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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 2023

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 2023. The following financial information, including the Group's unaudited condensed consolidated balance sheet as at 30th June 2023 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 21 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 2023

US\$'000	Note	2023	2022
Revenue	5, 6	4,540,681	11,061,132
Operating costs		<u>(3,637,879)</u>	<u>(4,941,101)</u>
<b>Gross profit</b>		<b>902,802</b>	6,120,031
Other operating income		289,853	54,052
Business and administrative expenses		(68,903)	(462,734)
Reversal of/(provision for) impairment losses			
on financial assets, net		14,763	(12,758)
Other (losses)/gains, net		<u>(4,216)</u>	<u>46,840</u>
<b>Operating profit</b>	7	<b>1,134,299</b>	5,745,431
Finance costs	9	(15,732)	(28,124)
Share of profits of joint ventures		2,091	1,664
Share of profits of associated companies		<u>3,527</u>	<u>4,630</u>
<b>Profit before taxation</b>		<b>1,124,185</b>	5,723,601
Taxation	10	<u>5,212</u>	<u>(59,489)</u>
<b>Profit for the period</b>		<b><u>1,129,397</u></b>	<b><u>5,664,112</u></b>
<b>Profit attributable to:</b>			
Equity holders of the Company		1,128,733	5,663,643
Non-controlling interests		<u>664</u>	<u>469</u>
		<b><u>1,129,397</u></b>	<b><u>5,664,112</u></b>
<b>Earnings per ordinary share (US\$)</b>	11		
<b>Basic and diluted</b>		<b><u>1.71</u></b>	<b><u>8.58</u></b>

**Condensed Consolidated Statement of Comprehensive Income (Unaudited)**  
**For the six months ended 30th June 2023**

US\$'000	2023	2022
<b>Profit for the period</b>	<u>1,129,397</u>	<u>5,664,112</u>
<b>Other comprehensive (loss)/income:</b>		
Item that will not be subsequently reclassified to profit or loss:		
Remeasurement (losses)/gains on defined benefit schemes	<u>(624)</u>	<u>923</u>
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Currency translation adjustments		
Subsidiaries	(14,876)	(17,878)
Joint ventures	(265)	(395)
Associated companies	(3,339)	(5,004)
Release of reserve upon disposal of a subsidiary and an associated company	<u>-</u>	<u>(7,917)</u>
Total amount that has been reclassified or may be reclassified subsequently to profit or loss	<u>(18,480)</u>	<u>(31,194)</u>
Other comprehensive loss for the period, net of tax	<u>(19,104)</u>	<u>(30,271)</u>
<b>Total comprehensive income for the period</b>	<u>1,110,293</u>	<u>5,633,841</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	1,109,569	5,633,486
Non-controlling interests	<u>724</u>	<u>355</u>
	<u>1,110,293</u>	<u>5,633,841</u>

**Condensed Consolidated Balance Sheet (Unaudited)**  
**As at 30th June 2023**

US\$'000	Note	30th June 2023	31st December 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	5,213,173	4,696,239
Right-of-use assets	13	2,051,362	2,509,695
Investment property	13	260,000	270,000
Investments in joint ventures and associated companies		104,919	106,248
Intangible assets	13	9,094	10,805
Deferred taxation assets		27,347	30,349
Pension and retirement assets		13,983	10,093
Restricted bank balances		290	300
Investments at fair value through other comprehensive income		34	34
Investments at amortised cost		52,946	52,966
Other non-current assets		9,533	17,945
		<u>7,742,681</u>	<u>7,704,674</u>
<b>Current assets</b>			
Inventories		180,033	179,561
Debtors and prepayments	14	721,783	873,260
Investments at amortised cost		10,000	35,340
Portfolio investments at fair value through profit or loss		14,229	13,369
Tax recoverable		12,032	11,929
Restricted bank balances		4,516	3,126
Cash and bank balances		7,823,896	11,213,902
		<u>8,766,489</u>	<u>12,330,487</u>
<b>Total assets</b>		<u>16,509,170</u>	<u>20,035,161</u>
<b>EQUITY</b>			
<b>Equity holders</b>			
Share capital	15	66,037	66,037
Reserves	16	11,468,343	13,369,961
		<u>11,534,380</u>	13,435,998
<b>Non-controlling interests</b>		<u>3,299</u>	2,900
<b>Total equity</b>		<u>11,537,679</u>	<u>13,438,898</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	17	1,062,822	1,367,909
Deferred taxation liabilities		193,942	192,868
Provision	18	894,745	894,745
		<u>2,151,509</u>	<u>2,455,522</u>
<b>Current liabilities</b>			
Creditors and accruals	19	2,116,310	3,282,974
Lease liabilities	17	597,443	712,211
Current taxation		106,229	145,556
		<u>2,819,982</u>	<u>4,140,741</u>
<b>Total liabilities</b>		<u>4,971,491</u>	<u>6,596,263</u>
<b>Total equity and liabilities</b>		<u>16,509,170</u>	<u>20,035,161</u>

