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ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with members' limited liability)

(Stock code: 316)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2022

The Directors of Orient Overseas (International) Limited (the "Company" or "OOIL") announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th June 2022. The following financial information, including the Group's unaudited condensed consolidated balance sheet as at 30th June 2022 and the unaudited condensed consolidated profit and loss account, the unaudited condensed consolidated statement of comprehensive income, the unaudited condensed consolidated cash flow statement and the unaudited condensed consolidated statement of changes in equity for the six-month period and explanatory notes 1 to 22 as presented below are extracted from the Interim Financial Information which has been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Condensed Consolidated Profit and Loss Account (Unaudited) For the six months ended 30th June 2022

US\$'000	Note	2022	2021
Revenue	5, 6	11,061,132	6,987,582
Operating costs		<u>(4,941,101)</u>	<u>(3,672,430)</u>
Gross profit		6,120,031	3,315,152
Other operating income		54,052	27,712
Business and administrative expenses		(462,734)	(482,994)
Net impairment losses on financial assets		(12,758)	(6,837)
Other gains, net		<u>46,840</u>	<u>1,973</u>
Operating profit	7	5,745,431	2,855,006
Finance costs	9	(28,124)	(29,757)
Share of profits of joint ventures		1,664	2,280
Share of profits of associated companies		<u>4,630</u>	<u>8,399</u>
Profit before taxation		5,723,601	2,835,928
Taxation	10	<u>(59,489)</u>	<u>(24,872)</u>
Profit for the period		<u>5,664,112</u>	<u>2,811,056</u>
Profit attributable to:			
Equity holders of the Company		5,663,643	2,810,857
Non-controlling interests		<u>469</u>	<u>199</u>
		<u>5,664,112</u>	<u>2,811,056</u>
Earnings per ordinary share (US\$)	11		
Basic and diluted		<u>8.58</u>	<u>4.42</u>

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the six months ended 30th June 2022

US\$'000	2022	2021
Profit for the period	<u>5,664,112</u>	<u>2,811,056</u>
Other comprehensive (loss)/income:		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement gains on defined benefit schemes	923	14,434
Investments at fair value through other comprehensive income		
Change in fair value	<u>-</u>	<u>(6,688)</u>
Total amount that will not be subsequently reclassified to profit or loss	<u>923</u>	<u>7,746</u>
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Currency translation adjustments		
Foreign subsidiaries	(17,878)	162
Joint ventures	(395)	102
Associated companies	(5,004)	1,408
Release of reserve upon disposal of a subsidiary and associated companies	<u>(7,917)</u>	<u>-</u>
Total amount that has been reclassified or may be reclassified subsequently to profit or loss	<u>(31,194)</u>	<u>1,672</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(30,271)</u>	<u>9,418</u>
Total comprehensive income for the period	<u>5,633,841</u>	<u>2,820,474</u>
Total comprehensive income attributable to:		
Equity holders of the Company	5,633,486	2,820,310
Non-controlling interests	<u>355</u>	<u>164</u>
	<u>5,633,841</u>	<u>2,820,474</u>

Condensed Consolidated Balance Sheet (Unaudited)
As at 30th June 2022

US\$'000	Note	30th June 2022	31st December 2021
ASSETS			
Non-current assets			
Property, plant and equipment	13	4,062,770	4,047,629
Right-of-use assets	13	2,806,973	2,801,858
Investment property	13	285,000	285,000
Investments in joint ventures and associated companies		106,194	117,164
Intangible assets	13	4,268	7,656
Deferred taxation assets		32,525	7,570
Pension and retirement assets		15,485	12,248
Restricted bank balances		2	326
Investments at fair value through other comprehensive income		34	42
Investments at amortised cost		62,987	98,335
Other non-current assets		19,415	17,302
		<u>7,395,653</u>	<u>7,395,130</u>
Current assets			
Inventories		226,388	153,064
Debtors and prepayments	14	1,269,008	975,657
Investments at amortised cost		40,264	15,003
Portfolio investments at fair value through profit or loss		46,608	56,256
Tax recoverable		7,766	5,855
Restricted bank balances		4,538	2,550
Cash and bank balances		10,922,473	7,197,101
		<u>12,517,045</u>	<u>8,405,486</u>
Assets held for sale		<u>-</u>	<u>46,361</u>
		<u>12,517,045</u>	<u>8,451,847</u>
Total assets		<u>19,912,698</u>	<u>15,846,977</u>
EQUITY			
Equity holders			
Share capital	15	66,037	66,037
Reserves	16	13,058,210	9,603,620
		<u>13,124,247</u>	<u>9,669,657</u>
Non-controlling interests		<u>2,434</u>	<u>2,079</u>
Total equity		<u>13,126,681</u>	<u>9,671,736</u>
LIABILITIES			
Non-current liabilities			
Borrowings	17	192,582	211,941
Lease liabilities	18	1,592,460	1,816,655
Deferred taxation liabilities		199,966	198,529
Provision	19	651,745	651,745
		<u>2,636,753</u>	<u>2,878,870</u>
Current liabilities			
Creditors and accruals	20	3,177,989	2,479,513
Borrowings	17	38,716	38,716
Lease liabilities	18	766,939	623,328
Current taxation		165,620	154,814
		<u>4,149,264</u>	<u>3,296,371</u>
Total liabilities		<u>6,786,017</u>	<u>6,175,241</u>
Total equity and liabilities		<u>19,912,698</u>	<u>15,846,977</u>

Condensed Consolidated Cash Flow Statement (Unaudited)
For the six months ended 30th June 2022

