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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)

2024 RESULTS ANNOUNCEMENT

The Directors of Orient Overseas (International) Limited (the “Company” or “OOIL”) announce the results of the Company and its subsidiaries (the “Group”) for the year ended 31st December 2024 as follows:

Consolidated Profit and Loss Account For the year ended 31st December 2024

US\$'000	Note	2024	2023
Revenue	4	10,701,943	8,343,857
Operating costs		(7,880,916)	(7,188,523)
Gross profit		2,821,027	1,155,334
Other operating income	5	397,221	499,962
Business and administrative expenses		(572,632)	(280,161)
(Provision for)/reversal of impairment losses			
on financial assets, net		(5,640)	20,709
Other (losses)/gains, net		(15,132)	9,832
Operating profit	6	2,624,844	1,405,676
Finance costs	7	(20,618)	(28,496)
Share of profits of joint ventures		4,284	4,041
Share of profits/(losses) of associated companies		5,972	(660)
Profit before taxation		2,614,482	1,380,561
Taxation	8	(35,392)	(11,452)
Profit for the year		2,579,090	1,369,109
Profit attributable to:			
Equity holders of the Company		2,577,446	1,367,852
Non-controlling interests		1,644	1,257
		2,579,090	1,369,109
Earnings per ordinary share (US\$)	9		
Basic and diluted		3.90	2.07

Consolidated Statement of Comprehensive Income
For the year ended 31st December 2024

US\$'000	2024	2023
Profit for the year	<u>2,579,090</u>	<u>1,369,109</u>
Other comprehensive loss:		
Item that will not be subsequently reclassified to profit or loss:		
Remeasurement gains/(losses) on defined benefit schemes	<u>3,278</u>	<u>(1,392)</u>
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Currency translation adjustments		
Subsidiaries	(4,785)	(14,548)
Joint ventures	(192)	(152)
Associated companies	<u>(1,826)</u>	<u>(1,532)</u>
Total amount that has been reclassified or may be reclassified subsequently to profit or loss	<u>(6,803)</u>	<u>(16,232)</u>
Other comprehensive loss for the year, net of tax	<u>(3,525)</u>	<u>(17,624)</u>
Total comprehensive income for the year	<u><u>2,575,565</u></u>	<u><u>1,351,485</u></u>
Total comprehensive income attributable to:		
Equity holders of the Company	2,574,003	1,350,189
Non-controlling interests	<u>1,562</u>	<u>1,296</u>
	<u><u>2,575,565</u></u>	<u><u>1,351,485</u></u>

Consolidated Balance Sheet
As at 31st December 2024

US\$'000	Note	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment		6,710,820	5,607,991
Right-of-use assets		1,732,776	1,861,705
Investment property		200,000	250,000
Investments in joint ventures		10,005	9,906
Investments in associated companies		135,303	88,399
Intangible assets		4,840	7,679
Deferred taxation assets		37,010	14,903
Pension and retirement assets		16,973	13,490
Restricted bank balances		292	296
Investments at fair value through other comprehensive income		34	34
Investments at amortised cost		47,889	52,926
Other non-current assets		9,277	11,516
		<u>8,905,219</u>	<u>7,918,845</u>
Current assets			
Inventories		191,513	197,186
Debtors and prepayments	11	743,603	743,212
Investments at amortised cost		4,998	-
Portfolio investments at fair value through profit or loss		9,174	13,413
Tax recoverable		6,650	10,794
Restricted bank balances		3,753	3,547
Cash and bank balances		7,903,473	6,722,188
		<u>8,863,164</u>	<u>7,690,340</u>
Total assets		<u>17,768,383</u>	<u>15,609,185</u>
EQUITY			
Equity holders			
Share capital		66,037	66,037
Reserves		13,179,513	11,141,059
		<u>13,245,550</u>	11,207,096
Non-controlling interests		<u>3,947</u>	3,267
Total equity		<u>13,249,497</u>	<u>11,210,363</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities		811,607	919,370
Deferred taxation liabilities		184,113	190,718
Provision	12	896,745	916,745
		<u>1,892,465</u>	<u>2,026,833</u>
Current liabilities			
Creditors and accruals	13	1,930,036	1,750,516
Lease liabilities		561,616	518,868
Current taxation		134,769	102,605
		<u>2,626,421</u>	<u>2,371,989</u>
Total liabilities		<u>4,518,886</u>	<u>4,398,822</u>
Total equity and liabilities		<u>17,768,383</u>	<u>15,609,185</u>