**Condensed Consolidated Cash Flow Statement (Unaudited)**  
**For the six months ended 30th June 2023**

US\$'000	2023	2022
<b>Cash flows from operating activities</b>		
Cash generated from operations	609,152	6,340,396
Interest and financing charges paid	(30,911)	(23,088)
Income tax paid	(29,922)	(74,235)
Net cash from operating activities	<u>548,319</u>	<u>6,243,073</u>
<b>Cash flows from investing activities</b>		
Disposal/redemption on maturity of investments at amortised cost and decrease in portfolio investments at fair value through profit or loss	25,351	16,203
Proceeds from disposal of property, plant and equipment	16,927	89,374
Purchase of property, plant and equipment and other non-current assets	(792,828)	(96,716)
Disposal of a subsidiary	-	52,475
(Increase)/decrease in restricted bank balances and bank deposits maturing more than three months from the date of placement	(2,348,820)	599,065
Interest received	286,308	42,640
Movements of other investing activities	7,833	3,759
Net cash (used in)/from investing activities	<u>(2,805,229)</u>	<u>706,800</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(19,428)
Repayment of lease liabilities	(453,390)	(408,364)
Dividends paid to equity holders of the Company	(3,011,302)	(2,179,232)
Dividends paid to non-controlling interests	(325)	-
Net cash used in financing activities	<u>(3,465,017)</u>	<u>(2,607,024)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,721,927)</b>	<b>4,342,849</b>
Cash and cash equivalents at beginning of period	9,463,902	3,940,809
Currency translation adjustments	(15,519)	(16,748)
Cash and cash equivalents at end of period	<u>3,726,456</u>	<u>8,266,910</u>
Analysis of cash and cash equivalents		
Cash and bank balances	7,823,896	10,922,473
Bank deposits maturing more than three months from the date of placement	(4,097,440)	(2,655,563)
Cash and cash equivalents at end of period	<u>3,726,456</u>	<u>8,266,910</u>

**Condensed Consolidated Statement of Changes in Equity (Unaudited)**  
**For the six months ended 30th June 2023**

US\$'000	Equity holders			Non-controlling interests	Total
	Share capital	Reserves	Sub-total		
At 1st January 2023	66,037	13,369,961	13,435,998	2,900	13,438,898
Total comprehensive income for the period	-	1,109,569	1,109,569	724	1,110,293
Transactions with owners					
Employee share-based compensation	-	115	115	-	115
2022 final dividend	-	(1,723,574)	(1,723,574)	-	(1,723,574)
2022 second special dividend	-	(1,287,728)	(1,287,728)	-	(1,287,728)
Dividends paid to non-controlling interests	-	-	-	(325)	(325)
<b>At 30th June 2023</b>	<b>66,037</b>	<b>11,468,343</b>	<b>11,534,380</b>	<b>3,299</b>	<b>11,537,679</b>
At 1st January 2022	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

## **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 HM 11, 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 18th August 2023.

### **2. Basis of preparation**

The interim financial information of the Group 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 2022 except for the adoption of new standard and amendments to existing standards effective for the financial year ending 31st December 2023.

#### **The adoption of new or revised standards**

In 2023, the Group adopted the following new standard and amendments to existing standards, which are relevant to its operations.

## 2. Basis of preparation (Continued)

### The adoption of new or revised standards (Continued)

#### New standard and amendments to existing standards

HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies
HKAS 8 (Amendment)	Definition of Accounting Estimates
HKAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12 (Amendment)	International Tax Reform - Pillar Two Model Rules
HKFRS 17 and HKFRS 17 (Amendment)	Insurance Contracts

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

#### **Amendments and interpretation to existing standards that are relevant to the Group but not yet effective**

<u>Amendments and interpretation to existing standards</u>		<b>Effective for accounting periods beginning on or after</b>
HK Int 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1st January 2024
HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1st January 2024
HKAS 1 (Amendment)	Non-current Liabilities with Covenants	1st January 2024
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements	1st January 2024
HKFRS 16 (Amendment)	Lease Liability in a Sale and Leaseback	1st January 2024
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)

### Amendments and interpretation to existing standards that are relevant to the Group but not yet effective (Continued)

The adoption of the above amendments and interpretation 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 2022.

