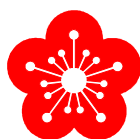


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## ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司

(Incorporated in Bermuda with Limited Liability)

(Stock code: 316)

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2014

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 2014, which have been reviewed by our auditor, PricewaterhouseCoopers whose unqualified review report is included in the Interim Report to be sent to Shareholders.

#### Condensed Consolidated Profit and Loss Account (unaudited) For the six months ended 30th June 2014

US\$'000	Note	2014	2013
Revenue	5	3,237,248	3,025,005
Operating costs		(2,920,317)	(2,821,385)
<b>Gross profit</b>		<b>316,931</b>	203,620
Fair value gain/(loss) from an investment property		9,653	(4,560)
Other operating income		89,824	32,282
Other operating expenses		(205,517)	(228,064)
<b>Operating profit</b>	6	<b>210,891</b>	3,278
Finance costs	8	(26,788)	(18,592)
Share of profits of joint ventures		2,467	1,901
Share of profits of associated companies		7,680	5,332
<b>Profit/(loss) before taxation</b>		<b>194,250</b>	(8,081)
Taxation	9	(13,056)	(7,056)
<b>Profit/(loss) for the period</b>		<b>181,194</b>	(15,137)
<b>Profit/(loss) attributable to :</b>			
Equity holders of the Company		181,296	(15,264)
Non-controlling interests		(102)	127
		<b>181,194</b>	(15,137)
<b>Earnings/(loss) per ordinary share (US cents)</b>			
<b>Basic and diluted</b>	11	<b>29.0</b>	(2.4)
<b>Interim dividend</b>	10	<b>46,934</b>	-

**Condensed Consolidated Statement of Comprehensive Income (unaudited)**  
**For the six months ended 30th June 2014**

US\$'000	2014	2013
<b>Profit/(loss) for the period</b>	<u><b>181,194</b></u>	<u>(15,137)</u>
<b>Other comprehensive income:</b>		
Item that will not be subsequently reclassified to profit or loss:		
Actuarial losses on defined benefit schemes	<u><b>(131)</b></u>	<u>(6,554)</u>
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale financial assets		
- Change in fair value	<b>(50,111)</b>	(8,414)
- Assets revaluation reserve realised	-	(112)
Currency translation adjustments		
- Foreign subsidiaries	<b>(1,404)</b>	3,005
- Non-controlling interests	<b>(52)</b>	103
- Associated companies	<b>(1,296)</b>	1,829
- Joint ventures	<u><b>(72)</b></u>	<u>134</u>
Total items that may be reclassified subsequently to profit or loss	<u><b>(52,935)</b></u>	<u>(3,455)</u>
Other comprehensive loss for the period, net of tax	<u><b>(53,066)</b></u>	<u>(10,009)</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><u><b>128,128</b></u></u>	<u><u>(25,146)</u></u>
<b>Total comprehensive income/(loss) attributable to:</b>		
Equity holders of the Company	<b>128,282</b>	(25,376)
Non-controlling interests	<u><b>(154)</b></u>	<u>230</u>
	<u><u><b>128,128</b></u></u>	<u><u>(25,146)</u></u>

**CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)**

**As at 30th June 2014**

US\$'000	Note	30th June 2014	31st December 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	5,483,151	5,320,251
Investment property	12	180,000	170,000
Prepayments of lease premiums	12	9,229	9,543
Joint ventures		9,889	8,674
Associated companies		148,779	134,697
Intangible assets	12	45,409	42,663
Deferred taxation assets		3,895	4,072
Pension and retirement assets		677	-
Derivative financial instruments	14	3,696	4,407
Restricted bank balances		34,933	24,731
Available-for-sale financial assets		131,467	149,667
Held-to-maturity investments		239,915	254,572
Other non-current assets		20,301	22,928
		<u>6,311,341</u>	<u>6,146,205</u>
<b>Current assets</b>			
Inventories		160,654	150,058
Debtors and prepayments	13	599,253	554,852
Amount due from an associated company		2,341	7,330
Held-to-maturity investments		16,057	-
Portfolio investments		208,779	217,986
Restricted bank balances		426	1,441
Cash and bank balances		1,954,986	1,912,346
		<u>2,942,496</u>	<u>2,844,013</u>
<b>Total assets</b>		<u>9,253,837</u>	<u>8,990,218</u>
<b>EQUITY</b>			
<b>Equity holders</b>			
Share capital	15	62,579	62,579
Reserves	16	4,524,715	4,408,228
		<u>4,587,294</u>	<u>4,470,807</u>
<b>Non-controlling interests</b>		<u>5,663</u>	<u>5,817</u>
<b>Total equity</b>		<u>4,592,957</u>	<u>4,476,624</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	18	3,241,411	3,265,555
Deferred taxation liabilities		54,821	55,557
Pension and retirement liabilities		260	2,409
Derivative financial instruments	14	1,764	4,728
		<u>3,298,256</u>	<u>3,328,249</u>
<b>Current liabilities</b>			
Creditors and accruals	17	1,023,072	904,624
Amounts due to joint ventures		10,109	6,991
Borrowings	18	323,547	268,310
Current taxation		4,653	5,420
Derivative financial instruments	14	1,243	-
		<u>1,362,624</u>	<u>1,185,345</u>
<b>Total liabilities</b>		<u>4,660,880</u>	<u>4,513,594</u>
<b>Total equity and liabilities</b>		<u>9,253,837</u>	<u>8,990,218</u>
<b>Net current assets</b>		<u>1,579,872</u>	<u>1,658,668</u>
<b>Total assets less current liabilities</b>		<u>7,891,213</u>	<u>7,804,873</u>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (unaudited)**  
**For the six months ended 30th June 2014**

US\$'000	2014	2013
<b>Cash flows from operating activities</b>		
Cash generated from operations	283,834	164,776
Interest paid	(17,491)	(13,252)
Interest element of finance lease rental payments	(6,993)	(5,487)
Overseas taxes paid	(6,782)	(13,568)
Net cash from operating activities	<u>252,568</u>	<u>132,469</u>
<b>Cash flows from investing activities</b>		
Sale of property, plant and equipment	118,289	15,341
Sale of available-for-sale financial assets	37	116
Redemption on maturity of held-to-maturity investments	2,581	-
Purchase of property, plant and equipment	(11,161)	(167,885)
Addition of investment property	(347)	(9,560)
Purchase of held-to-maturity investments	(2,736)	-
Decrease/(increase) in portfolio investments	9,217	(16,958)
Increase in amounts due to joint ventures	3,118	2,979
Increase in restricted bank balances	(9,187)	(3,135)
Increase in bank deposits maturing more than three months from the date of placement	(114,963)	(175,926)
Increase of investment in an associated company	(10,296)	(10,051)
Increase in intangible assets	(6,943)	(4,848)
Decrease in other non-current assets	2,627	110
Interest received	17,878	16,786
Dividends received from portfolio investments	125	164
Distribution from available-for-sale financial assets	1,212	-
Dividends received from available-for-sale financial assets	7,903	7,906
Dividends received from associated companies	7,330	-
Dividends received from joint ventures	1,180	961
Capital contribution from non-controlling interests	-	48
Net cash from/(used in) investing activities	<u>15,864</u>	<u>(343,952)</u>
<b>Cash flows from financing activities</b>		
Drawdown of loans	197,963	464,100
Repayment of loans	(350,529)	(242,095)
Capital element of finance lease rental payments	(173,755)	(125,791)
Dividends paid to equity holders of the Company	(11,795)	(44,987)
Net cash (used in)/from financing activities	<u>(338,116)</u>	<u>51,227</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(69,684)</b>	<b>(160,256)</b>
Cash and cash equivalents at beginning of period	1,719,902	1,597,018
Currency translation adjustments	(2,444)	1,241
Cash and cash equivalents at end of period	<u>1,647,774</u>	<u>1,438,003</u>
<b>Analysis of cash and cash equivalents</b>		
Bank balances and deposits maturing within three months from the date of placement	1,647,893	1,438,129
Bank overdrafts	(119)	(126)
	<u>1,647,774</u>	<u>1,438,003</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**(unaudited)**  
**For the six months ended 30th June 2014**