Consolidated Cash Flow Statement
For the year ended 31st December 2024

US\$'000	2024	2023
Cash flows from operating activities		
Cash generated from operations	3,289,661	714,711
Interest and financing charges paid	(51,220)	(59,062)
Income tax paid	(26,926)	(38,453)
Net cash from operating activities	<u>3,211,515</u>	<u>617,196</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	48,543	47,571
Sale and redemption on maturity of non-current assets	-	36,766
Purchase of property, plant and equipment	(1,261,524)	(1,378,086)
Purchase of other non-current assets	(5,151)	(11,821)
Decrease in portfolio investments at fair value through profit or loss	5,696	-
Proceeds from disposal of an associated company	-	2,944
Investments in associated companies	(49,289)	(439)
Decrease/(increase) in restricted bank balances and bank deposits maturing more than three months from the date of placement	3,340,267	(3,843,395)
Interest received	420,941	495,112
Dividends and distribution received from investments	322	548
Dividends received from joint ventures and associated companies	11,871	10,079
Net cash from/(used in) investing activities	<u>2,511,676</u>	<u>(4,640,721)</u>
Cash flows from financing activities		
Repayment of lease liabilities	(660,006)	(714,760)
Dividends paid to equity holders of the Company	(535,563)	(3,579,223)
Dividends paid to non-controlling interests	(882)	(929)
Cash used in financing activities	<u>(1,196,451)</u>	<u>(4,294,912)</u>
Net increase/(decrease) in cash and cash equivalents	4,526,740	(8,318,437)
Cash and cash equivalents at beginning of year	1,129,210	9,463,902
Currency translation adjustments	(4,986)	(16,255)
Cash and cash equivalents at end of year	<u>5,650,964</u>	<u>1,129,210</u>
Analysis of cash and cash equivalents		
Cash and bank balances	7,903,473	6,722,188
Bank deposits maturing more than three months from the date of placement	<u>(2,252,509)</u>	<u>(5,592,978)</u>
Cash and cash equivalents at end of year	<u>5,650,964</u>	<u>1,129,210</u>

Consolidated Statement of Changes in Equity
For the year ended 31st December 2024

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 year	-	1,350,189	1,350,189	1,296	1,351,485
Transactions with owners					
Employee share-based compensation	-	132	132	-	132
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)
2023 interim dividend	-	(455,658)	(455,658)	-	(455,658)
2023 first special dividend	-	(112,263)	(112,263)	-	(112,263)
Dividends paid to non-controlling interests	-	-	-	(929)	(929)
At 31st December 2023 and 1st January 2024	66,037	11,141,059	11,207,096	3,267	11,210,363
Total comprehensive income for the year	-	2,574,003	2,574,003	1,562	2,575,565
Transactions with owners					
Employee share-based compensation	-	14	14	-	14
2023 final dividend	-	(95,754)	(95,754)	-	(95,754)
2023 second special dividend	-	(23,774)	(23,774)	-	(23,774)
2024 interim dividend	-	(416,035)	(416,035)	-	(416,035)
Dividends paid to non-controlling interests	-	-	-	(882)	(882)
At 31st December 2024	66,037	13,179,513	13,245,550	3,947	13,249,497

NOTES

1. Scope of work of PricewaterhouseCoopers in the preliminary announcement

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2024 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements as at and for the year ended 31st December 2024. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

2. 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.

3. Accounting policies and basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Hong Kong Companies Ordinance. 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.

The adoption of revised standards

In 2024, the Group adopted the following amendments to existing standards and interpretation, which are relevant to its operations.

Amendments to existing standards and interpretation

HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendment)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKFRS 16 (Amendment)	Lease Liability in a Sale and Leaseback
HK Int 5 (Amendment)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

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

3. Accounting policies and basis of preparation (Continued)

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

New standard and amendments and improvement to existing standards and interpretation		Effective for accounting periods beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1st January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1st January 2026
HKFRSs	Annual Improvements - Volume 11	1st January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1st January 2027
HK Int 5 (Amendment)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1st January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group has not early adopted the above new standard and amendments and improvement to existing standards and interpretation. The Group is in the process of assessing the impact of the new standard on the Group's accounting policies and consolidated financial statements. The adoption of the above amendments and improvement to existing standards and interpretation is not expected to have a significant effect on the consolidated financial statements of the Group, except that the adoption of HKFRS 18 may have impact on the presentation of the Group's consolidated financial statements.