US\$'000	2022	2021
Cash flows from operating activities		
Cash generated from operations	6,340,396	2,993,263
Interest and financing charges paid	(23,088)	(22,130)
Income tax paid	(74,235)	(16,577)
Net cash from operating activities	<u>6,243,073</u>	<u>2,954,556</u>
Cash flows from investing activities		
Disposal/redemption on maturity of investments at amortised cost and decrease in portfolio investments at fair value through profit or loss	16,203	49,848
Proceeds from disposal of property, plant and equipment	89,374	18,641
Purchase of property, plant and equipment and other non-current assets	(96,716)	(156,119)
Disposal of a subsidiary and an associated company	52,475	-
Decrease/(increase) in restricted bank balances and bank deposits maturing more than three months from the date of placement	599,065	(1,081,195)
Interest received	42,640	11,764
Movements of other investing activities	3,759	15,702
Net cash from/(used in) investing activities	<u>706,800</u>	<u>(1,141,359)</u>
Cash flows from financing activities		
Repayment of loans	(19,428)	(105,608)
Repayment of lease liabilities	(408,364)	(136,423)
Issue of shares, net of share issuance expenses	-	119,101
Dividends paid to equity holders of the Company	(2,179,232)	(872,062)
Net cash used in financing activities	<u>(2,607,024)</u>	<u>(994,992)</u>
Net increase in cash and cash equivalents	4,342,849	818,205
Cash and cash equivalents at beginning of period	3,940,809	1,398,109
Currency translation adjustments	(16,748)	545
Cash and cash equivalents at end of period	<u>8,266,910</u>	<u>2,216,859</u>
Analysis of cash and cash equivalents		
Cash and bank balances	10,922,473	4,972,075
Bank deposits maturing more than three months from the date of placement	(2,655,563)	(2,755,216)
Cash and cash equivalents at end of period	<u>8,266,910</u>	<u>2,216,859</u>

Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the six months ended 30th June 2022

US\$'000	Equity holders			Non-controlling interests	Total
	Share capital	Reserves	Sub-total		
At 31st December 2021	66,037	9,603,620	9,669,657	2,079	9,671,736
Total comprehensive income for the period	-	5,633,486	5,633,486	355	5,633,841
Transactions with owners					
Employee share-based compensation	-	336	336	-	336
2021 final dividend	-	(1,723,574)	(1,723,574)	-	(1,723,574)
2021 second special dividend	-	(455,658)	(455,658)	-	(455,658)
At 30th June 2022	66,037	13,058,210	13,124,247	2,434	13,126,681
At 31st December 2020	62,579	5,579,535	5,642,114	380	5,642,494
Total comprehensive income for the period	-	2,820,310	2,820,310	164	2,820,474
Transactions with owners					
Issue of shares, net of share issuance expenses	1,140	117,961	119,101	-	119,101
Employee share-based compensation	-	1,098	1,098	-	1,098
2020 final dividend	-	(320,253)	(320,253)	-	(320,253)
2020 special dividend	-	(551,809)	(551,809)	-	(551,809)
At 30th June 2021	63,719	7,646,842	7,710,561	544	7,711,105

Notes to the Interim Financial Information

1. General information

The Company is a members' limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal office is 31st Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong, China.

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

The ultimate parent company of the Group is China COSCO SHIPPING Corporation Limited ("COSCO SHIPPING"), a state-owned enterprise established in the People's Republic of China (the "PRC").

This interim financial information is presented in US dollar, unless otherwise stated.

This interim financial information was approved by the Board of Directors on 19th August 2022.

2. Basis of preparation

The interim financial information has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA. They have been prepared under the historical cost convention, as modified by the revaluation of investment property, investments at fair value through other comprehensive income and portfolio investments at fair value through profit or loss which are carried at fair value and in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA.

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual consolidated financial statements for the year ended 31st December 2021 except for the adoption of amendments and improvement to existing standards effective for the financial year ending 31st December 2022.

2. Basis of preparation (Continued)

The adoption of revised standards

In 2022, the Group adopted the following amendments and improvement to existing standards, which are relevant to its operations.

Amendments and improvement to existing standards	
HKAS 16 (Amendment)	Property, Plant and Equipment - Proceeds before Intended Use
HKAS 37 (Amendment)	Onerous Contracts - Cost of Fulfilling a Contract
HKFRSs	Annual Improvements 2018 - 2020 Reporting Cycle
HKFRS 3 (Amendment)	Business Combinations
HKFRS 16 (Amendment)	COVID-19 Related Rent Concessions beyond 30th June 2021

The adoption of the above amendments and improvement to existing standards does not have a material impact to the results and financial position of the Group.

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

New standard and amendments to existing standards		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1st January 2023
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1st January 2023
HKAS 8 (Amendment)	Definition of Accounting Estimates	1st January 2023
HKAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1st January 2023
HKFRS 17	Insurance Contracts	1st January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

2. Basis of preparation (Continued)

New standard and amendments to existing standards that are relevant to the Group but not yet effective (Continued)

The adoption of the above new standard and amendments to existing standards is not expected to have a significant effect on the consolidated financial statements of the Group.

3. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended 31st December 2021.