### 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 2023:

US\$'000	Level 1	Level 3	Total
<b>Assets</b>			
Portfolio investments at fair value through profit or loss			
Equity securities	14,229	-	14,229
Investments at fair value through other comprehensive income			
Unlisted equity securities	-	34	34
<b>Total</b>	<b>14,229</b>	<b>34</b>	<b>14,263</b>



### 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 2022:

US\$'000	Level 1	Level 3	Total
<b>Assets</b>			
Portfolio investments at fair value through profit or loss			
Equity securities	13,369	-	13,369
Investments at fair value through other comprehensive income			
Unlisted equity securities	-	34	34
<b>Total</b>	<u>13,369</u>	<u>34</u>	<u>13,403</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.

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
<b>At 1st January 2023 and 30th June 2023</b>	<b><u>34</u></b>
	<b>US\$'000</b>
At 1st January 2022	42
Disposals	<u>(8)</u>
At 30th June 2022	<u>34</u>

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

	<u>Carrying amounts</u>		<u>Fair values</u>	
	30th June 2023	31st December 2022	30th June 2023	31st December 2022
US\$'000				
Investments at amortised cost	<u>62,946</u>	<u>88,306</u>	<u>61,254</u>	<u>86,158</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
- 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 2022.

#### 5. Revenue

US\$'000	2023	2022
Container transport and logistics	4,528,025	11,049,611
Others	12,656	11,521
	<u>4,540,681</u>	<u>11,061,132</u>

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

Revenue comprises gross freight income, 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 2023 are as follows:

US\$'000	Container transport and logistics	Others	Total
Revenue from contracts with customers:			
Over time	4,528,025	-	4,528,025
Revenue from other source:			
Rental income	-	12,656	12,656
	<u>4,528,025</u>	<u>12,656</u>	<u>4,540,681</u>
Other operating income	<u>287,551</u>	<u>2,302</u>	<u>289,853</u>
	<u>4,815,576</u>	<u>14,958</u>	<u>4,830,534</u>
Operating profit/(loss)	1,137,904	(3,605)	1,134,299
Finance costs	(15,732)	-	(15,732)
Share of profits of joint ventures	2,091	-	2,091
Share of profits of associated companies	3,527	-	3,527
<b>Profit/(loss) before taxation</b>	<b>1,127,790</b>	<b>(3,605)</b>	<b>1,124,185</b>
Taxation	2,978	2,234	5,212
<b>Profit/(loss) for the period</b>	<b><u>1,130,768</u></b>	<b><u>(1,371)</u></b>	<b><u>1,129,397</u></b>
Fair value loss from an investment property	-	10,792	10,792
Additions to non-current assets*	505,625	793	506,418
Depreciation of property, plant and equipment	189,596	10	189,606
Depreciation of right-of-use assets	237,229	-	237,229
Amortisation of intangible assets	<u>2,251</u>	<u>-</u>	<u>2,251</u>

## 6. Segment information (Continued)

### Operating segments (Continued)

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

US\$'000	<b>Container transport and logistics</b>	<b>Others</b>	<b>Total</b>
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
<b>Profit before taxation</b>	<u>5,720,956</u>	<u>2,645</u>	<u>5,723,601</u>
Taxation	(57,933)	(1,556)	(59,489)
<b>Profit for the period</b>	<u>5,663,023</u>	<u>1,089</u>	<u>5,664,112</u>
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

\* 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 2023 are as follows:

US\$'000	Container transport and logistics	Others	Group
Segment assets	16,020,545	383,326	16,403,871
Joint ventures	8,779	-	8,779
Associated companies	96,520	-	96,520
<b>Total assets</b>	<b>16,125,844</b>	<b>383,326</b>	<b>16,509,170</b>
<b>Segment liabilities</b>	<b>(4,835,332)</b>	<b>(136,159)</b>	<b>(4,971,491)</b>

The segment assets and liabilities at 31st December 2022 are as follows:

US\$'000	Container transport and logistics	Others	Group
Segment assets	19,513,595	415,318	19,928,913
Joint ventures	9,916	-	9,916
Associated companies	96,332	-	96,332
<b>Total assets</b>	<b>19,619,843</b>	<b>415,318</b>	<b>20,035,161</b>
<b>Segment liabilities</b>	<b>(6,456,306)</b>	<b>(139,957)</b>	<b>(6,596,263)</b>