4. Revenue and segment information

(a) Revenue

US\$'000	2024	2023
Container transport and logistics	10,678,645	8,319,049
Others	<u>23,298</u>	<u>24,808</u>
	<u>10,701,943</u>	<u>8,343,857</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.

(b) Segment information

Operating segments

The segment results for the year ended 31st December 2024 are as follows:

US\$'000	Container transport and logistics	Others	Total
Revenue from contracts with customers:			
Over time	10,514,679	-	10,514,679
Revenue from other source	<u>163,966</u>	<u>23,298</u>	<u>187,264</u>
	10,678,645	23,298	10,701,943
Other operating income	<u>379,542</u>	<u>17,679</u>	<u>397,221</u>
	<u>11,058,187</u>	<u>40,977</u>	<u>11,099,164</u>
Operating profit/(loss)	2,655,247	(30,403)	2,624,844
Finance costs	(20,618)	-	(20,618)
Share of profits of joint ventures	4,284	-	4,284
Share of profits of associated companies	<u>5,972</u>	<u>-</u>	<u>5,972</u>
Profit/(loss) before taxation	2,644,885	(30,403)	2,614,482
Taxation	<u>(47,751)</u>	<u>12,359</u>	<u>(35,392)</u>
Profit/(loss) for the year	<u>2,597,134</u>	<u>(18,044)</u>	<u>2,579,090</u>
Fair value loss from an investment property	-	50,531	50,531
Additions to non-current assets*	1,911,134	537	1,911,671
Depreciation of property, plant and equipment	434,285	14	434,299
Depreciation of right-of-use assets	462,409	-	462,409
Amortisation of intangible assets	<u>4,207</u>	<u>-</u>	<u>4,207</u>

4. Revenue and segment information (Continued)

(b) Segment information (Continued)

Operating segments (Continued)

The segment results for the year ended 31st December 2023 are as follows:

US\$'000	Container transport and logistics	Others	Total
Revenue from contracts with customers:			
Over time	8,220,487	-	8,220,487
Revenue from other source	<u>98,562</u>	<u>24,808</u>	<u>123,370</u>
	8,319,049	24,808	8,343,857
Other operating income	<u>495,682</u>	<u>4,280</u>	<u>499,962</u>
	<u>8,814,731</u>	<u>29,088</u>	<u>8,843,819</u>
Operating profit/(loss)	1,417,746	(12,070)	1,405,676
Finance costs	(28,496)	-	(28,496)
Share of profits of joint ventures	4,041	-	4,041
Share of losses of associated companies	<u>(660)</u>	<u>-</u>	<u>(660)</u>
Profit/(loss) before taxation	1,392,631	(12,070)	1,380,561
Taxation	<u>(16,054)</u>	<u>4,602</u>	<u>(11,452)</u>
Profit/(loss) for the year	<u>1,376,577</u>	<u>(7,468)</u>	<u>1,369,109</u>
Fair value loss from an investment property	-	21,403	21,403
Additions to non-current assets*	1,154,688	1,408	1,156,096
Depreciation of property, plant and equipment	378,746	16	378,762
Depreciation of right-of-use assets	464,423	-	464,423
Amortisation of intangible assets	<u>4,472</u>	<u>-</u>	<u>4,472</u>

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

4. Revenue and segment information (Continued)

(b) Segment information (Continued)

Operating segments (Continued)

The segment assets and liabilities at 31st December 2024 and 2023 are as follows:

US\$'000	2024		
	Container transport and logistics	Others	Group
Segment assets	17,051,422	571,545	17,622,967
Joint ventures	10,113	-	10,113
Associated companies	135,303	-	135,303
Total assets	17,196,838	571,545	17,768,383
Segment liabilities	(4,399,586)	(119,300)	(4,518,886)
	2023		
US\$'000	Container transport and logistics	Others	Group
Segment assets	14,904,964	605,731	15,510,695
Joint ventures	10,091	-	10,091
Associated companies	88,399	-	88,399
Total assets	15,003,454	605,731	15,609,185
Segment liabilities	(4,264,996)	(133,826)	(4,398,822)

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, portfolio investments at fair value through profit or loss together with cash and bank balances related to property investment activities. Liabilities under the segment of “Others” primarily include creditors and accruals and deferred taxation liabilities related to property investment and corporate level activities.