3.1 Fair value estimation

The financial instruments that are measured in the consolidated balance sheet at fair value, require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair value at 30th June 2022:

US\$'000	Level 1	Level 3	Total
Assets			
Portfolio investments at fair value through profit or loss			
Equity securities	13,684	-	13,684
Debt securities	32,924	-	32,924
Investments at fair value through other comprehensive income			
Unlisted equity securities	-	34	34
Total	46,608	34	46,642

3. Financial risk management (Continued)

3.1 Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value at 31st December 2021:

US\$'000	Level 1	Level 3	Total
Assets			
Portfolio investments at fair value through profit or loss			
Equity securities	16,874	-	16,874
Debt securities	39,382	-	39,382
Investments at fair value through other comprehensive income			
Unlisted equity securities	-	42	42
Total	<u>56,256</u>	<u>42</u>	<u>56,298</u>

There were no transfers among levels 1, 2 and 3 during the period.

Specific valuation techniques used to value levels 2 and 3 financial instruments include:

- Dealer quotes.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

There were no changes in valuation techniques during the period.

Instruments included in level 3 comprise unlisted equity securities classified as investments at fair value through other comprehensive income.

3. Financial risk management (Continued)

3.1 Fair value estimation (Continued)

The following table presents the changes in level 3 instruments:

	US\$'000
At 31st December 2021	42
Disposals	<u>(8)</u>
At 30th June 2022	<u><u>34</u></u>
	US\$'000
At 31st December 2020	7,895
Currency translation adjustments	(1)
Disposals	(1,163)
Fair value change recognised in other comprehensive income	<u>(6,688)</u>
At 30th June 2021	<u><u>43</u></u>

3.2 Fair values of financial assets and liabilities measured at amortised cost

	<u>Carrying amounts</u>		<u>Fair values</u>	
	30th June 2022	31st December 2021	30th June 2022	31st December 2021
US\$'000				
Investments at amortised cost	<u><u>103,251</u></u>	<u><u>113,338</u></u>	<u><u>102,323</u></u>	<u><u>120,601</u></u>

The fair values of the following financial assets and liabilities approximate their carrying amounts:

- Debtors and prepayments
- Cash and bank balances
- Restricted bank balances
- Other current financial assets
- Creditors and accruals
- Borrowings
- Other current financial liabilities

4. Critical accounting estimates and judgements

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions applied in the preparation of the interim financial information are consistent with those used in the annual consolidated financial statements for the year ended 31st December 2021.

5. Revenue

US\$'000	2022	2021
Container transport and logistics	11,049,611	6,975,320
Others	11,521	12,262
	<u>11,061,132</u>	<u>6,987,582</u>

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

Revenue comprises gross freight income, charter hire, service and other income from the operation of the container transport and logistics and rental income from the investment property.

6. Segment information

The principal activities of the Group are container transport and logistics. Container transport and logistics include global containerised shipping services in major trade lanes, covering Trans-Pacific, Trans-Atlantic, Asia/Europe, Asia/Australia and Intra-Asia trades, and integrated services over the management and control of effective storage and flow of goods. In accordance with the Group's internal financial reporting provided to the chief operating decision-makers, who are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are container transport and logistics and others. The Executive Directors are the Group's chief operating decision-makers.

6. Segment information (Continued)

Operating segments

The segment results for the six months ended 30th June 2022 are as follows:

US\$'000	Container transport and logistics	Others	Total
Revenue from contracts with customers:			
Over time	11,049,611	-	11,049,611
Revenue from other source:			
Rental income	-	11,521	11,521
	<u>11,049,611</u>	<u>11,521</u>	<u>11,061,132</u>
Other operating income	50,859	3,193	54,052
	<u>11,100,470</u>	<u>14,714</u>	<u>11,115,184</u>
Operating profit	5,742,786	2,645	5,745,431
Finance costs	(28,124)	-	(28,124)
Share of profits of joint ventures	1,664	-	1,664
Share of profits of associated companies	4,630	-	4,630
Profit before taxation	5,720,956	2,645	5,723,601
Taxation	(57,933)	(1,556)	(59,489)
Profit for the period	5,663,023	1,089	5,664,112
Fair value loss from an investment property	-	824	824
Additions to non-current assets*	489,608	884	490,492
Depreciation of property, plant and equipment	158,305	10	158,315
Depreciation of right-of-use assets	250,601	-	250,601
Amortisation of intangible assets	4,404	-	4,404

6. Segment information (Continued)

Operating segments (Continued)

The segment results for the six months ended 30th June 2021 are as follows:

US\$'000	Container transport and logistics	Others	Total
Revenue from contracts with customers:			
Over time	6,975,320	-	6,975,320
Revenue from other source:			
Rental income	-	12,262	12,262
	<u>6,975,320</u>	<u>12,262</u>	<u>6,987,582</u>
Other operating income	13,613	14,099	27,712
	<u>6,988,933</u>	<u>26,361</u>	<u>7,015,294</u>
Operating profit	2,842,332	12,674	2,855,006
Finance costs	(29,757)	-	(29,757)
Share of profits of joint ventures	2,280	-	2,280
Share of profits of associated companies	8,399	-	8,399
Profit before taxation	<u>2,823,254</u>	<u>12,674</u>	<u>2,835,928</u>
Taxation	(23,612)	(1,260)	(24,872)
Profit for the period	<u>2,799,642</u>	<u>11,414</u>	<u>2,811,056</u>
Additions to non-current assets*	297,026	-	297,026
Depreciation of property, plant and equipment	127,731	6	127,737
Depreciation of right-of-use assets	109,945	-	109,945
Amortisation of intangible assets	9,160	-	9,160

* Additions to non-current assets comprise additions to property, plant and equipment, right-of-use assets, investment property and intangible assets.

