



ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司[†]

(Incorporated in Bermuda with limited liability)

website: <http://www.ooilgroup.com>

(Stock code: 316)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2006

The Directors of Orient Overseas (International) Limited (the "Company") announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th June 2006, which have been reviewed by our auditors, PricewaterhouseCoopers whose unmodified review report is included in the Interim Report to be sent to Shareholders.

Consolidated Profit and Loss Account (unaudited) For the six months ended 30th June 2006

	Note	2006 US\$'000	2005 US\$'000
Turnover	2	2,386,340	2,247,864
Operating costs		(1,938,936)	(1,704,289)
Gross profit		447,404	543,575
Fair value gain from an investment property		75,000	—
Other operating income		44,045	28,812
Other operating expenses		(224,299)	(221,351)
Operating profit	4	342,150	351,036
Finance costs	5	(33,273)	(27,199)
Share of profits less losses of jointly controlled entities		2,345	5,609
Share of loss of an associated company		(37)	—
Profit before taxation		311,185	329,446
Taxation	6	(30,629)	(20,489)
Profit for the period		280,556	308,957
Attributable to:			
Equity holders of the Company		280,500	308,859
Minority interests		56	98
		280,556	308,957
Interim dividend	7	68,837	75,095
Earnings per ordinary share (US cents)	8	44.8	49.4

Consolidated Balance Sheet (unaudited) As at 30th June 2006

	Note	30th June 2006 US\$'000	31st December 2005 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		2,663,345	2,593,946
Investment property		175,000	100,000
Prepayments of lease premiums		7,751	7,787
Jointly controlled entities		21,769	19,857
Associated company		14,879	7,916
Intangible assets		27,804	21,030
Deferred taxation assets		5,955	8,203
Pension and retirement assets		6,081	6,683
Available-for-sale financial assets		15,611	13,021
Restricted bank balances and other deposits		91,593	101,859
Other non-current assets		86,103	93,569
		3,115,891	2,973,871
Current assets			
Properties under development and for sale		192,131	181,545
Inventories		66,924	44,511
Debtors and prepayments	9	563,471	415,090
Portfolio investments		227,272	237,004
Derivative financial instruments		992	354
Cash and bank balances		804,212	962,541
		1,855,002	1,841,045
Total assets		4,970,893	4,814,916
EQUITY			
Equity holders			
Share capital		62,579	62,579
Reserves		2,420,283	2,221,751
		2,482,862	2,284,330
Minority interests		12,045	8,129
Total equity		2,494,907	2,292,459
LIABILITIES			
Non-current liabilities			
Borrowings		1,610,396	1,650,044
Deferred taxation liabilities		45,770	50,204
Pension and retirement liabilities		14,743	15,080
		1,670,909	1,715,328
Current liabilities			
Creditors and accruals	10	575,899	603,045
Derivative financial instruments		5,182	4,592
Borrowings		209,486	188,548
Current taxation		14,510	10,944
		805,077	807,129
Total liabilities		2,475,986	2,522,457
Total equity and liabilities		4,970,893	4,814,916
Net current assets		1,049,925	1,033,916
Total assets less current liabilities		4,165,816	4,007,787

NOTES

1. Accounting policies and basis of preparation

The interim financial information has been prepared under the historical cost convention, as modified by the revaluation of certain property, plant and equipment, investment property and investments, and in accordance with HKAS 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

Except as described below, the accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual accounts for the year ended 31st December 2005.

The Group adopted HKAS 19 (Amendment) — Employee Benefits, HKAS 39 (Amendment) — Cash Flow Hedge Accounting of Forecast Intragroup Transactions, HKAS 39 (Amendment) — The Fair Value Option, HKAS 39 & HKFRS 4 (Amendment) — Financial Guarantee Contracts and HKFRS — Int 4 — Determining whether an Arrangement contains a Lease, as at 1st January 2006. These changes in accounting policies did not have significant impact on the Group's results and financial position.

2. Turnover

	2006 US\$'000	2005 US\$'000
Container transport and logistics	2,124,892	2,030,749
Container terminals	244,358	205,956
Property investment and development	17,090	11,159
	2,386,340	2,247,864

Turnover represents gross freight, charterhire, service and other income from the operation of the container transport and logistics and container terminal businesses, sales of properties and rental income from the investment property.