4. Revenue and segment information (Continued)

(b) Segment information (Continued)

Geographical information

The Group's two reportable operating segments operate in below 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. Revenues from other sources are analysed based on the geographical territory that the Group derives revenue from customers.

The Group's non-current 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 [#]
Year ended 31st December 2024		
Asia	8,608,240	63,835
Europe	1,144,812	4,413
North and South America	624,814	9,216
Australia and Africa	324,077	1,605
Unallocated*	-	1,832,602
	<u>10,701,943</u>	<u>1,911,671</u>
Year ended 31st December 2023		
Asia	5,885,401	54,890
Europe	1,398,935	8,077
North and South America	703,326	3,806
Australia and Africa	356,195	2,897
Unallocated*	-	1,086,426
	<u>8,343,857</u>	<u>1,156,096</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, assets under construction, scrubbers and vessel equipment, containers and computer software costs.

5. Other operating income

US\$'000	2024	2023
Interest income from banks	387,453	491,491
Interest income from deposits in a fellow subsidiary	2,250	1,817
Interest income from investments at amortised cost	2,686	2,935
Income from portfolio investments at fair value through profit or loss		
Distribution	18	280
Dividend income	1,058	752
Dividend income from investments at fair value through other comprehensive income	59	55
Government grants	2,677	2,121
Others	1,020	511
	<u>397,221</u>	<u>499,962</u>

6. Operating profit

US\$'000	2024	2023
Operating profit is arrived at after crediting:		
Operating lease rental income		
Land and buildings	23,298	24,808
Gain on disposal of property, plant and equipment	17,476	12,753
Exchange gain	14,734	18,383
and after charging:		
Fair value loss from an investment property	50,531	21,403
Depreciation of property, plant and equipment	434,299	378,762
Depreciation of right-of-use assets	462,409	464,423
Amortisation of intangible assets	4,207	4,472
Expenses relating to short-term leases and leases with low-value assets		
Vessels and equipment	460,480	407,798
Land and buildings	4,172	3,676
Direct operating expenses from property that generated rental income	15,767	15,373
Auditors' remuneration		
Audit	2,751	2,970
Non-audit	812	968
	<u>812</u>	<u>968</u>

7. Finance costs

US\$'000	2024	2023
Interest expense		
Lease liabilities	62,194	72,200
Amount capitalised under assets under construction	(41,576)	(43,704)
Net interest expense	<u>20,618</u>	<u>28,496</u>

8. Taxation

US\$'000	2024	2023
Current taxation		
HKSAR profits tax*	(977)	(12,370)
Non HKSAR taxation	65,069	10,464
	64,092	(1,906)
Deferred taxation	(28,700)	13,358
	<u>35,392</u>	<u>11,452</u>

* The negative amounts represent over-provision in prior year.

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 year. These rates range from 5% to 39% (2023: 5% to 39%) and the rates applicable to the withholding tax for undistributed earnings of subsidiaries range from 5% to 30% (2023: 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% (2023: 16.5%).

9. 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 year.

9. Earnings per ordinary share (Continued)

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

	2024	2023
Weighted average number of ordinary shares in issue (thousands)	<u>660,373</u>	<u>660,373</u>
Group's profit attributable to equity holders of the Company (US\$'000)	<u>2,577,446</u>	<u>1,367,852</u>
Earnings per share attributable to equity holders of the Company (US\$)	<u>3.90</u>	<u>2.07</u>

10. Dividends

US\$'000	2024	2023
Interim paid of US\$0.63 (2023: US\$0.69) per ordinary share	416,035	455,658
First special paid of nil (2023: US\$0.17) per ordinary share	-	112,263
Proposed final of US\$1.32 (2023: US\$0.145) per ordinary share	871,693	95,754
Proposed second special of nil (2023: US\$0.036) per ordinary share	-	23,774
	<u>1,287,728</u>	<u>687,449</u>

The final and second special dividends for 2023 of US\$95.8 million and US\$23.8 million respectively, and the interim dividend for 2024 of US\$416.0 million have been accounted for as an appropriation of retained profit in the year ended 31st December 2024.