6. Segment information (Continued)

Operating segments (Continued)

The segment assets and liabilities at 30th June 2022 are as follows:

US\$'000	Container transport and logistics	Others	Group
Segment assets	19,314,001	483,534	19,797,535
Joint ventures	10,673	-	10,673
Associated companies	104,490	-	104,490
Total assets	19,429,164	483,534	19,912,698
Segment liabilities	(6,638,704)	(147,313)	(6,786,017)

The segment assets and liabilities at 31st December 2021 are as follows:

US\$'000	Container transport and logistics	Others	Group
Segment assets	15,179,062	504,390	15,683,452
Joint ventures	11,894	-	11,894
Associated companies	105,270	-	105,270
	15,296,226	504,390	15,800,616
Assets held for sale	46,361	-	46,361
Total assets	15,342,587	504,390	15,846,977
Segment liabilities	(6,025,462)	(149,779)	(6,175,241)

The segment of “Others” primarily includes assets and liabilities of property investment and corporate level activities. Assets under the segment of “Others” consist primarily of investment property, investments at amortised cost and portfolio investments at fair value through profit or loss. Liabilities under the segment of “Others” primarily include creditors and accruals and deferred taxation liabilities related to property investment and corporate level activities.

6. 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	Additions to non-current assets [#]
Six months ended 30th June 2022		
Asia	9,110,712	15,732
Europe	1,316,312	1,091
North America	462,405	1,275
Australia	171,703	40
Unallocated*	-	472,354
	<u>11,061,132</u>	<u>490,492</u>
Six months ended 30th June 2021		
Asia	5,588,573	13,358
Europe	877,285	1,336
North America	411,343	222
Australia	110,381	38
Unallocated*	-	282,072
	<u>6,987,582</u>	<u>297,026</u>

[#] Additions to non-current assets comprise additions to property, plant and equipment, right-of-use assets, investment property and intangible assets.

* Unallocated additions to non-current assets comprise additions to container vessels and capitalised dry-docking costs, containers and computer software costs.

7. Operating profit

US\$'000	2022	2021
Operating profit is arrived at after crediting:		
Interest income from banks	49,218	15,026
Interest income from deposits in a fellow subsidiary	545	105
Interest income from investments at amortised cost	2,314	2,625
Gross rental income from an investment property	11,521	12,262
Dividend income from investments at fair value through other comprehensive income	2	6,695
Gain on disposal of property, plant and equipment	64,554	12,616
Gain on disposal of a subsidiary and associated companies	15,764	-
Gain on disposal of investments at amortised cost	59	-
Income from portfolio investments at fair value through profit or loss		
Fair value gain (realised and unrealised)	-	357
Interest income	702	1,302
Distribution	122	295
Dividend income	53	57
	<u> </u>	<u> </u>
and after charging:		
Fair value loss from an investment property	824	-
Loss on written-off of right-of-use assets	812	64
Loss on written-off of intangible assets	-	16
Fair value loss on portfolio investments at fair value through profit or loss (realised and unrealised)	3,623	-
Exchange loss	28,278	10,920
	<u> </u>	<u> </u>

8. Key management compensation

US\$'000	2022	2021
Salaries, discretionary bonuses and other employee benefits	9,432	7,462
Estimated money value of other benefits	9	10
Pension costs - defined contribution plans	676	533
Share-based compensation	96	193
	<u>10,213</u>	<u>8,198</u>

The Group usually determines and pays discretionary bonuses to employees (including Directors) around May each year based on the actual financial results of the Group for the preceding year. The discretionary bonuses shown above represent actual payments to the Directors and individuals during the current financial period in relation to performance for the preceding year.

9. Finance costs

US\$'000	2022	2021
Interest expense		
Bank loans	2,121	7,198
Lease liabilities	30,467	24,290
	<u>32,588</u>	<u>31,488</u>
Amount capitalised under assets under construction	(4,464)	(1,731)
Net interest expense	<u>28,124</u>	<u>29,757</u>

10. Taxation

US\$'000	2022	2021
Current taxation		
PRC enterprise income tax	28,588	7,367
HKSAR profits tax	4,796	2,324
Overseas taxation	49,899	19,062
	<u>83,283</u>	<u>28,753</u>
Deferred taxation		
PRC enterprise income tax	(3,371)	(61)
HKSAR profits tax	(1,580)	(243)
Overseas taxation	(18,843)	(3,577)
	<u>(23,794)</u>	<u>(3,881)</u>
	<u>59,489</u>	<u>24,872</u>

10. Taxation (Continued)

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 period. These rates range from 2.5% to 34.2% (2021: 5% to 35%) and the rates applicable to the withholding tax for undistributed earnings of subsidiaries range from 5% to 30% (2021: 10% to 30%). The HKSAR profits tax for ocean freight transportation business is charged based on the relevant entity's Hong Kong-sourced income (i.e. at a percentage of the total worldwide ocean freight transportation business profit) under the HKSAR tax incentive regime for international shipping businesses and at the applicable tax rate of 16.5% (2021: 16.5%).

11. 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 weighted average number of ordinary shares in issue during the period.

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

	2022	2021
Weighted average number of ordinary shares in issue (thousands)	<u>660,373</u>	<u>635,430</u>
Group's profit attributable to equity holders of the Company (US\$'000)	<u>5,663,643</u>	<u>2,810,857</u>
Earnings per share attributable to equity holders of the Company (US\$)	<u>8.58</u>	<u>4.42</u>

12. Dividends

The final and second special dividends for 2021 of US\$1,723.6 million and US\$455.7 million respectively have been accounted for as an appropriation of retained profit in the six months ended 30th June 2022.

