container terminal, property investment and development.

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

Freight revenues from international containerised transportation and logistics are analysed based on the outbound cargoes of each geographical territory.

3. Operating Profit Before Financing

US$'000	**2001**	2000
International containerised transportation and logistics	**76,044**	42,695
Container terminals	**(5,405)**	15,279
Property investment and development	**4,621**	2,204
Others	**193**	(89)
	75,453	60,089
Corporate services	**(4,010)**	(3,904)
	71,443	56,185

3. Operating Profit Before Financing (continued)

In respect of the international containerised 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 preclude a meaningful allocation of operating profit to specific geographical segments. Operating profit from international containerised 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. Operating Profit

US$'000	2001	2000
Operating profit before financing is arrived at after crediting:		
Operating lease rental income		
Land and buildings	**9,827**	10,111
Long-term investment income		
Listed	**1,088**	1,999
Gross earnings on finance leases	**157**	178
Profit on disposal of fixed assets	**490**	787
Profit on disposal of long-term investments	**12**	–

and after charging:

US$'000	2001	2000
Depreciation		
Owned fixed assets	**31,476**	24,473
Leased fixed assets	**16,101**	11,519
Operating lease rental expense		
Vessels and equipment	**118,170**	166,787
Land and buildings	**8,735**	10,244
Loss on disposal of long-term investments	**–**	247
Amortisation of deferred expenditure	**1,377**	2,441
Payment for early termination of an agent	**–**	2,286

5. Net Financing Charges

US$'000	2001	2000
Interest expense	**(30,471)**	(26,848)
Interest income	**5,151**	6,654
Net interest expense	**(25,320)**	(20,194)
Financing charges	**(3,172)**	(3,962)
Portfolio investment income	**2,991**	4,575
	(25,501)	(19,581)

6. Taxation

US$'000	2001	2000
Overseas taxation		
Company and subsidiaries	**(5,313)**	(10,654)
Jointly controlled entities	**(42)**	(45)
	(5,355)	(10,699)

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 for the period (2000: nil).

7. Earnings Per Ordinary Share

The calculation of earnings per ordinary share is based on the profit attributable to the shareholders of US$49.1 million (2000: US$24.2 million) and on 517.1 million ordinary shares in issue during the period.

8. Dividends

US$'000	2001	2000
Final dividend in respect of 2000 of US3 cents (1999: US3 cents) per share	**15,514**	15,514

The Board of Directors declares an interim dividend in respect of 2001 of US1 cent (2000: US1 cent) per share amounting to US$5.2 million (2000: US$5.2 million). This amount will be accounted for as an appropriation of retained profit in the year ending 31st December 2001.

9. Debtors And Prepayments

US$'000	**30th June 2001**	31st December 2000
Trade debtors	**87,507**	125,961
Other debtors	**24,389**	25,291
Prepayments	**56,018**	49,328
Utility and other deposits	**39,122**	25,551
Bunker	**15,590**	17,080
Tax recoverable	**208**	199
	222,834	243,410

As described in note 19 to the 2000 annual accounts, the Group has assigned and sold certain trade receivables to Rhino and TAPCO (as defined) respectively. Trade debtors of the Group includes the following trade receivables:

US$'000	**30th June 2001**	31st December 2000
Gross trade receivables assigned to Rhino	**116,865**	121,384
Less non-returnable proceeds received from TAPCO	**(99,000)**	(89,100)
	17,865	32,284

Trade receivables are normally due for payment upon presentation of invoices or within an approved credit period ranging mainly from 10 to 45 days. Debtors with overdue balances are requested to settle all outstanding balances before any further credit is granted. The ageing analysis of the Group's trade debtors, including those assigned to Rhino but net of provisions for bad and doubtful debts, prepared in accordance with the due date of invoices, is as follows:

US$'000	**30th June 2001**	31st December 2000
Below one month	**154,745**	159,561
Two to three months	**23,695**	36,707
Four to six months	**6,598**	17,507
Over six months	**1,469**	1,286
	186,507	215,061

10. Creditors And Accruals

US$'000	30th June 2001	31st December 2000
Trade creditors	**114,295**	120,744
Other creditors	**17,548**	23,413
Accrued operating expenses	**222,498**	239,147
Deferred revenue	**3,541**	5,926
	357,882	389,230

The ageing analysis of the Group's trade creditors is as follows:

US$'000	30th June 2001	31st December 2000
Below one month	**54,744**	50,306
Two to three months	**38,105**	68,414
Four to six months	**20,857**	1,735
Over six months	**589**	289
	114,295	120,744