The Board of Directors proposes a final dividend in respect of 2024 of US\$1.32 per ordinary share. The final dividend will be payable in cash in either US dollars, Hong Kong dollars (converted according to the exchange rate of US\$1 to HK\$7.8) or Renminbi (converted at the average of middle exchange rate between US dollars and Renminbi as announced by the People's Bank of China for the 5 business days after the date and excluding the date of the annual general meeting of the Company). The proposed dividend will be accounted for as an appropriation of retained profit in the year ending 31st December 2025.

11. Debtors and prepayments

US\$'000	2024	2023
Trade receivables		
Third parties	433,781	328,616
Joint ventures	108	185
Fellow subsidiaries	6,312	4,955
Related companies	1,087	878
Less: Provision for impairment	<u>(44,720)</u>	<u>(40,123)</u>
Trade receivables - net	396,568	294,511
Other debtors*	208,324	228,532
Other prepayments, utility and other deposits	102,133	165,138
Amounts due from related parties		
Fellow subsidiaries	36,384	31,782
Related companies	<u>194</u>	<u>23,249</u>
	<u>743,603</u>	<u>743,212</u>

* The balance included slot hire receivable.

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	2024	2023
Below 1 month	312,895	231,170
2 to 3 months	76,391	56,742
4 to 6 months	6,594	5,464
Over 6 months	<u>688</u>	<u>1,135</u>
	<u>396,568</u>	<u>294,511</u>

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of internationally dispersed customers. Other debtors and amounts due from related parties are fully performing.

12. 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 31st December 2024, 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, and it is expected that high inflation and interest rate environment would slow down the USA economy growth, together with the higher tariffs would have some negative impact to the demand/import of the USA in the near future. As at 31st December 2024, 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\$896.7 million as at 31st December 2024 (2023: US\$916.7 million).

Movements in the onerous provision are as follows:

US\$'000	2024	2023
Balance at beginning of year	916,745	894,745
(Credited)/charged to consolidated profit and loss account	<u>(20,000)</u>	<u>22,000</u>
Balance at end of year	<u>896,745</u>	<u>916,745</u>

13. Creditors and accruals

US\$'000	2024	2023
Trade payables		
Third parties	203,696	208,233
Joint ventures	1,375	1,169
Fellow subsidiaries	23,894	19,966
Related companies	<u>28,662</u>	<u>30,590</u>
	257,627	259,958
Other creditors	160,366	175,639
Accrued expenses [#]	1,482,933	1,288,080
Contract liabilities*	19,618	17,848
Amounts due to related parties		
Joint ventures	4,506	4,230
Fellow subsidiaries	4,722	4,457
Related companies	<u>264</u>	<u>304</u>
	<u>1,930,036</u>	<u>1,750,516</u>

Accrued expenses mainly represent accrual for operating costs for container transport and logistics operation and accrued discretionary bonuses.

* As permitted by HKFRS 15, the transaction price for contracts with an original expected duration of one year or less is exempt from disclosure due to practical expedient.

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

US\$'000	2024	2023
Below 1 month	182,022	188,639
2 to 3 months	67,192	64,880
4 to 6 months	2,490	806
Over 6 months	<u>5,923</u>	<u>5,633</u>
	<u>257,627</u>	<u>259,958</u>

Results for 2024

The Group recorded a profit attributable to equity holders of US\$2,577.4 million for 2024, compared to a profit of US\$1,367.9 million in 2023.

OOIL ANNUAL RESULTS ANALYSIS		
<i>(US\$'000)</i>	2024	2023
Profit/(Loss) Before Taxation by Activity:		
Container Transport and Logistics	2,644,885	1,392,631
Other Activities	(30,403)	(12,070)
Profit Before Taxation	2,614,482	1,380,561
Taxation	(35,392)	(11,452)
Profit for the Year Ended 31st December	2,579,090	1,369,109
Non-Controlling Interests	(1,644)	(1,257)
Profit Attributable to Equity Holders	2,577,446	1,367,852