The Board of Directors declares an interim dividend of US\$3.43 (HK\$26.754 at the exchange rate of US\$1 : HK\$7.8) (2021: US\$1.76 (HK\$13.728 at the exchange rate of US\$1 : HK\$7.8)) per ordinary share for the six months ended 30th June 2022 on 19th August 2022. In addition, the Board of Directors declares a special dividend of US\$2.57 (HK\$20.046 at the exchange rate of US\$1 : HK\$7.8) (2021: US\$2.65 (HK\$20.670 at the exchange rate of US\$1 : HK\$7.8)) per ordinary share for the six months ended 30th June 2022 on 19th August 2022.

13. Capital expenditure

US\$'000	Property, plant and equipment	Right-of-use assets	Investment property	Intangible assets	Total
Net book amounts					
At 31st December 2021	4,047,629	2,801,858	285,000	7,656	7,142,143
Currency translation adjustments	(1,514)	(6,321)	-	(22)	(7,857)
Fair value loss	-	-	(824)	-	(824)
Additions	128,290	360,340	824	1,038	490,492
Reclassification, disposals/written off	46,680	(98,303)	-	-	(51,623)
Depreciation and amortisation	(158,315)	(250,601)	-	(4,404)	(413,320)
At 30th June 2022	4,062,770	2,806,973	285,000	4,268	7,159,011
At 31st December 2020	3,744,666	2,303,265	280,000	18,856	6,346,787
Currency translation adjustments	134	(1,737)	-	39	(1,564)
Additions	133,671	162,991	-	364	297,026
Disposals/written off	(6,025)	(68)	-	(16)	(6,109)
Depreciation and amortisation	(127,737)	(109,945)	-	(9,160)	(246,842)
At 30th June 2021	3,744,709	2,354,506	280,000	10,083	6,389,298

14. Debtors and prepayments

US\$'000	30th June 2022	31st December 2021
Trade receivables		
Third parties	911,842	642,286
Joint ventures	1,156	-
Fellow subsidiaries	10,404	12,044
Related companies	3,619	8,973
Less: Provision for impairment	<u>(85,459)</u>	<u>(73,133)</u>
Trade receivables - net	841,562	590,170
Other debtors	175,757	132,566
Other prepayments	185,700	215,579
Utility and other deposits	15,293	17,467
Amounts due from related parties		
Joint ventures	366	-
Associated companies	7,447	-
Fellow subsidiaries	36,882	19,719
Related companies	<u>6,001</u>	<u>156</u>
	<u><u>1,269,008</u></u>	<u><u>975,657</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 balances are requested to settle all outstanding balances before any further credit is granted.

The ageing analysis of the Group's trade receivables, net of provision for impairment, prepared in accordance with the dates of invoices, is as follows:

US\$'000	30th June 2022	31st December 2021
Below 1 month	644,575	438,170
2 to 3 months	190,614	142,476
4 to 6 months	5,793	8,640
Over 6 months	<u>580</u>	<u>884</u>
	<u><u>841,562</u></u>	<u><u>590,170</u></u>

15. Share capital

US\$'000	30th June 2022	31st December 2021
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
	<u>205,000</u>	<u>205,000</u>
Issued and fully paid:		
660,373,297 ordinary shares of US\$0.10 each	66,037	66,037

16. Reserves

US\$'000	Share premium	Employee share-based compensation reserve	Contributed surplus	Capital redemption reserve	Investments revaluation reserve	Foreign exchange translation reserve	Retained profit	Total
At 31st December 2021	734,717	9,511	88,547	4,696	-	38,231	8,727,918	9,603,620
Total comprehensive income/(loss) for the period	-	-	-	-	-	(31,080)	5,664,566	5,633,486
Transactions with owners								
Employee share-based compensation	-	336	-	-	-	-	-	336
2021 final dividend	-	-	-	-	-	-	(1,723,574)	(1,723,574)
2021 second special dividend	-	-	-	-	-	-	(455,658)	(455,658)
At 30th June 2022	734,717	9,847	88,547	4,696	-	7,151	12,213,252	13,058,210
At 31st December 2020	172,457	7,427	88,547	4,696	6,688	42,387	5,257,333	5,579,535
Total comprehensive income/(loss) for the period	-	-	-	-	(6,688)	1,707	2,825,291	2,820,310
Transactions with owners								
Issue of shares, net of share issuance expenses	117,961	-	-	-	-	-	-	117,961
Employee share-based compensation	-	1,098	-	-	-	-	-	1,098
2020 final dividend	-	-	-	-	-	-	(320,253)	(320,253)
2020 special dividend	-	-	-	-	-	-	(551,809)	(551,809)
At 30th June 2021	290,418	8,525	88,547	4,696	-	44,094	7,210,562	7,646,842

17. Borrowings

US\$'000	30th June 2022	31st December 2021
Non-current		
Bank loans		
Secured	<u>192,582</u>	<u>211,941</u>
Current		
Bank loans		
Secured	<u>38,716</u>	<u>38,716</u>
Total borrowings	<u>231,298</u>	<u>250,657</u>

18. Lease liabilities

US\$'000	30th June 2022	31st December 2021
Non-current	1,592,460	1,816,655
Current	<u>766,939</u>	<u>623,328</u>
	<u>2,359,399</u>	<u>2,439,983</u>

19. Provision

The Group entered into the Terminal Service Agreement (“TSA”) in October 2019 to which the Group committed to place, or procure the placement of an annual minimum number of vessel lifts in Long Beach Container Terminal (“LBCT”) for 20 years. Failure to meet the committed volume for each contract year would require certain level of deficiency payment as stipulated in the TSA.