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 <sup>#</sup>
<b>Six months ended 30th June 2023</b>		
Asia	3,073,899	21,400
Europe	888,269	6,727
North America	400,753	2,070
Australia	177,760	23
Unallocated*	-	476,198
	<u>4,540,681</u>	<u>506,418</u>
<b>Six months ended 30th June 2022</b>		
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>

<sup>#</sup> 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	2023	2022
Operating profit is arrived at after crediting:		
Interest income from banks	285,414	49,218
Interest income from deposits in a fellow subsidiary	1,137	545
Interest income from investments at amortised cost	1,583	2,314
Gross rental income from an investment property	12,656	11,521
Dividend income from investments at fair value through other comprehensive income	-	2
Gain on disposal of property, plant and equipment	4,544	64,554
Gain on disposal of a subsidiary and an associated company	-	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)	321	-
Interest income	-	702
Distribution	136	122
Dividend income	566	53
Exchange gain	2,124	-

and after charging:

Fair value loss from an investment property	10,792	824
Loss on written-off of right-of-use assets	413	812
Fair value loss on portfolio investments at fair value through profit or loss (realised and unrealised)	-	3,623
Exchange loss	-	28,278

## 8. Key management compensation

US\$'000	2023	2022
Salaries, discretionary bonuses and other employee benefits	12,078	9,432
Estimated money value of other benefits	10	9
Pension costs - defined contribution plans	756	676
Share-based compensation	36	96
	<u>12,880</u>	<u>10,213</u>



## 8. Key management compensation (Continued)

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	2023	2022
Interest expense		
Bank loans	-	2,121
Lease liabilities	<u>37,491</u>	<u>30,467</u>
	<b>37,491</b>	<b>32,588</b>
Amount capitalised under assets under construction	<u>(21,759)</u>	<u>(4,464)</u>
Net interest expense	<u><b>15,732</b></u>	<u><b>28,124</b></u>

## 10. Taxation

US\$'000	2023	2022
Current taxation		
HKSAR profits tax	(8,145)	4,796
Non HKSAR taxation	<u>(1,187)</u>	<u>78,487</u>
	<u><b>(9,332)</b></u>	<u><b>83,283</b></u>
Deferred taxation		
HKSAR profits tax	-	(1,580)
Non HKSAR taxation	<u>4,120</u>	<u>(22,214)</u>
	<u><b>4,120</b></u>	<u><b>(23,794)</b></u>
	<u><b>(5,212)</b></u>	<u><b>59,489</b></u>

Taxation has been provided at the appropriate tax rates prevailing in the countries/regions in which the Group operates on the estimated assessable profits for the period. These rates range from 2.5% to 34.2% (2022: 2.5% to 34.2%) and the rates applicable to the withholding tax for undistributed earnings of subsidiaries range from 5% to 30% (2022: 5% 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% (2022: 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.

	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares in issue (thousands)	<u><b>660,373</b></u>	<u>660,373</u>
Group's profit attributable to equity holders of the Company (US\$'000)	<u><b>1,128,733</b></u>	<u>5,663,643</u>
Earnings per share attributable to equity holders of the Company (US\$)	<u><b>1.71</b></u>	<u>8.58</u>

## 12. Dividends

The final and second special dividends for 2022 of US\$1,723.6 million and US\$1,287.7 million respectively have been accounted for as an appropriation of retained profit in the six months ended 30th June 2023.

The Board of Directors declares an interim dividend of US\$0.69 (HK\$5.382 at the exchange rate of US\$1 : HK\$7.8) (2022: US\$3.43 (HK\$26.754 at the exchange rate of US\$1 : HK\$7.8)) per ordinary share for the six months ended 30th June 2023 on 18th August 2023. In addition, the Board of Directors declares a special dividend of US\$0.17 (HK\$1.326 at the exchange rate of US\$1 : HK\$7.8) (2022: 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 2023 on 18th August 2023.