US\$'000	Equity holders			Non-controlling interests	Total
	Share capital	Reserves	Sub-total		
<b>Balance at 31st December 2013</b>	62,579	4,408,228	4,470,807	5,817	4,476,624
Total comprehensive income/(loss) for the period	-	128,282	128,282	(154)	128,128
Transactions with owners					
2013 final dividend	-	(11,795)	(11,795)	-	(11,795)
<b>Balance at 30th June 2014</b>	<b>62,579</b>	<b>4,524,715</b>	<b>4,587,294</b>	<b>5,663</b>	<b>4,592,957</b>
<b>Balance at 31st December 2012</b>	62,579	4,419,236	4,481,815	5,778	4,487,593
Total comprehensive (loss)/income for the period	-	(25,376)	(25,376)	230	(25,146)
Transaction with owners					
2012 final dividend	-	(44,987)	(44,987)	-	(44,987)
Capital contribution from non-controlling interests	-	-	-	48	48
<b>Balance at 30th June 2013</b>	<b>62,579</b>	<b>4,348,873</b>	<b>4,411,452</b>	<b>6,056</b>	<b>4,417,508</b>

## Notes to the Interim Financial Information

### 1. General Information

Orient Overseas (International) Limited (the “Company”) is a limited liability company incorporated in Bermuda. The address of its registered office is 33rd floor, Harbour Centre, No. 25 Harbour Road, Wanchai, Hong Kong.

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

This interim financial information was approved by the Board of Directors on 8th August 2014.

### 2. Basis of Preparation

The interim financial information has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). They have been prepared under the historical cost convention, as modified by the revaluation of investment property, available-for-sale financial assets, and financial assets and financial liabilities (including derivative financial instruments) 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 Hong Kong Institute of Certified Public Accountants (“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 accounts for the year ended 31st December 2013 except as disclosed below.

#### **The adoption of revised HKFRS**

In 2014, the Group adopted the following amendments and interpretations to existing HKFRS below, which are relevant to its operations.

#### **Amendments and interpretation to existing standards**

HKAS 32 Amendment	Financial Instruments : Presentation - Offsetting Financial Assets and Financial Liabilities
HKAS 36 Amendment	Recoverable Amount Disclosures for Non-Financial Assets
HK(IFRIC) – Int 21	Levies

There are no other new standards, amendments and improvements that are effective for the first time for this interim period that would have a material impact on the Group.

## 2. Basis of Preparation (Continued)

### Standards and amendments to existing standards that are relevant but not yet effective to the Group

<b>New standards and amendments to existing standards</b>		<b>Effective for accounting periods beginning on or after</b>
HKAS 19 (2011) Amendment	Defined Benefit Plans: Employee Contributions	1st July 2014
HKFRSs	Annual Improvements 2010 - 2012 Reporting Cycle	1st July 2014
HKFRSs	Annual Improvements 2011 – 2013 Reporting Cycle	1st July 2014
HKFRS 11 Amendment	Accounting for Acquisitions of Interests in Joint Operation	1st January 2016
HKAS 16 and HKAS 38 Amendments	Classification of Acceptable Methods of Depreciation and Amortisation	1st January 2016
HKFRS 15	Revenue from Contracts with Customers	1st January 2017
HKFRS 7 Amendment	Financial Instruments: Disclosures - Mandatory Effective date of HKFRS 9 and Transition Disclosures	Not yet determined*
HKFRS 9	Financial Instruments	Not yet determined*

\* *For those in connection with HKFRS 9, the mandatory effective date will be determined when the outstanding phase of HKFRS 9 are finalised.*

The Group has not early adopted the above standards and amendments and is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of accounts will result.

### 3. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual accounts for the year ended 31st December 2013.

#### 3.1 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- 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 and liabilities that are measured at fair value at 30th June 2014.