As at 30th June 2022, the Group reassessed the expected number of vessel lifts in LBCT for each of the remaining contract years with reference to future prospects of the market and its expected load factor. The overall economic environment in the USA is still highly uncertain under the COVID-19 pandemic. It is expected that a slower economy growth would affect the demand/import of the USA for some time as the economy shall take years to recover from various pandemic impact. The operational results for the LBCT routes were very strong in the first half of 2022, which were primarily due to the high freight rates, driven by the terminal congestion and shortage in supply of container vessels. However, management does not expect such high freight rates are sustainable in the medium to long term. As at 30th June 2022, with these uncertainties over such long-term contract period, management reassessed that the projected vessel lifts in LBCT would continue lead to a shortfall on minimum volume commitment over the remaining contract period. The Group estimated an onerous contract provision of US\$651.7 million as at 30th June 2022 (31st December 2021: US\$651.7 million).

20. Creditors and accruals

US\$'000	30th June 2022	31st December 2021
Trade payables		
Third parties	236,554	196,391
Joint ventures	51	180
Fellow subsidiaries	40,644	30,963
Related companies	<u>19,160</u>	<u>14,297</u>
	296,409	241,831
Other creditors	201,043	159,187
Accrued expenses*	2,637,884	2,035,487
Contract liabilities	33,418	25,713
Amounts due to related parties		
Joint ventures	3,792	6,854
Fellow subsidiaries	5,195	10,174
Related companies	<u>248</u>	<u>267</u>
	<u>3,177,989</u>	<u>2,479,513</u>

* Accrued expenses mainly represent provision for operating costs for container transport operation and accrued discretionary bonuses.

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

US\$'000	30th June 2022	31st December 2021
Below 1 month	253,272	187,640
2 to 3 months	36,601	48,835
4 to 6 months	3,216	305
Over 6 months	<u>3,320</u>	<u>5,051</u>
	<u>296,409</u>	<u>241,831</u>

21. Commitments

(a) Capital commitments - Property, plant and equipment

US\$'000	30th June 2022	31st December 2021
Contracted but not provided for		
Vessels under construction	3,018,658	3,065,362
Others	<u>93,072</u>	<u>94,454</u>
	<u><u>3,111,730</u></u>	<u><u>3,159,816</u></u>

(b) Lease commitments

The future aggregate minimum lease rental expenses under non-cancellable short-term leases or low-value leases are payable in the following years:

US\$'000	Vessels and equipment	Land and buildings	Total
At 30th June 2022			
Less than 1 year	118,040	1,561	119,601
Between 1 and 2 years	72,386	-	72,386
Between 2 and 5 years	183,482	-	183,482
Over 5 years	<u>57,966</u>	-	<u>57,966</u>
	<u><u>431,874</u></u>	<u><u>1,561</u></u>	<u><u>433,435</u></u>
At 31st December 2021			
Less than 1 year	96,996	1,201	98,197
Between 1 and 2 years	64,779	-	64,779
Between 2 and 5 years	172,588	-	172,588
Over 5 years	<u>77,344</u>	-	<u>77,344</u>
	<u><u>411,707</u></u>	<u><u>1,201</u></u>	<u><u>412,908</u></u>

22. Significant related party transactions

The Company is controlled by COSCO SHIPPING, the ultimate parent company and a state-owned enterprise established in the PRC.

COSCO SHIPPING itself is controlled by the PRC government, which also owns a significant portion of the productive assets in the PRC. Government-related entities and their subsidiaries directly or indirectly controlled, jointly controlled or significantly influenced by the PRC government are defined as related parties of the Group. On that basis, related parties include COSCO SHIPPING and its subsidiaries (other than the Group) (collectively referred to as “COSCO SHIPPING Group”) and related entities of COSCO SHIPPING (including joint ventures and associated companies), other government-related entities and their subsidiaries, entities in which the Company is able to exercise joint control or significant influence, and key management personnel of the Company and COSCO SHIPPING as well as their close family members.

For the purpose of related party transaction disclosures, the Directors believe that it is meaningful to disclose the related party transactions with COSCO SHIPPING Group companies and related entities of COSCO SHIPPING (including joint ventures and associated companies) for the interests of financial statements users, although certain of those transactions which are individually or collectively not significant are exempted from disclosure. The Directors believe that the information of related party transactions has been adequately disclosed in the interim financial information.

In addition to the related party information and transactions disclosed elsewhere in the interim financial information, the following is a summary of significant related party transactions conducted in the ordinary course of business between the Group and its related parties during the period.

22. Significant related party transactions (Continued)

(a) Transactions with COSCO SHIPPING Group and related entities of COSCO SHIPPING (including joint ventures and associated companies)

US\$'000	2022	2021
Income		
Container transport income (note ii)	228,507	155,870
Freight forwarding income	4,183	3,603
Terminal handling and storage income	3,031	2,689
Service income		
Vessels	25,991	28,078
Containers	14,040	3,715
IT service income	16,824	17,194
Interest income	545	105
Expenses		
Cargo transportation costs	46,387	61,127
Freight forwarding expenses	50,022	24,239
Terminal charges (note iii)	117,131	76,606
Expenses relating to short-term leases and leases with low-value assets		
Vessels	51,008	41,700
Containers	18,541	18,594
Land and buildings	399	218
Slot hire expenses	168,712	84,597
Purchase of bunker (note iv)	144,993	65,244
Crew expenses	1,081	1,004
Service fee	150	202
Others		
Purchase of containers	3,000	81,416
Instalments of vessels under construction	46,704	-