Review of Operations

In 2024, the global economy gently continues its path towards recovery, with strong import demand from developed economies and rapid trade growth in emerging markets. The impact from the Red Sea situation had been felt in container shipping market throughout 2024. Geopolitical uncertainties not only shifted the dynamics between supply and demand for the entire industry but also affected people's expectations and behaviours. Industry's concerns regarding potential oversupply were temporarily subsided with the Cape of Good Hope detour absorbing some level of capacity. However, the detour caused other problems to surface. The unstable schedule at the beginning, as well as ongoing poor weather which disrupted port operations, caused congestion, and raised customers' concerns over the vulnerability of the supply chain and led to frontloading shipments which put further pressure on the supply chain. These interconnected factors helped push freight rates to a post-pandemic peak around the middle of the year, especially on the Trans-Pacific routes, which has attracted many new entrants. Their entry intensified market competition which in turn pushed rates down. However, due to the impact of the upcoming tariffs from the U.S. administration and the potential labour strikes along the U.S. East Coast and the Gulf, in combination with the cargo volume upsurge prior to Chinese Lunar New Year holidays, the market averted its traditional slack season.

In recent years, we have embraced the new trends of green, low-carbon, and intelligent shipping industry development, actively promoting the modernisation of the fleet. The performance and configuration of our ships are increasingly aligned with future green and technological requirements. In 2024, we took delivery of six 24,188 TEU and one 16,828 TEU self-owned new container ships. Furthermore, we chartered-in six 13,000 TEU series brand-new container vessels which the first ones will begin operating earliest in 2026. These ships have good navigational capabilities and can be flexibly deployed to different routes. At a time when the shipyard orders are so full, this charter can ensure OOCL's fleet size will further grow, to seize development opportunities, and add flexibility to future capacity adjustments.

We push to create a win-win scenario with our partners, through strengthening the synergy between our dual brands with COSCO SHIPPING Lines and maintaining close cooperation with other shipping companies in various ways, including slot exchanges, to maximise benefits. The smooth launch of Ocean Alliance's Day 9 products, especially the Asia-Europe routes via the Cape of Good Hope/Suez Canal, demonstrates that alliance members have the confidence and determination to respond to market changes and are prepared for them in advance.

While reinforcing the liner business, we leverage upon our advantage and ability to provide full supply chain solutions, warehousing and distribution services as a logistics company and commit to build up the full supply chain with information technology and intelligence. Our supply chain products delivery ability has been continuously improved, and our end-to-end business has been further improved.

In terms of the digitalisation, we further strengthen the fundamental capabilities of the digital supply chain and continue to enhance our value-added services to maintain competitiveness in the market and reinforce cooperation with all parties to foster the construction of an ecosystem for global trade.

Based on an independent valuation as at 31st December 2024, Wall Street Plaza was valued downwards by US\$50.0 million, reflecting an assessed market value of US\$200.0 million. Taking into consideration of US\$0.5 million capital expenditures on the building in 2024, the fair value loss for 2024 has come to US\$50.5 million. As at 31st December 2023, Wall Street Plaza was valued at US\$250.0 million.

Looking Forward

Looking ahead, the container shipping industry may face ever more challenges. Geopolitical uncertainties and changes in trade patterns will continue to bring challenges to supply chain management. Unbalanced economic development amongst different countries or regions and the emergence of structural risks will bring some degree of uncertainty to demand. Potential overcapacity may arise as new vessels are delivered, especially when Suez Canal reopens. At the same time, FuelEU Maritime takes effect from 2025, while the existing environmental regulatory requirements continue to be tightened, all of which may offset supply to a certain degree. The impact on supply chain resulting from a restructure of alliances is yet to be seen. These factors do not exist or function independently. They are interactively intertwined, adding to the complexity of the shipping market.

The dynamics of the situation continues to evolve as we enter 2025. Firstly, consensus among the parties one week prior to the deadline has averted the labour strike along the U.S. East Coast and the Gulf. Secondly, there are signs of de-escalation for the situation in the Red Sea, where the potential resumption of passage through the Suez Canal will release capacity and lead to the rather normal levels in freight rates. Thirdly, the U.S. administration unravels their new policies impacting the global economy and supply chain in the short and long run. These impacts may be different, but their effects should not be underestimated. The reshaping of the global supply chain will undoubtedly affect the container shipping market in the long term.