### 13. Capital expenditure

US\$'000	Property, plant and equipment	Right-of-use assets	Investment property	Intangible assets	Total
Net book amounts					
At 1st January 2023	4,696,239	2,509,695	270,000	10,805	7,486,739
Currency translation adjustments	(1,374)	(2,122)	-	(12)	(3,508)
Fair value loss	-	-	(10,792)	-	(10,792)
Additions	467,833	37,241	792	552	506,418
Reclassification, disposals/written off	240,081	(256,223)	-	-	(16,142)
Depreciation and amortisation	(189,606)	(237,229)	-	(2,251)	(429,086)
<b>At 30th June 2023</b>	<b><u>5,213,173</u></b>	<b><u>2,051,362</u></b>	<b><u>260,000</u></b>	<b><u>9,094</u></b>	<b><u>7,533,629</u></b>
At 1st January 2022	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)
<b>At 30th June 2022</b>	<b><u>4,062,770</u></b>	<b><u>2,806,973</u></b>	<b><u>285,000</u></b>	<b><u>4,268</u></b>	<b><u>7,159,011</u></b>

*Note:*

During the six months ended 30th June 2023, construction of two (2022: nil) vessels was completed and the vessels were delivered to the Group.

#### 14. Debtors and prepayments

US\$'000	30th June 2023	31st December 2022
Trade receivables		
Third parties	351,805	487,673
Joint ventures	380	-
Fellow subsidiaries	3,557	12,123
Related companies	1,079	644
Less: Provision for impairment	<u>(47,243)</u>	<u>(62,164)</u>
Trade receivables - net	309,578	438,276
Other debtors	197,506	221,235
Other prepayments	161,783	171,509
Utility and other deposits	14,472	16,065
Amounts due from related parties		
Fellow subsidiaries	19,140	13,911
Related companies	<u>19,304</u>	<u>12,264</u>
	<u><u>721,783</u></u>	<u><u>873,260</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 2023	31st December 2022
Below 1 month	225,973	307,781
2 to 3 months	74,584	122,301
4 to 6 months	7,140	8,051
Over 6 months	<u>1,881</u>	<u>143</u>
	<u><u>309,578</u></u>	<u><u>438,276</u></u>

## 15. Share capital

US\$'000	30th June 2023	31st December 2022
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	Foreign exchange translation reserve	Retained profit	Total
At 1st January 2023	734,717	10,628	88,547	4,696	(16,265)	12,547,638	13,369,961
Total comprehensive income/(loss) for the period	-	-	-	-	(18,540)	1,128,109	1,109,569
Transactions with owners							
Employee share-based compensation	-	115	-	-	-	-	115
2022 final dividend	-	-	-	-	-	(1,723,574)	(1,723,574)
2022 second special dividend	-	-	-	-	-	(1,287,728)	(1,287,728)
<b>At 30th June 2023</b>	<b><u>734,717</u></b>	<b><u>10,743</u></b>	<b><u>88,547</u></b>	<b><u>4,696</u></b>	<b><u>(34,805)</u></b>	<b><u>10,664,445</u></b>	<b><u>11,468,343</u></b>
At 1st January 2022	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)
<b>At 30th June 2022</b>	<b><u>734,717</u></b>	<b><u>9,847</u></b>	<b><u>88,547</u></b>	<b><u>4,696</u></b>	<b><u>7,151</u></b>	<b><u>12,213,252</u></b>	<b><u>13,058,210</u></b>

## 17. Lease liabilities

US\$'000	30th June 2023	31st December 2022
Non-current	1,062,822	1,367,909
Current	<u>597,443</u>	<u>712,211</u>
	<u>1,660,265</u>	<u>2,080,120</u>

## 18. 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 2023, 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, in particular, dropping cargo demand and freight rates became more evident from the fourth quarter of 2022. It is expected that high inflation and interest rate environment would further slow down the USA economy growth and would adversely affect the demand/import of the USA for some time, it is expected the economy in the USA would take years to recover. As at 30th June 2023, with these uncertainties over such a long-term contract period, management reassessed that the projected vessel lifts in LBCT would result in a shortfall on minimum volume commitment over the remaining contract period. The Group estimated an onerous contract provision of US\$894.7 million as at 30th June 2023 (31st December 2022: US\$894.7 million).

## 19. Creditors and accruals

US\$'000	30th June 2023	31st December 2022
Trade payables		
Third parties	154,876	156,028
Joint ventures	1,107	1,214
Fellow subsidiaries	19,472	39,553
Related companies	<u>22,273</u>	<u>19,128</u>
	<b>197,728</b>	215,923
Other creditors	168,855	176,976
Accrued expenses*	1,710,705	2,483,714
Contract liabilities	26,492	34,649
Amounts due to related parties		
Joint ventures	2,420	7,172
Fellow subsidiaries	9,859	4,520
Related companies	<u>251</u>	<u>360,020</u>
	<b><u>2,116,310</u></b>	<b><u>3,282,974</u></b>