22. Significant related party transactions (Continued)

(b) Transactions with a joint venture of the Group

US\$'000	2022	2021
Income		
Container transport income	<u>108</u>	<u>102</u>
Expenses		
Cargo transportation costs	<u>6,034</u>	<u>5,338</u>

(c) Transactions with other related parties

US\$'000	2022	2021
Income		
Container transport income	<u>205</u>	<u>1,767</u>
Expenses		
Cargo transportation costs	19,717	12,753
Terminal charges	21,844	20,567
Expenses relating to short-term leases and leases with low-value assets		
Containers	36	19
Slot hire expenses	2,145	-
Crew expenses	<u>2</u>	<u>-</u>
Others		
Purchase of containers	<u>-</u>	<u>30,000</u>

(d) Transactions with state-owned banks

As at 30th June 2022, approximately 90% (31st December 2021: 90%) of the Group's bank balances and 40% (31st December 2021: 40%) of the Group's borrowings are with state-owned banks.

22. Significant related party transactions (Continued)

Notes:

- (i) These transactions were conducted either (i) based on terms as governed by the master agreements and subsisting agreements entered into between the Group and COSCO SHIPPING Group or (ii) based on terms as set out in the underlying agreements, statutory rates or market prices or actual costs incurred, or as mutually agreed between the Group and the parties in concern.
- (ii) Container transport income of US\$80.3 million (2021: US\$69.8 million) were transacted with the associated companies and joint ventures of COSCO SHIPPING during the six months ended 30th June 2022.
- (iii) Terminal charges of US\$73.6 million (2021: US\$49.8 million) were transacted with the associated companies and a joint venture of COSCO SHIPPING during the six months ended 30th June 2022.
- (iv) Bunker of US\$102.4 million (2021: US\$57.8 million) was purchased from a joint venture of COSCO SHIPPING during the six months ended 30th June 2022.

Results for First Half 2022

For the first six months of 2022, the Group recorded a profit attributable to equity holders of US\$5,663.6 million, compared to a profit of US\$2,810.9 million for the corresponding period of 2021.

OOIL INTERIM RESULTS ANALYSIS		
<i>(US\$'000)</i>	2022	2021
Profit Before Taxation by Activity:		
Container Transport and Logistics	5,720,956	2,823,254
Other Activities	2,645	12,674
Profit Before Taxation	5,723,601	2,835,928
Taxation	(59,489)	(24,872)
Profit for the Period Ended 30th June	5,664,112	2,811,056
Non-Controlling Interests	(469)	(199)
Profit Attributable to Equity Holders	5,663,643	2,810,857

Review of Operations

The outstanding performance of the Group was driven by the continuing extraordinary conditions prevailing in the container shipping market. As has been the case for over two years, our market is neither enjoying an extraordinary demand boom, nor suffering from any lack of vessels in deployment. Rather, levels of demand, which are better than expected but not phenomenally strong, continue to outpace the effective level of supply, which is under significant downward pressure from a combination of congestion, delays and disruptions. Understanding this is key to any analysis of the current market situation and of the outlook.

These market forces pushed freight rates upwards on most tradelanes, and it is these market forces, in addition to our usual careful attention to cost control, that have driven the strong profitability that has been achieved during the period.

Throughout this period, it has been more important than ever to work closely with our customers. In times of congestion and disrupted schedules, communication and co-operation help not only to mitigate the challenges of the current operational situation, but also serve to consolidate and deepen relationships. We are proud of our reputation for excellent customer service, and we believe that our efforts through these turbulent times will stand us in good stead as we seek to extend collaboration with our customers.

The first six months of 2022 produced the highest half-year revenue in the Group's history. Compared to the same period in 2021, OOCL's total liner liftings for the first half of 2022 reduced by 7%, total revenue increased by 61%, and revenue per TEU increased by 74%.

Trans-Pacific liftings decreased by 14% compared to the same period in 2021, with revenue increasing by 78%. Revenue per TEU improved by 106%. In the Trans-Pacific Eastbound, liftings for the first half of 2022 decreased by 9% compared with the same period last year. Revenue increased by 84% and the revenue per TEU increased by 101%.

Overall liftings for Asia/Europe trade remained almost unchanged compared to the same period last year. Revenue on the other hand improved by 55%, resulting in revenue per TEU improving by 55%. The strong performance of this tradelane was driven by the same relationship between effective levels of supply and demand as affected the Trans-Pacific tradelanes. This generated a spot market that was able to hold on to its higher rate levels on most Asia/Europe routes, and this, in combination with higher contract rates for 2022, generated good results.

Liftings for Trans-Atlantic for the first half of 2022 fell by 15% compared to the same period last year, revenue and revenue per TEU increased by 70% and 101% respectively. While revenue improved on overall level, port congestion, especially along the US East Coast, was a key driver for lower liftings during this period. The industry as a whole has injected more capacity into the Trans-Atlantic routes in recent months, but despite this, the market remained stable.

Overall liftings fell by 6% on Intra-Asia (including Australasia) trades for the first half of 2022 when compared to the same period last year, revenue increased by 46% and the revenue per TEU increased by 55%. Port congestion at multiple locations around the region contributed to slower throughput and schedule delays, which in turn was a key factor behind the reduction in liftings that occurred despite a strong market.

The average price of bunker recorded by OOCL in the first half of 2022 was US\$729 per ton compared to US\$449 per ton for the corresponding period in 2021. The price increase of 62% in the first half of 2022 has led to a 46% increase in total bunker costs for the first half of 2022, as compared to the corresponding period in 2021, even though consumption of both fuel oil and diesel oil were lower in the first half of 2022 than in the corresponding period in 2021.

