

Safetran Limited

Registered Number 1474713

Directors' Report And Financial Statements

For The Year Ended 31 December 1998



Safetran Limited

Directors' Report For The Year Ended 31 December 1998

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 1998.

Review Of The Business

The Company did not trade during the year and consequently made neither a profit nor a loss. No dividend has been declared and the Company is not expected to recommence trading.

Directors And Their Interests

The Directors holding office during the year and currently are listed below:

HN Russell	- resigned 30 January 1998
WS Morrision	
MR Banham	- appointed 9 April 1998

None of the Directors of the Company had any beneficial interest in the shares of the Company or of any group Company at any time during the year ended 31 December 1998.

Liability Insurance

As permitted by the Companies Act 1985 (s310(3)) the Company's ultimate parent Company, Orient Overseas (International) Limited, maintains a policy of insurance for the benefit of Directors and officers of all its subsidiary undertakings in respect of risks arising in the course of their duties.

Statement Of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

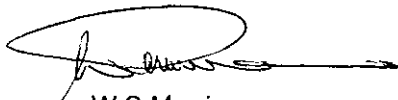
Safetran Limited

Directors' Report For The Year Ended 31 December 1998 (Continued)

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



W S Morrison
Secretary

OOCL House
Levington Park
Bridge Road
Levington
Suffolk
IP10 0NE

13 August 1999

Report of the auditors to the members of Safetran Limited

PricewaterhouseCoopers
Thames Court
1 Victoria Street
Windsor SL4 1HB
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Direct phone +44 (0) 1753 752208

We have audited the financial statements on pages 4 to 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 5 of the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

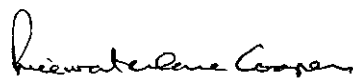
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

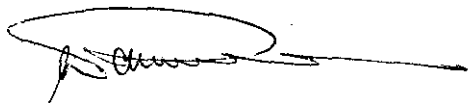
13 August 1999

Safetran Limited

Balance Sheet – As At 31 December 1998

	<i>Note</i>	1998 US\$	1997 US\$
Creditors – amounts falling due within one year			
Amounts owed to group undertakings		(4,779)	(4,779)
Net Liabilities	6	(4,779)	(4,779)
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(4,780)	(4,780)
Total Shareholders' Funds		(4,779)	(4,779)

Approved By The Board On 13 August 1999



W S Morrison
Director

The notes on page 5 form part of these accounts.

Safetran Limited

Notes To The Financial Statements – 31 December 1998

1 Accounting Policies

(1) Basis of preparation

The financial statements are prepared in United States Dollars under the historical cost convention and in accordance with applicable accounting standards.

2 Trading Results

The Company did not trade during the current or prior year and received no income nor incurred any expenditure. Consequently the Company made neither a profit, recognised gain nor a loss during the current or prior year.

None of the Directors received any emoluments in respect of their services to the Company. Auditors' remuneration is borne by a fellow subsidiary.

3 Taxation

No provision has been made in these accounts for current corporation tax since the Company incurred neither a taxable profit nor an allowable loss for the year. At the balance sheet date the Company had no potential deferred tax liability.

4 Called Up Share Capital

	1998 US\$	1997 US\$
Authorised: 1,000 ordinary shares of £1 each		
Issued and fully paid: 1,000 ordinary shares of £1 each	1	1

The share capital of the Company is comprised wholly of equity capital.

5 Ultimate Holding Company

At the balance sheet date, the Company was a wholly owned subsidiary of Kenwake Limited. Copies of the financial statements may be obtained from OOCL House, Levington Park, Bridge Road, Levington, Suffolk.

The ultimate holding Company is Orient Overseas (International) Limited, which is incorporated in Bermuda and registered in Hong Kong. Copies of the financial statements may be obtained from Orient Overseas (International) Limited, 33rd Floor, Harbour Centre, 25 Harbour Road, Hong Kong.

Transactions with other companies within the group are not disclosed as the Company has taken advantage of the exemption available under Financial Reporting Standard No 8 "Related Party Disclosures," as the consolidated accounts of Orient Overseas (International) Limited in which the Company is included are available at the address noted above.

Safetran Limited

Notes To The Financial Statements – 31 December 1998

6 Financial Support

The ultimate holding company, Orient Overseas (International) Limited, has informed the Company that its present intention is to provide adequate financial support for the continued operations of the Company.