Although the outlook is full of uncertainties, with the support of the dual-brand strategy, we are well prepared to embrace opportunities and respond to challenges with highly efficient vessel utilisation and excellent cost control, as well as in an innovative, prudent and flexible manner. We will consistently fulfil our People, People, People and Customer-Oriented commitment, and offer high-quality services and reliable products to greenly and intelligently bridge world trade.

Final Dividend

The Board of Directors of the Company (the “Board”) has recommended the payment of a final dividend of US\$1.32 per ordinary share for the year ended 31st December 2024 to be paid on 27th June 2025 to the shareholders of the Company whose names appear on the register of members of the Company on 28th May 2025. The final dividend will be payable in cash in either US dollars, Hong Kong dollars (converted according to the exchange rate of US\$1 to HK\$7.8) or Renminbi (converted at the average of middle exchange rate between US dollars and Renminbi as announced by the People’s Bank of China for the 5 business days after the date and excluding the date of the annual general meeting of the Company). Shareholders, who wish to change their currency election for the final dividend, should complete the dividend election form (the currency elected shall apply to all (but not part) of the dividend) 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 19th June 2025.

The record date for determining the shareholders entitled to the proposed final dividend will be 28th May 2025. The register of members of the Company will be closed from 22nd May 2025 to 28th May 2025, both days inclusive, during which period no transfer of shares will be registered. To qualify for the proposed final dividend, 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 21st May 2025.

Liquidity and Financial Resources

As at 31st December 2024, the Group had cash and bank balances amounting to US\$7,903.5 million and a total indebtedness of US\$1,373.2 million. The Group had a net cash to equity ratio of 0.49 : 1 as at end of 2024, compared with 0.47 : 1 at the end of 2023.

As at 31st December 2024, the indebtedness of the Group comprises lease liabilities which are mainly denominated in US dollars. The Group's debts are monitored to ensure a smooth repayment schedule to maturity.

Employee Information

As at 31st December 2024, the Group had 11,223 full-time employees. Their salary and benefit levels are maintained at competitive levels. Employees are rewarded on a performance related basis within the general policy and framework of the Group's salary and bonus schemes which are regularly reviewed. Other benefits including medical insurance and pension funds are also provided, and social and recreational activities are organised around the world.

Purchase, Sale or Redemption of Shares

During the year ended 31st December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares (including sale of treasury shares (as defined in the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "HKEX"))) of the Company, if any).

As at 31st December 2024, the Company did not hold any treasury 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 C1 to 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 year 2024, 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 by bands, not on an individual basis
- quarterly operational results, instead of quarterly financial results, were announced and published

Further information on the CG Code will be set out in the Corporate Governance Report contained in the Company’s 2024 Annual Report.

Review of Financial Statements

The Audit Committee has reviewed the annual results of the Group for the year ended 31st December 2024, 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 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 C3 to the Listing Rules.

All Directors of the Company have confirmed, following specific enquiry by the Company, that they had fully complied with the required standards set out in both the Company’s own code and the Model Code for the year ended 31st December 2024.

Annual General Meeting

The annual general meeting of the Company will be held on 15th May 2025 (the “AGM”). Notice of the AGM will be despatched to the shareholders of the Company on or around 17th April 2025.

The record date for determining the shareholders entitled to attend and vote at the AGM will be 15th May 2025. The register of members of the Company will be closed from 9th May 2025 to 15th May 2025, both days inclusive, during which period no transfer of shares will be registered. To be eligible to attend and vote at the AGM, 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 8th May 2025.

Publication of Results Announcement and Annual Report

This annual results announcement is published on the websites of HKEX at <https://www.hkexnews.hk> and the Company at <https://www.ooilgroup.com>. The 2024 Annual 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 17th April 2025.

Directors

As at the date of this announcement, our Executive Directors are Mr. WAN Min, Mr. CHEN Yangfan and Mr. TAO Weidong; our Non-Executive Directors are Mr. TUNG Lieh Cheung Andrew, Mr. GU Jinshan, 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.

The Board has designated Mr. CHOW Philip Yiu Wah, an Independent Non-Executive Director of the Company, to assume the position of the lead Independent Non-Executive Director (“Lead INED”) with effect from 13th March 2025. Lead INED is not an executive position in the Company and does not have any management role in the Group. Mr. Chow’s other positions at the Board and the relevant Board committees remain unchanged.

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, China, 13th March 2025

* *For identification purpose only*

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