\* Accrued expenses mainly represent accrual 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 2023	31st December 2022
Below 1 month	155,179	158,991
2 to 3 months	31,883	50,106
4 to 6 months	8,632	2,547
Over 6 months	<u>2,034</u>	<u>4,279</u>
	<b><u>197,728</u></b>	<b><u>215,923</u></b>



## 20. Commitments

### (a) Capital commitments - Property, plant and equipment

US\$'000	30th June 2023	31st December 2022
Contracted but not provided for		
Vessels under construction	3,747,887	4,086,092
Others	<u>3,736</u>	<u>7,112</u>
	<u><u>3,751,623</u></u>	<u><u>4,093,204</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
<b>At 30th June 2023</b>			
Less than 1 year	118,291	1,856	120,147
Between 1 and 2 years	77,129	-	77,129
Between 2 and 5 years	159,527	-	159,527
Over 5 years	<u>26,952</u>	-	<u>26,952</u>
	<u><u>381,899</u></u>	<u><u>1,856</u></u>	<u><u>383,755</u></u>
<b>At 31st December 2022</b>			
Less than 1 year	84,008	1,391	85,399
Between 1 and 2 years	77,386	-	77,386
Between 2 and 5 years	182,022	-	182,022
Over 5 years	<u>39,594</u>	-	<u>39,594</u>
	<u><u>383,010</u></u>	<u><u>1,391</u></u>	<u><u>384,401</u></u>

## **21. Significant related party transactions**

The Company is controlled by COSCO SHIPPING, the ultimate parent company of the Group 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.

## 21. 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	2023	2022
Income		
Container transport income (note ii)	48,803	228,507
Freight forwarding income	3,215	4,183
Terminal handling and storage income	2,080	3,031
Service income		
Vessels	43,158	25,991
Containers	6,317	14,040
IT service income	14,374	16,824
Interest income	1,137	545
Expenses		
Cargo transportation costs	67,497	46,387
Freight forwarding expenses	6,392	50,022
Terminal charges (note iii)	119,674	117,131
Expenses relating to short-term leases and leases with low-value assets		
Vessels	74,422	51,008
Containers	24,254	18,541
Land and buildings	408	399
Slot hire expenses	186,520	168,712
Purchase of bunker (note iv)	154,042	144,993
Crew expenses	1,131	1,081
Service fee	150	150
Others		
Purchase of containers	184	3,000
Instalments of vessels under construction	366,640	46,704

## 21. Significant related party transactions (Continued)

### (b) Transactions with joint ventures of the Group

US\$'000	2023	2022
Income		
Container transport income	<u>92</u>	<u>108</u>
Expenses		
Cargo transportation costs	<u>8,171</u>	<u>6,034</u>

### (c) Transactions with other related parties

US\$'000	2023	2022
Income		
Container transport income	1,378	205
Freight forwarding income	143	-
Terminal handling and storage income	<u>266</u>	<u>-</u>
Expenses		
Cargo transportation costs	10,186	19,717
Freight forwarding expenses	459	-
Terminal charges	74,738	21,844
Expenses relating to short-term leases and leases with low-value assets		
Vessels	2	-
Containers	43	36
Slot hire expenses	-	2,145
Crew expenses	<u>1</u>	<u>2</u>

### (d) Transactions with state-owned banks

As at 30th June 2023, approximately 70% (31st December 2022: 90%) of the Group's bank balances are with state-owned banks.

## 21. 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\$17.9 million (2022: US\$80.3 million) were transacted with the associated companies and joint ventures of COSCO SHIPPING during the six months ended 30th June 2023.
- (iii) Terminal charges of US\$82.8 million (2022: US\$73.6 million) were transacted with the associated companies and joint ventures of COSCO SHIPPING during the six months ended 30th June 2023.
- (iv) Bunker of US\$88.4 million (2022: US\$102.4 million) was purchased from joint ventures of COSCO SHIPPING during the six months ended 30th June 2023.

## Results for First Half 2023

For the first six months of 2023, the Group recorded a profit attributable to equity holders of US\$1,128.7 million, compared to a profit of US\$5,663.6 million for the corresponding period of 2022.