3. Segment information

Business segments

	Container transport and logistics US\$'000	Terminal US\$'000	Property investment and development US\$'000	Unallocated US\$'000	Elimination US\$'000	Group US\$'000
For the six months ended 30th June 2006						
Turnover	2,124,892	270,358	17,422	—	(26,332)	2,386,340
Operating profit	199,353	37,468	80,608	24,721	—	342,150
Finance costs	—	—	—	—	—	(33,273)
Share of profits less losses of jointly controlled entities	—	—	—	—	—	2,345
Share of loss of an associated company	—	—	—	—	—	(37)
Profit before taxation	—	—	—	—	—	311,185
Taxation	—	—	—	—	—	(30,629)
Profit for the period	—	—	—	—	—	280,556
Capital expenditure	122,553	38,650	74	—	—	161,277
Depreciation	65,360	20,437	194	—	—	85,991
Amortisation	1,573	642	630	—	—	2,845

	Container transport and logistics US\$'000	Terminal US\$'000	Property investment and development US\$'000	Unallocated US\$'000	Elimination US\$'000	Group US\$'000
For the six months ended 30th June 2005						
Turnover	2,030,749	227,504	11,600	—	(21,989)	2,247,864
Operating profit	315,072	25,910	3,357	6,697	—	351,036
Finance costs	—	—	—	—	—	(27,199)
Share of profits less losses of jointly controlled entities	—	—	—	—	—	5,609
Share of loss of an associated company	—	—	—	—	—	(37)
Profit before taxation	—	—	—	—	—	329,446
Taxation	—	—	—	—	—	(20,489)
Profit for the period	—	—	—	—	—	308,957
Capital expenditure	168,014	19,105	3,967	—	—	191,086
Depreciation	66,259	12,702	26	—	—	78,987
Amortisation	2,692	156	1,199	—	—	4,047

As at 30th June 2006

	Container transport and logistics US\$'000	Terminal US\$'000	Property investment and development US\$'000	Unallocated US\$'000	Elimination US\$'000	Group US\$'000
Segment assets						
Property, plant and equipment	2,340,736	322,392	217	—	—	2,663,345
Jointly controlled entities	4,628	—	17,141	—	—	21,769
Associated company	—	14,879	—	—	—	14,879
Other assets	427,581	95,503	609,708	1,138,108	—	2,270,900
Total assets						4,970,893
Segment liabilities						
Creditors and accruals	(496,030)	(60,071)	(17,861)	(1,937)	—	(575,899)
Other liabilities	(10,671)	(4,072)	—	(1,885,344)	—	(1,900,087)
Total liabilities						(2,475,986)

As at 31st December 2005

	Container transport and logistics US\$'000	Terminal US\$'000	Property investment and development US\$'000	Unallocated US\$'000	Elimination US\$'000	Group US\$'000
Segment assets						
Property, plant and equipment	2,293,813	300,009	124	—	—	2,593,946
Jointly controlled entities	4,429	—	15,428	—	—	19,857
Associated company	—	7,916	—	—	—	7,916
Other assets	380,232	74,363	411,315	1,327,287	—	2,193,197
Total assets						4,814,916
Segment liabilities						
Creditors and accruals	(530,930)	(55,160)	(14,510)	(2,445)	—	(603,045)
Other liabilities	(11,352)	(3,728)	—	(1,904,332)	—	(1,919,412)
Total liabilities						(2,522,457)

Geographical segments

	Turnover US\$'000	Operating profit/(loss) US\$'000	Capital expenditure US\$'000
Six months ended 30th June 2006			
Asia	1,464,735	1,131	14,047
North America	609,508	118,989	41,826
Europe	257,286	—	460
Australia	54,811	—	258
Unallocated	—	222,030	104,686
	2,386,340	342,150	161,277
Six months ended 30th June 2005			
Asia	1,449,458	(1,595)	18,149
North America	501,231	30,862	22,615
Europe	260,399	—	150
Australia	36,776	—	35
Unallocated	—	321,769	150,137
	2,247,864	351,036	191,086

	30th June 2006 US\$'000	31st December 2005 US\$'000
Total assets		
Asia	572,109	379,907
North America	628,490	540,467
Europe	19,841	21,262
Australia	748	627
Unallocated	3,749,705	3,872,653
	4,970,893	4,814,916

4. Operating profit

	2006 US\$'000	2005 US\$'000
Operating profit is arrived at after crediting:		
Interest income from banks	21,936	12,714
Gross rental income from an investment property	11,803	11,159
Profit on disposal of property, plant and equipment	6,112	143
Gain on disposal of available-for-sale financial assets	26	11
Gain on interest rate swap contracts	—	7,823
Gain on foreign exchange forward contracts	5,584	—
Portfolio investment income	9,115	7,102
Exchange gain	—	542

and after charging:

	2006 US\$'000	2005 US\$'000
Depreciation	66,245	53,231
Owned assets	19,746	25,756
Leased assets	—	—
Operating lease rental expense	222,601	232,221
Vessels and equipment	24,271	14,814
Land and buildings	4,739	4,648
Rental outgoings in respect of an investment property	1,061	—
Exchange loss	5,536	—
Loss on interest rate swap contracts	—	2,266
Loss on foreign exchange forward contracts	—	—
Amortisation	350	241
Prepayments of lease premiums	630	145
Leasehold land and land use rights of properties under development and for sale	1,865	3,661
Intangible assets	—	—

5. Finance costs

	2006 US\$'000	2005 US\$'000
Interest expense	(38,428)	(26,561)
Amount capitalised under assets	7,779	2,296
Net interest expense	(30,649)	(24,265)
Dividend on preference shares	(2,624)	(2,934)
	(33,273)	(27,199)

6. **Taxation**

	2006 US\$'000	2005 US\$'000
Current taxation		
Hong Kong profits tax	(768)	—
Overseas taxation	(32,807)	(18,367)
	(33,575)	(18,367)
Deferred taxation		
Hong Kong profits tax	(253)	—
Overseas taxation	3,199	(2,122)
	(30,629)	(20,489)

Taxation has been provided at the appropriate tax rates prevailing in the countries in which the Group operates on the estimated assessable profits for the period. These rates range from 8% to 52% and the rate applicable for Hong Kong profits tax is 17.5% (2005: 17.5%)

7. **Interim dividend**

The Board of Directors declares an interim dividend of US11 cents per ordinary share for 2006 (2005: US12 cents).

At a meeting held on 10th March 2006 the Directors proposed a final dividend of US15 cents per ordinary share amounting to US\$94,031,000 for the year ended 31st December 2005, which was paid on 8th May 2006 and has been reflected as an appropriation of retained profit for the six months ended 30th June 2006.

8. **Earnings per ordinary share**

The calculation of earnings per ordinary share is based on the profit attributable to equity holders of US\$280.5 million (2005: US\$308.9 million) and the weighted average of 625.8 million (2005: 625.8 million) ordinary shares in issue during the period.

9. **Debtors and prepayments**

	30th June 2006 US\$'000	31st December 2005 US\$'000
Trade receivables	306,810	284,319
Less: Provision for impairment	(6,869)	(7,502)
Trade receivables — net	299,941	276,817
Other debtors	47,611	47,254
Prepayments	199,643	65,061
Utility and other deposits	3,914	3,384
Tax recoverable	12,362	22,574
	563,471	415,090

The Group's sales are made on credit terms of 10 to 45 days.

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

	30th June 2006 US\$'000	31st December 2005 US\$'000
Below one month	281,979	246,099
Two to three months	16,702	25,912
Four to six months	1,234	4,797
Over six months	26	9
	299,941	276,817

10. **Creditors and accruals**

	30th June 2006 US\$'000	31st December 2005 US\$'000
Trade payables	187,943	160,927
Other creditors	55,220	52,296
Accrued expenses	310,502	365,730
Deferred revenue	22,234	24,092
	575,899	603,045

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

	30th June 2006 US\$'000	31st December 2005 US\$'000
Below one month	154,754	121,595
Two to three months	26,757	34,373
Four to six months	4,955	1,848
Over six months	1,477	3,111
	187,943	160,927

11. **Subsequent Events**

On 25th July 2006, the Company announced that following a strategic review of its terminal assets, it had engaged UBS Investment Bank to advise it in relation to the potential disposal of its Terminals Division* which comprised TSI Terminal Systems Inc., New York Container Terminal, Inc. and Global Terminal & Container Services, Inc., a move being considered in order to realise the true potential value of these assets.

At this stage, there is no certainty that a potential disposal of the Terminals Division* will take place.