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>Assets</b>				
Portfolio investments				
– Equity securities	21,678	-	-	21,678
– Debt securities	175,154	-	-	175,154
– Funds and other investments	-	11,947	-	11,947
Derivative financial instruments	-	3,696	-	3,696
Available-for-sale financial assets				
– Listed equity securities	64,529	-	-	64,529
– Other investments	-	-	66,938	66,938
Total assets	<u>261,361</u>	<u>15,643</u>	<u>66,938</u>	<u>343,942</u>
<b>Liabilities</b>				
Derivative financial instruments	-	3,007	-	3,007
Total liabilities	<u>-</u>	<u>3,007</u>	<u>-</u>	<u>3,007</u>

### 3. Financial Risk Management (Continued)

#### 3.1 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31st December 2013.

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>Assets</b>				
Portfolio investments				
– Equity securities	24,322	-	-	24,322
– Debt securities	187,314	148	-	187,462
– Funds and other investments	-	6,202	-	6,202
Derivative financial instruments	-	4,407	-	4,407
Available-for-sale financial assets				
– Listed equity securities	37,521	-	-	37,521
– Other investments	-	-	112,146	112,146
Total assets	<u>249,157</u>	<u>10,757</u>	<u>112,146</u>	<u>372,060</u>
<b>Liabilities</b>				
Derivative financial instruments	-	4,728	-	4,728
Total liabilities	<u>-</u>	<u>4,728</u>	<u>-</u>	<u>4,728</u>

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

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

- Dealer quotes.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Marketability discount rate derived from management's judgment is applied to estimate the fair value of unlisted equity security classified as available-for-sale financial asset.

### 3. Financial Risk Management (Continued)

#### 3.1 Fair value estimation (Continued)

There were no changes in valuation techniques during the period.

Instruments included in level 3 mainly comprise unlisted equity securities classified as available-for-sale financial assets.

The following table presents the changes in level 3 instruments:

	US\$'000
Opening balance at 31st December 2013	112,146
Disposals	(10)
Currency translation adjustments	2
Fair value change recognised in other comprehensive income	(45,200)
	<hr/>
Closing balance at 30th June 2014	66,938
	<hr/> <hr/>
	US\$'000
Opening balance at 31st December 2012	115,334
Disposals	(116)
Currency translation adjustments	(34)
Fair value change recognised in other comprehensive income	(6,400)
	<hr/>
Closing balance at 30th June 2013	108,784
	<hr/> <hr/>

For level 3 instruments, the discount rate used to compute the fair value is 15%. The higher the discount rate, the lower the fair value.

### 3. Financial Risk Management (Continued)

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

	Carrying amount		Fair value	
	30th June 2014 US\$'000	31st December 2013 US\$'000	30th June 2014 US\$'000	31st December 2013 US\$'000
Non-current bank loans	<u>1,849,742</u>	<u>1,982,232</u>	<u>1,850,909</u>	<u>1,984,035</u>
Non-current finance lease obligations	<u>1,391,669</u>	<u>1,283,323</u>	<u>1,384,860</u>	<u>1,275,871</u>
Held-to-maturity investments	<u>255,972</u>	<u>254,572</u>	<u>271,803</u>	<u>265,025</u>

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

- Debtors and prepayments
- Prepayment of lease premiums
- Cash and bank balances
- Restricted bank balances
- Other current financial assets
- Creditors and accruals
- Borrowings except for those disclosed above
- Other current financial liabilities

#### 4. Critical Accounting Estimates and Judgements

Estimates and judgements used 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 accounts for the year ended 31st December 2013.

#### 5. Revenue

US\$'000	2014	2013
Container transport and logistics	3,224,218	3,012,234
Rental income	<u>13,030</u>	<u>12,771</u>
	<u>3,237,248</u>	<u>3,025,005</u>

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

Revenue comprises turnover which includes gross freight, charterhire, service and other income from the operation of the container transport and logistics and rental income from the investment property.