The Dual Brand strategy of the Group continues to bring us many advantages. During these challenging times, it has allowed us to access additional capacity to offer our customers, and to ensure that we minimise the risk of equipment shortages. One huge advantage of our Dual Brand strategy is that it allows us to continue to co-operate in this way, and to achieve tremendous savings through joint procurement and efficiencies of scale, without ever impairing our ability to provide complementary offerings to the market under the banner of each brand.

In the first half of 2022, no new-build container vessel was delivered, and no new order was placed by the Group. The twelve 23,000 TEU container vessels ordered by the Group in year 2020 are expected to be delivered starting from 2023, and the ten 16,000 TEU container vessels ordered last year will be delivered from 2024 fourth quarter to 2025 fourth quarter.

For the first half of 2022, OOCL Logistics revenue and contribution had good steady increment as compared with the same period last year. The revenue of the International Business Units exhibited healthy growth due to the growing demand of international logistics services. While Domestic Logistics continued to face fierce competition, the business unit still managed to maintain stable revenue. With the effort on streamlining processes and the use of IT systems, costs were further driven down and resulted in satisfying improvement in profitability.

Looking Forward

Looking forward, we see an array of conflicting signals that provide little clarity in terms of outlook. Undoubtedly, there are legitimate concerns about the impact of inflation and interest rate rises on consumer spending in many key economies. Even if US retail Inventory-to-Sales ratios remain low, we note some year-on-year increases in absolute levels of US inventory. Indeed, some larger US retailers have specifically reported that they are holding higher levels of inventory.

Yet at the same time, consumers are still purchasing new goods, even if not necessarily the same goods they were buying last year, and thus far there has not been a complete return of pre-pandemic patterns of spending on services as opposed to goods. Furthermore, forecasts from various port and retail sources in the US suggest ongoing resilience in the demand for imported goods.

At the time of writing, our ships are sailing full on our main long-haul tradelanes, and are forecast to continue to be fully loaded in the coming weeks. There has not been much evidence, so far, of the kind of significant seasonal uptick that is often a feature of the traditional Trans-Pacific peak season. We continue to monitor the situation closely.

Anyone trying to forecast the future of container shipping must focus on what has created the current market, being the relationship between supply and demand as mentioned above, and not on any one individual factor. A proper understanding of the current market and its outlook must calmly consider each of the wide range of causes that have created current market conditions.

OOIL, as part of the COSCO SHIPPING Group, continues to be in the vanguard of the advancement of the container shipping industry, and will work to provide ever more reliable and resilient services to our customers. Not only in terms of optimising our network and intelligent growth of our fleet, but also in terms of broader integrated supply chain “end-to-end” capabilities and our positioning among the leaders of the digitalisation of our industry, through IQAX, GSBN and FreightSmart. This commitment to investing in the future, along with our focus on ESG, and closer cooperation with our customers, will position us well to continue to be a *Vital Link to World Trade*.

Interim and Special Dividends

The Board of Directors of the Company (the “Board”) is pleased to announce an interim dividend of US\$3.43 (HK\$26.754 at the exchange rate of US\$1 : HK\$7.8) per ordinary share and a special dividend of US\$2.57 (HK\$20.046 at the exchange rate of US\$1 : HK\$7.8) per ordinary share for the six months ended 30th June 2022 to be paid on 11th October 2022 to the shareholders of the Company whose names appear on the register of members of the Company on 7th September 2022. 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”) at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 27th September 2022.

Closure of Register of Members

The register of members of the Company will be closed from 5th September 2022 to 7th September 2022, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim and special dividends, all share transfer documents 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 2nd September 2022.

Purchase, Sale or Redemption of Shares

During the six-month period ended 30th June 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed 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 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 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 (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 period from 1st January 2022 to 30th June 2022, the Company complied with the SEHK Code.

Review of Financial Statements

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th June 2022, in conjunction with the external and internal auditors of the Company.

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 throughout the period from 1st January 2022 to 30th June 2022.

Publication of Results Announcement and Interim Report

This interim results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (“HKEX”) at <https://www.hkexnews.hk> and the Company at <https://www.ooilgroup.com>. The 2022 Interim Report will be published on the HKEX’s website and the Company’s website and will be despatched to the shareholders of the Company on or around 15th September 2022.

Employee Information

As at 30th June 2022, the Group had 10,935 full-time employees. Salary and benefit levels are maintained at competitive levels and employees are rewarded on a performance-related basis within the general policy and framework of the Group’s salary and discretionary bonus schemes. These schemes, based on the performance of the Company and individual employees, are regularly reviewed. Other benefits are also provided including medical insurance and retirement funds. In support of the continuous development of individual employees, training and development programmes are offered for different levels of employee. Social and recreational activities are arranged for our employees around the world.

Directors

As at the date of this announcement, our Executive Directors are Mr. WAN Min, Mr. HUANG Xiaowen and Mr. YANG Zhijian; our Non-Executive Directors are Mr. TUNG Lieh Cheung Andrew, Mr. YAN Jun, Ms. WANG Dan and Mr. IP Sing Chi; and our Independent Non-Executive Directors are Mr. CHOW Philip Yiu Wah, Dr. CHUNG Shui Ming Timpson, Mr. YANG Liang Yee Philip, Ms. CHEN Ying and Mr. SO Gregory Kam Leung.

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

WAN Min
Chairman

Hong Kong, 19th August 2022

* *For identification purpose only*

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