Results for First Half 2006

The markets have remained robust in terms of container volume growth during the first half of 2006 but average freight rates have fallen over the same period, especially on the Asia to Europe routes. This softness, when combined with steadily rising costs, both directly and indirectly as a result of higher oil prices, has led to a poorer overall performance for the first half of 2006 by comparison with the same period of 2005. Orient Overseas (International) Limited and its subsidiaries attained a profit before tax of US\$311.2 million for the first six months of this year. After tax and minority interests a profit attributable to shareholders of US\$280.5 million was recorded. At the interim stage, this level of profitability represents a deterioration when compared with the US\$308.9 million profit attributable to shareholders recorded for the first half of 2005. It also benefits significantly from a revaluation of our Wall Street Plaza investment property. The earnings per ordinary share of US\$4.8 cents compare with the earnings per ordinary share of US\$4.4 cents for the first half of 2005.

Review of Operations

The core international container transport business of the Group, trading under the "OOCL" name, has continued to experience strong container volume growth across all of its trade routes although this has been constrained by the effective carrying capacity of new tonnage introduced into service.

Operational Statistics of Orient Overseas Container Line

	CURRENT QUARTER			YEAR-TO-DATE		
	Q2 2006	Q2 2005	change	1H 2006	1H 2005	change
LIFTINGS (TEU'S):						
Trans-Pacific	309,919	288,645	+ 7.4%	594,814	554,003	+ 7.4%
Asia / Europe	169,951	135,581	+25.4%	313,442	259,572	+20.8%
Transatlantic	86,275	83,323	+ 3.5%	167,441	164,070	+ 2.1%
Intra-Asia / Australasia	406,666	390,417	+ 4.2%	782,585	750,801	+ 4.2%
Total all services	972,811	897,966	+ 8.3%	1,858,282	1,728,446	+ 7.5%
TOTAL REVENUES (US\$000'S):						
Trans-Pacific	461,648	443,210	+ 4.2%	896,374	847,488	+ 5.8%
Asia / Europe	204,840	197,841	+ 3.5%	377,820	376,914	+ 0.2%
Transatlantic	142,466	119,489	+19.2%	274,779	230,004	+19.5%
Intra-Asia / Australasia	247,072	254,438	- 2.9%	478,729	495,448	- 3.4%
Total all services	1,056,026	1,014,978	+ 4.0%	2,027,702	1,949,854	+ 4.0%

OOCL's total liftings increased by 7.5% for the first half of 2006 as compared with the same period last year. This compares with the volume growth of 11.6% recorded for the first half of 2005. Total revenues, however, grew by a lower 4.0% to US\$2,027.7 million for the first six months of 2006 as a result of a 3.3% fall in overall revenues per TEU. The deployment during the first half of this year of number 9 in our total series of twelve 8,063 TEU "SX" Class newbuildings together with the first four of our series of eight 5,888 TEU "S" Class newbuildings, being operated under long-term charter structures, contributed towards an overall 9.9% increase in loadable capacity during the first half of the year. Despite this significant increase in fleet size, the strength in volume growth has been such that overall load factors suffered only a slight 1.8% drop as compared with the first half of 2005. Compared with the corresponding period last year, liftings increased by 7.4% on our Trans-Pacific services with average revenues remaining relatively stable, suffering just a 1.5% drop by comparison with the same period last year. Our Intra-Asia and Australasia services experienced increased liftings of 4.2% but saw average revenues fall by 7.3%. For our Asia / Europe services the increase in liftings was a very strong 20.8% as a result of the introduction of new capacity. However, total revenues rose by only 0.2% as a result of a steep 17.0% drop in average revenues per TEU. On the other hand, our Transatlantic services enjoyed a 17.1% increase in average revenues per TEU compared with the first half of 2005 experiencing a 19.5% increase in total revenues on liftings up by just 2.1%. In the current environment of rising costs, both variable and fixed, we have intensified our concentration upon operational efficiencies and tight cost control aided by our ongoing investment in IT. Business and administration costs have again fallen on a per TEU basis, by 14% when compared with the same period last year. However, other fixed and variable costs have risen significantly during the first half of the year. In respect of our membership of the Grand Alliance, the P&O Nedlloyd membership and joint deployment of its vessels ceased in early 2006 following its acquisition by Maersk Sealand. OOCL, together with the other remaining members, Hapag-Lloyd, MISC and NYK, oversaw a very smooth transition and also the commencement of a slot sharing agreement with the New World Alliance, comprising American President Line, Hyundai Merchant Marine and Mitsui OSK Lines. Through these arrangements, OOCL continues to deliver the highest level of service to its customers. During the first half of 2006 the Group took delivery of a further "SX" Class 8,063 TEU newbuilding, the OOCL Asia. Its sister ship, the OOCL Europe, was delivered on 26th July 2006. Also delivered were the OOCL Vancouver, the OOCL Kaohsiung, the OOCL Antwerp and the OOCL Dubai, the first four of the total series of eight "S" Class 5,888 TEU newbuildings all being or to be operated under long-term charter arrangements with Japanese owners. On 20th July 2006, OOCL entered into shipbuilding contracts for another four ca. 4,500 TEU Panamax sized vessels also to be built by Samsung Heavy Industries Co Ltd in South Korea. Deliveries are scheduled to take place in mid 2010.