11. Long-term Liabilities

US$'000	30th June 2001	31st December 2000
Bank loans		
Secured	**552,759**	583,434
Other secured loans		
Wholly repayable within five years	**25,775**	22,861
Not wholly repayable within five years	**17,319**	15,198
Finance lease obligations		
Wholly payable within five years	**59,320**	150,940
Not wholly payable within five years	**204,712**	111,907
	859,885	884,340
Current portion included in current liabilities	**(134,337)**	(130,579)
	725,548	753,761

12. Share Capital

US$'000	30th June 2001	31st December 2000
Authorised:		
900,000,000 ordinary shares of US$0.10 each	**90,000**	90,000
65,000,000 convertible redeemable preferred shares of US$1 each	**65,000**	65,000
50,000,000 redeemable preferred shares of US$1 each	**50,000**	50,000
	205,000	205,000
Issued and fully paid:		
517,141,632 ordinary shares of US$0.10 each	**51,714**	51,714

13. Reserves

US$'000	Contributed surplus	Share premium	Assets revaluation reserve	Retained profit	Total
At 31st December 2000					
As previously reported	148,286	35,073	9,948	536,212	729,519
Prior year adjustment (note 1)	–	–	–	15,514	15,514
As restated	148,286	35,073	9,948	551,726	745,033
Changes in exchange rates	–	–	–	224	224
Profit for the period	–	–	–	49,069	49,069
Dividend (note 8)	–	–	–	(15,514)	(15,514)
At 30th June 2001	148,286	35,073	9,948	585,505	778,812

14. Commitments

(a) Capital commitments

US$'000	**30th June 2001**	31st December 2000
Contracted but not provided for	**528,987**	168,417
Authorised but not contracted for	**69,890**	14,202
	598,877	182,619

The commitments as at 30th June 2001 include the balance of the purchase cost of six 7,700 TEU and one 4,100 TEU ice-strengthened container vessels (2000: two 7,700 TEU container vessels) to be delivered in 2003 and 2004.

In addition, the Group has a long-term investment plan in respect of the Beijing property development as set out in note 15(a) of the 2000 annual accounts.

(b) Operating lease commitments

The aggregate minimum lease rental payable under non-cancellable operating leases are payable in the following years:

US$'000	Vessels and equipment	Land and buildings	Total
As at 30th June 2001			
2001/02	242,080	18,539	260,619
2002/03	203,273	15,301	218,574
2003/04	157,478	22,016	179,494
2004/05	138,186	26,155	164,341
2005/06	116,836	20,333	137,169
2006/07 onwards	331,316	329,588	660,904
	1,189,169	431,932	1,621,101
As at 31st December 2000			
2001	216,736	18,475	235,211
2002	193,307	14,742	208,049
2003	165,214	14,716	179,930
2004	149,696	23,008	172,704
2005	139,330	22,547	161,877
2006 onwards	400,886	352,963	753,849
	1,265,169	446,451	1,711,620

15. Contingent Liabilities

(a) Guarantees in respect of loan facilities given for:

US$'000	Facilities 30th June 2001	Facilities 31st December 2000	Utilised 30th June 2001	Utilised 31st December 2000
Jointly controlled entities	**40,000**	57,000	**9,250**	24,700
Hui Xian (as defined in note 15 to the 2000 annual accounts)	**43,100**	43,100	**14,498**	1,353
	83,100	100,100	**23,748**	26,053

(b) Certain jointly controlled entities, Orient Overseas Property (Hangzhou) Company Limited, Shanghai Orient Overseas Real Estates Company Limited, Shanghai Orient Overseas Xujiahui Real Estate Company Limited and Shanghai Orient Overseas Zhenning Real Estate Company Limited (together the "JVs") have entered into agreements with certain banks in China in relation to mortgage finance arrangements for end purchasers of their property development projects in Shanghai and Hangzhou. Pursuant to the terms of the agreements, the JVs have provided guarantees in respect of the outstanding loans and accrued interest owed by the purchasers to the financing banks. These guarantees will be discharged upon obtaining the legal title for each property unit and completion of mortgage registration by the financing banks. As at 30th June 2001, the outstanding guarantees for such mortgage loans amounted to US$45.9 million (2000: US$34.6 million). The Group's share of the contingent liabilities of the JVs is US$21.8 million (2000: US$16.4 million).

(c) The Group holds an investment property in the USA and a taxation liability would arise if this property were sold. Based on the carrying value of the property of US$110.0 million and the available taxation losses of the relevant subsidiaries as at 30th June 2001, this taxation liability would amount to approximately US$22.6 million. No provision has been made in the accounts for this liability as the property is held for long-term investment purposes.

(d) The Group is a member of the Trans-Atlantic Conference Agreement ("TACA") and involved in litigation with the European Commission as more fully described in note 28(d) to the 2000 annual accounts.