<b>OOIL INTERIM RESULTS ANALYSIS</b>		
<i>(US\$'000)</i>	<b>2023</b>	<b>2022</b>
<b>Profit/(Loss) Before Taxation by Activity:</b>		
Container Transport and Logistics	1,127,790	5,720,956
Other Activities	(3,605)	2,645
<b>Profit Before Taxation</b>	<b>1,124,185</b>	<b>5,723,601</b>
Taxation	5,212	(59,489)
<b>Profit for the Period Ended 30th June</b>	<b>1,129,397</b>	<b>5,664,112</b>
Non-Controlling Interests	(664)	(469)
<b>Profit Attributable to Equity Holders</b>	<b>1,128,733</b>	<b>5,663,643</b>

## Review of Operations

As was clearly to be expected, the extraordinary market conditions of the past two to three years came to an end. The long, steady decline in freight rates, which began around the middle of last year, continued during the first half of 2023. The fall from the great heights of 2020-2022 has certainly been spectacular in terms of both absolute dollar value and in terms of percentage, but this is simply a reflection of just how high the freight market had risen. At the time of writing, freight rates are, broadly speaking, around, and in some cases above, the levels they were at pre-COVID-19, before global reactions to the pandemic created the exceptional container shipping market conditions of the past few years.

Those market conditions were a combination of (1) better-than-expected demand and (2) severe congestion around the network that placed massive downward pressure on the effective level of capacity available to shipping customers, notwithstanding the deployment of additional capacity by shipping companies. Surprisingly resilient demand put together with reduced effective levels of supply drove freight rates up.

Starting from mid-year 2022, and continuing throughout the reporting period, very different market forces applied. First, congestion at existing chokepoints was alleviated, releasing additional effective supply into the market, with very little material new disruption occurring. Second, in a number of key importing economies, inventory levels had risen, not to historical highs, but certainly to levels higher than seen in the prior two to three years. This caused importers in the US and Australia, for example, to take a more cautious approach in their ordering of new goods, thereby reducing the demand for container shipping.

As a result, compared to the same period in 2022, OOCL's total liner liftings for the first half of 2023 reduced by 1%, total revenue decreased by 60%, resulting in a 60% decrease in revenue per TEU.

Total Trans-Pacific liftings decreased by 2% compared to the same period in 2022, while revenue decreased by 67%. Revenue per TEU as a result fell by 66%. While consumer spending data, though fluctuating, remained surprisingly resilient, demand for container shipping services on the Trans-Pacific tradelane fell compared to the same period in 2022. Moreover, the almost complete alleviation of the port and yard congestion that had been present during the same period last year released additional effective capacity into a market under pressure. As a result, whereas 2021-2022 saw considerable amounts of nominal capacity being added to Trans-Pacific routes, including by new market participants, excess capacity was being withdrawn and redeployed to other parts of the network in response to the change in expected demand during the first half of 2023.

Total liftings for the Asia/Europe trade increased slightly by 0.4% compared to the same period last year. Revenue on the other hand was reduced by 68%, resulting in revenue per TEU declining by 68%. Similarly to the Trans-Pacific trade lanes, Asia/Europe demand has not been as strong as it was during the same period last year, and furthermore the congestion that plagued many of the ports of Northern Europe at that time has been relieved, which had the effect of unblocking effective capacity that had been trapped by disruption. As a result of all these various factors, freight rates were markedly lower than during the first half of 2022, especially on routes to the large ports of Northern Europe.

Liftings for Trans-Atlantic for the first half of 2023 rose by 20% compared to the same period last year, primarily due to our decision to inject additional capacity into this trade. The Trans-Atlantic trade as a whole managed to resist the same pace of falls in demand levels and freight rates that were seen on the Trans-Pacific and Asia/Europe routes, which also added support to our volume growth. Revenue and revenue per TEU dropped by 18% and 32% respectively, a lower decrease than seen in other long-haul East West routes.

Overall liftings fell by 4% on Intra-Asia (including Australasia) trades for the first half of 2023 as compared to the same period last year, revenue decreased by 53% and the revenue per TEU dropped by 51%. This is primarily attributed to reduced congestion, which has released capacity back into the market at a time when, for much of the reporting period, demand levels were lower than last year. In Australia, there were also challenges created by increases in levels of inventory held by our customers. With capacity growth exceeding demand growth, vessel load factors and freight rates were adversely affected. In order to address the changed market environment, the Group returned some Intra-Asia vessels upon expiry of their charters.

The average price of bunker recorded by OOCL in the first half of 2023 was US\$609 per ton, compared to US\$729 per ton for the corresponding period in 2022. The total bunker cost decreased by 17% in the first half of 2023 compared to the corresponding period in 2022, even though the consumption of bunker was nearly the same in both periods.

The Dual Brand strategy of the Group continues to bring us many advantages. Not only in terms of cost efficiency and synergy, but also in terms of taking market opportunities to grow where those exist, and in terms of being able to adapt to levels of demand in the market without jeopardising customer service or facing unjustified costs. We will continue to build on the success of this innovative strategy.