For the first half of 2006, terminal operations returned encouragingly strong results as combined container throughput at our Terminals Division* increased by 17% over the same period a year ago, with total revenues and operating profit rising by 29.6% and 46.5% respectively. In Vancouver, the Group's operations at Delaport and Vanterm continue to play a vital role in the economy of Western Canada. Both terminals performed exceedingly well in the first half of 2006 with a 30.4% rise in TEU throughput volumes contributing to a 49.5% jump in revenue, aided in part by the continued strength of the Canadian dollar. Likewise, the Group's two terminals situated in the Port of New York and New Jersey are important contributors to the economy of the "tri-state region", consisting of New York, New Jersey and Connecticut. Business conditions remain healthy at New York Container Terminal

on Staten Island, where an increase of 6.7% in TEU throughput volume was accompanied by an 8.1% rise in revenue. Global Terminal in New Jersey was, however, directly and adversely impacted by the withdrawal of P&O Nedlloyd from the Grand Alliance and the transfer of its volumes elsewhere. It experienced a TEU throughput volume drop of 13% in the first half of 2006 but revenue remained essentially unchanged.

Faced with high utilisation rates and the difficulties in obtaining necessary approvals to build new container terminals or to expand existing facilities at existing ports throughout North America, the trend of increasing volumes on ever larger container ships along the important trade routes serving the robust consumer markets of the USA and Canada bodes well for terminal operations for years to come. It is for these reasons, amongst others, that the values attributed to container terminals and ports generally have risen greatly over the past year or so. A number of recent and well publicised transactions have attracted much attention and have generated significant competition amongst potential buyers. Despite this appreciation in asset values, the markets have steadfastly declined to recognise the true value of our third-party terminal businesses within the OOIL share price. We therefore conducted a strategic review of our container terminal assets, to investigate the potential disposal of our Terminals Division*, a move being considered in order to realise the true potential value for our shareholders.

Terminals Division* Income Statement Information			
US\$Million	1H 2006	1H 2005	Last Twelve Months
Liftings (TEUs 000s)	1,331	1,142	2,568
Turnover	236.6	192.0	444.3
EBITDA	52.2	38.5	99.8
Balance Sheet Information			
US\$Million	30th June 2006	31st December 2005	
Total Bank Borrowing and Capital Leases	107.2	102.3	
Cash and Equivalents	38.7	48.8	
Net Debt	68.5	53.5	
Net Book Value	179.9	153.6	

Note: Terminals Division comprises of TSI Terminal Systems Inc., New York Container Terminal, Inc. and Global Terminal & Container Services, Inc.*

The Group's property investment and development businesses continued to be profitable during the first half of 2006. However, as a result of the project timings we do not expect a significant contribution to Group performance for 2006 as a whole. Our portfolio of New York and Beijing investment properties continue to perform as budgeted. The strength of the New York commercial property market and appreciation in land values, have been such that the latest independent and professional valuation received for Wall Street Plaza has increased the value to US\$175 million from the previous level of US\$100 million. Our development projects in the Greater Shanghai area also continue as planned. The softness of the Greater Shanghai residential market has persisted during the first half of the year. However, we do not expect these market conditions to have a significant impact on Group results for 2006 given the timing of our projects, the majority of our existing projects, consisting of residential, office and hotel developments, will not reach the selling stage until 2008 and beyond.

