

**ORIENT OVERSEAS (INTERNATIONAL) LTD:
THE GAME HAS ONLY JUST BEGUN –
THE SHARE PRICE IS LIKELY TO EXPLODE IN 2004**

While the share price of Orient Overseas (International) Ltd (Code: 316, Main Board, The Stock Exchange of Hongkong Ltd) has risen from \$HK3.925 per share to \$HK21.90 per share since the beginning of this year, it is quite likely that this is just the beginning of its run.

According to **TARGET**'s financial analysts, Orient Overseas is poised to make a killing in the 2004 Financial Year, ending December 31 – in addition to the tremendous gains that it is likely to report for the 2003 Year.

At the half-way mark of the Current Financial Year, the company reported a Profit Attributable to Shareholders of about \$US79.49 million (about \$HK620 million), up about \$US78.46 million (about \$HK612 million), Year-on-Year, equivalent to about 7,617 percent.

That Bottom Line was achieved on a Turnover for the first 6 months of this Year of about \$US1.44 billion (about \$HK11.23 billion).

The first, 6-month's Turnover was an increase of only about 26 percent, Year-on-Year, and there were good reasons for the company's leap in its Bottom Line, being not in proportion to the rise in the company's volume of activity.

Looking only at the shipping side of this company's operations, it was the improvement in the company's container throughput that was, in large part, responsible for the improvement in its fortunes, during the first half of this year.

Generally higher freight rates, internationally, and increased activity in the container side of the company's business, probably, surprised senior management, at least to some extent.

Since the publication of the Interim Report of Orient Overseas on August 20, 2003, there has been another jump in the price of newbuildings and of the cost of leasing 20-foot and 40-foot containers. (Please see analysis in the second part of this report)

During the first half of the Current Financial Year, this company took delivery of 2 newbuildings, both of which have a capacity of about 8,063 TEUs. (Twenty foot Equivalent Unit containers)

During that period, also, Orient Overseas took delivery of a 4,200 TEU newbuilding, equipped with an ice-strengthened hull, in addition to 4 more vessels, each one of which has a capacity of 2,754 TEUs.

And, just before the end of the first half of this Year, the company committed to buy 6 more 8,063 TEU newbuildings.

Four of these vessels will be delivered, next year, 2 vessels will be delivered in 2005, and the remaining 2 vessels are for delivery in 2006.

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