In the first half of 2023, the Group took delivery of the first two 24,188 TEU new-build vessels from Nantong COSCO KHI Ship Engineering Co., Ltd. (NACKS) and Dalian COSCO KHI Ship Engineering Co., Ltd. (DAKKS) respectively. The first one delivered from NACKS is named the *OOCL Spain*; and the first one delivered from DAKKS is named the *OOCL Piraeus*. These 24,188 TEU vessels are currently the largest vessels being delivered to the Group. The delivery of the remaining new buildings of same series will be delivered from 2023 third quarter to 2024 third quarter.

Despite increased consumer caution and slowing demand for products in the first half of 2023, OOCL Logistics has seen some successes. Our ocean freight business revenue has returned to normal level of previous years while increases were noted in handling volume in TEU. Additionally, our domestic business unit has recorded satisfying growth. To continue this positive trend, all logistics business units are actively developing new services, both in breadth and depth, by engaging with different stakeholders in our customers' organisations. These services include traditional logistics activities as well as digital supply chain management processes. We are also exploring and implementing more synergies with our liner companies to generate value and savings for our customers.

## **Looking Forward**

Looking forward, no matter the more positive sentiment in recent weeks, particularly on routes to the US West Coast, we must be clear that there remain challenges ahead. The conflicting positive and negative signals that have made forecasting so difficult in the past 12-24 months remain firmly in place.

Certainly, the market is very far from being in disaster territory, and of course there are some indications that demand is improving and that shipping companies are behaving rationally in the face of fluctuating demand - all of this is reassuring. However, undeniably, there are risks associated with the impact of inflation and higher interest rates on consumer spending, and from the unclear economic outlook. There is also the uncertainty of not knowing exactly what the net fleet growth, in terms of effective capacity, will be in the coming months and years. No-one can predict with accuracy the extent to which, in any given period, capacity from new deliveries will outpace the loss of capacity driven by scrapping and speed reductions, whether for CII / EEXI compliance or simply for cost reasons.

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. US West Coast rates have indeed risen, as one might expect at this time of year. Similarly, Asia Europe rates are currently holding and in some tradelanes increasing. Nonetheless, a cautious outlook is appropriate, given the challenges and uncertainties that abound.



OOIL, as part of the COSCO SHIPPING Group, will continue to be a leader in the container shipping industry. Our newbuilding programme and our expansion into new markets such as routes between Europe and the East Coast of South America show our commitment to growing in scale, in a measured and intelligent way. Our online platform, FreightSmart, and our expanded focus on broader integrated supply chain “end-to-end” capabilities show our determination to be at the cutting edge of developing our industry in the fullest, most technologically advanced and most sustainable way. We will continue to be a Vital Link to World Trade, and we are ready for the challenges ahead.

### **Interim and Special Dividends**

The Board of Directors of the Company (the “Board”) is pleased to announce an interim dividend of US\$0.69 (HK\$5.382 at the exchange rate of US\$1 : HK\$7.8) per ordinary share and a special dividend of US\$0.17 (HK\$1.326 at the exchange rate of US\$1 : HK\$7.8) per ordinary share for the six months ended 30th June 2023 to be paid on 11th October 2023 to the shareholders of the Company whose names appear on the register of members of the Company on 6th September 2023. 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 26th September 2023.

### **Closure of Register of Members**

The register of members of the Company will be closed from 4th September 2023 to 6th September 2023, 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 1st September 2023.

### **Purchase, Sale or Redemption of Shares**

During the six-month period ended 30th June 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s shares.

### **Pre-emptive Rights**

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

## **Corporate Governance**

### ***Compliance with the Corporate Governance Code***

The Board and the management of the Company are committed to maintaining high standards of corporate governance. 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 2023 to 30th June 2023, the Company complied with the SEHK Code, save for two recommended best practices, as described below:

- the remuneration of senior management of the Group was disclosed in bands, not on an individual basis
- quarterly operational results, instead of quarterly financial results, were announced and published

### ***Review of Financial Statements***

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th June 2023, 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 of the Company have confirmed, following specific enquiry by the Company, that they fully complied with the required standards set out in both the Code and the Model Code throughout the period from 1st January 2023 to 30th June 2023.

## **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 2023 Interim Report will be published on the websites of the HKEX and the Company and will be despatched to the shareholders of the Company on or around 14th September 2023.

## **Employee Information**

As at 30th June 2023, the Group had 11,385 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, 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, 18th August 2023

\* *For identification purpose only*

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