## 6. Operating Profit

US\$'000	2014	2013
Operating profit is arrived at after crediting:		
Interest income from banks	8,895	7,427
Interest income from held-to-maturity investments	5,071	5,033
Gross rental income from an investment property	13,030	12,771
Profit on disposal of property, plant and equipment	4,540	6,274
Income from available-for-sale financial assets		
- Gain on disposal	27	112
- Distribution	1,212	1,164
- Dividend income	40,175	7,906
Net gain on interest rate swap contracts	233	-
Fair value gain on foreign exchange forward contract	1,568	-
Portfolio investment income		
- Fair value gain (realised and unrealised)	4,495	-
- Interest income	3,514	3,822
- Dividend income	213	258
Exchange gain	<u>6,117</u>	<u>-</u>
and after charging :		
Depreciation		
Owned assets	120,297	104,390
Leased assets	37,260	39,503
Operating lease rental expense		
Vessels and equipment	159,798	183,453
Terminals and berths	18,348	12,177
Land and buildings	14,611	11,675
Rental outgoings in respect of an investment property	7,027	7,399
Portfolio investment loss		
- Fair value loss (realised and unrealised)	-	14,651
Net loss on interest rate swap contracts	-	621
Fair value loss on foreign exchange forward contract	-	944
Amortisation of intangible assets	4,197	4,215
Amortisation of prepayments of lease premiums	245	244
Exchange loss	<u>-</u>	<u>1,161</u>

## 7. Key Management Compensation

US\$'000	2014	2013
Salaries and other short-term employee benefits	1,680	2,622
Pension costs - defined contribution plans	<u>148</u>	<u>255</u>
	<u>1,828</u>	<u>2,877</u>

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

## 8. Finance Costs

US\$'000	2014	2013
Interest expense	(28,487)	(20,876)
Amount capitalised under assets	<u>1,699</u>	<u>2,284</u>
Net interest expense	<u>(26,788)</u>	<u>(18,592)</u>

## 9. Taxation

US\$'000	2014	2013
Current taxation		
Hong Kong profits tax	(509)	(794)
Overseas taxation	<u>(12,947)</u>	<u>(9,806)</u>
	(13,456)	(10,600)
Deferred taxation		
Overseas taxation	<u>400</u>	<u>3,544</u>
	<u>(13,056)</u>	<u>(7,056)</u>

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 10% to 47% (2013: 10% to 47%) and the rate applicable for Hong Kong profits tax is 16.5% (2013: 16.5%).

## 10. Interim Dividend

US\$'000	2014	2013
Interim dividend of US7.5 cents (2013 : nil) per ordinary share	<u>46,934</u>	<u>-</u>

The Board of Directors proposes an interim dividend in respect of 2014 of US7.5 cents (2013: nil) per ordinary share. This proposed dividend will be accounted for as an appropriation of retained profit for the year ending 31st December 2014.

## 11. Earnings/(Loss) Per Ordinary Share

The calculation of basic and diluted earnings/(loss) per ordinary share is based on the Group's profit/(loss) attributable to equity holders of the Company divided by the number of ordinary shares in issue during the period.

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

US\$'000	2014	2013
Number of ordinary shares in issue (thousands)	<u>625,793</u>	<u>625,793</u>
Group's profit/(loss) attributable to:		
Equity holders of the Company	181,296	(15,264)
Non-controlling interests	<u>(102)</u>	<u>127</u>
	<u>181,194</u>	<u>(15,137)</u>
Earnings/(loss) per share attributable to equity holders of the Company (US cents)	<u>29.0</u>	<u>(2.4)</u>