Looking Forward

Volume growth forecasts for the whole of 2006 vary but in general however, are below the estimates of the new tonnage to be deployed. Volume growth forecasts tend to be overly cautious whilst the disparity between the estimates of new tonnage to be deployed, in nominal capacity terms, and the actual effective capacity introduced into service remains significant. However, it is without doubt that the industry is at present having to weather a period of unusually high new vessel deployment at the same time as doubts abound as to the sustainability of the currently still strong container volume growth. Such sentiments clearly serve to soften freight rates. Nevertheless, the supply/demand balance eventually will have its effect and so it is the strength of volume growth during the coming peak period which will set the performance level for 2006 as a whole. It is unlikely to compare with the Group's performance for the past two years however, since much of the damage to freight rates has already been done during the first half and especially for the all important Trans-Pacific trades for which the annual rate setting process took place in April. Similarly for the Asia Europe trades in which, although three monthly contracts are the norm, rates fall very quickly but rise very slowly. In addition to the balance between supply and demand, rising costs are a major concern. The future cost of bunkers remains an unknown with many views as to where the price will go. The geopolitical issues make predictions much of a lottery. Whilst the bunker adjustment factor does allow us to recover some of any increase it is by no means a 100% recovery. Additionally, our third party transportation costs and terminal handling costs continue to rise, much of it the indirect result of higher fuel and energy costs. We remain very much concentrated upon containing these increases to a minimum and our level of success in these endeavours will greatly effect the outcome for 2006 as a whole.

Dividend

The Directors are pleased to announce an interim dividend of US11 cents (HK\$6 cents at the exchange rate of US\$1: HK\$7.8) per ordinary share for the six months ended 30th June 2006. The dividend will be paid on 15th September 2006 to the ordinary shareholders of the Company whose names appear on the register of members of the Company on 4th September 2006. Shareholders who wish to receive the dividend in US dollars should complete the US dollars election form and return it to the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before 7th September 2006.

Closure of Register of Members

The register of members of the Company will be closed from 1st September 2006 to 4th September 2006, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar not later than 4:00 p.m. on 31st August 2006.

Purchase, Sale or Redemption of Shares

During the six-month period ended 30th June 2006, the Company has not redeemed any of its shares and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares.

Pre-emptive Rights

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

Corporate Governance

Compliance with the Code on Corporate Governance Practices

The Company is committed to maintaining high standards of corporate governance. The Board has adopted its own code on corporate governance practices (the "CG Code") which in addition to applying the principles as set out in the Code on Corporate Governance Practices (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 the local and international best practices. The CG Code sets out the corporate governance principles to be applied by the Company and its subsidiaries and the Company considers that effective corporate governance makes an important contribution to corporate success and to enhancement of shareholders value.

Throughout the six months ended 30th June 2006, the Company has complied with the SEHK Code, except that there is no separation of the role of Chairman and Chief Executive Officer. Mr Chee Chen TUNG currently assumes the role of both the Chairman and the Chief Executive Officer of the Company. The executive members of the Board currently consist of chief executive officers of its principal divisions and there is effective separation of the roles between chief executives of its principal divisions and the Chief Executive Officer of the Company. The Board considers that further separation of the roles of Chief Executive Officer and Chairman would represent a duplication and is not necessary for the time being.

Audit Committee

The Audit Committee currently comprises three Independent Non-Executive Directors, with the head of Internal Audit Department of the Company as the secretary and the Company Secretary as the assistant secretary of the Audit Committee.

The Committee meets not less than twice a year.

The Audit Committee has reviewed the Group's interim results.

Remuneration Committee

The Remuneration Committee currently comprises the Chairman and two Independent Non-Executive Directors of the Company, with the Company Secretary as the secretary of the Committee.

The Committee meets not less than once a year.

Securities Transactions by Directors

The Company has adopted its own code of conduct regarding securities transactions by Directors (the "Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules.

All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in both the Model Code and the Code throughout the period from 1st January to 30th June 2006.

Interim Report and Disclosure of Information on the Website of the Stock Exchange

The printed copy of the 2006 Interim Report will be sent to shareholders around 24th August 2006. The soft copy of the Interim Report will be published on the Stock Exchange's website www.hkex.com.hk and available on the Company's website at www.ooilgroup.com around 24th August 2006.

Employee Information

As at 30th June 2006 the Group has 6,492 full time employees whose 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 discretionary bonus schemes based on the performance of the Company which are regularly reviewed. Other benefits are also provided including medical insurance and pension funds and social and recreational activities are arranged around the world.

Directors

As at the date hereof, the Executive Directors of the Company are Messrs Chee Chen TUNG, Nicholas David SIMS, Philip Yiu Wah CHOW and Alan Lieh Sing TUNG; the Non-executive Directors are Mr Roger KING and Mr Tsann Rong CHANG; and the Independent Non-executive Directors are Mr Simon MURRAY, Dr Victor Kwok King FUNG and Professor Richard Yue Chim WONG.

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
Chee Chen TUNG
Chairman

Hong Kong, 4th August 2006

† For identification only