## 12. Capital Expenditure

US\$'000	Property, plant and equipment	Investment property	Prepayments of lease premiums	Intangible assets	Total
Net book amounts:					
Balance at 31st December 2013	5,320,251	170,000	9,543	42,663	5,542,457
Currency translation adjustments	(487)	-	(69)	-	(556)
Fair value gain	-	9,653	-	-	9,653
Additions	434,676	347	-	6,943	441,966
Disposals	(113,732)	-	-	-	(113,732)
Depreciation and amortisation	(157,557)	-	(245)	(4,197)	(161,999)
<b>Balance at 30th June 2014</b>	<b>5,483,151</b>	<b>180,000</b>	<b>9,229</b>	<b>45,409</b>	<b>5,717,789</b>
Balance at 31st December 2012	4,664,773	165,000	9,793	38,916	4,878,482
Currency translation adjustments	488	-	136	1	625
Fair value loss	-	(4,560)	-	-	(4,560)
Additions	579,509	9,560	-	4,848	593,917
Disposals	(9,067)	-	-	-	(9,067)
Depreciation and amortisation	(143,893)	-	(244)	(4,215)	(148,352)
Balance at 30th June 2013	5,091,810	170,000	9,685	39,550	5,311,045

## 13. Debtors and Prepayments

US\$'000	30th June 2014	31st December 2013
Trade receivables	395,242	363,495
Less: provision for impairment	(8,414)	(7,850)
Trade receivables - net	386,828	355,645
Other debtors	86,344	75,718
Other prepayments	105,417	97,317
Utility and other deposits	10,275	8,602
Tax recoverable	10,389	17,570
	<b>599,253</b>	<b>554,852</b>

### 13. Debtors and Prepayments (Continued)

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. Trade receivables 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 due dates of invoices, is as follows:

<b>US\$'000</b>	<b>30th June 2014</b>	31st December 2013
Below one month	<b>353,233</b>	327,629
Two to three months	<b>25,632</b>	21,812
Four to six months	<b>5,563</b>	6,204
Over six months	<b>2,400</b>	-
	<b><u>386,828</u></b>	<u>355,645</u>

### 14. Derivative Financial Instruments

<b>US\$'000</b>	<b>30th June 2014</b>	31st December 2013
<b>Assets</b>		
Non-current assets		
Interest rate swap contracts	<b><u>3,696</u></b>	<u>4,407</u>
<b>Liabilities</b>		
Non-current liabilities		
Interest rate swap contract	-	(2,022)
Foreign exchange forward contract	<b><u>(1,764)</u></b>	<u>(2,706)</u>
	<b><u>(1,764)</u></b>	<u>(4,728)</u>
Current liabilities		
Interest rate swap contract	<b><u>(1,243)</u></b>	<u>-</u>

## 15. Share Capital

	<b>30th June 2014</b>	31st December 2013
<b>US\$'000</b>		
Authorised :		
900,000,000 ordinary shares of US\$0.10 each	<b>90,000</b>	90,000
65,000,000 convertible redeemable preferred shares of US\$1 each	<b>65,000</b>	65,000
50,000,000 redeemable preferred shares of US\$1 each	<b><u>50,000</u></b>	<u>50,000</u>
	<b><u>205,000</u></b>	<u>205,000</u>
Issued and fully paid :		
625,793,297 (2013: 625,793,297) ordinary shares of US\$0.10 each	<b><u>62,579</u></b>	<u>62,579</u>

## 16. Reserves

US\$'000	Share premium	Contributed surplus	Capital redemption reserve	Available-for-sale financial assets revaluation reserve	Foreign exchange translation reserve	Retained profit	Total
Balance at 31st December 2013	172,457	88,547	4,696	111,661	64,934	3,965,933	4,408,228
Total comprehensive income/(loss) for the period	-	-	-	(50,111)	(2,772)	181,165	128,282
Transactions with owners							
2013 final dividend	-	-	-	-	-	(11,795)	(11,795)
<b>Balance at 30th June 2014</b>	<b>172,457</b>	<b>88,547</b>	<b>4,696</b>	<b>61,550</b>	<b>62,162</b>	<b>4,135,303</b>	<b>4,524,715</b>
Balance at 31st December 2012	172,457	88,547	4,696	117,614	58,872	3,977,050	4,419,236
Total comprehensive (loss)/income for the period	-	-	-	(8,526)	4,968	(21,818)	(25,376)
Transactions with owners							
2012 final dividend	-	-	-	-	-	(44,987)	(44,987)
Balance at 30th June 2013	172,457	88,547	4,696	109,088	63,840	3,910,245	4,348,873
Total comprehensive income for the period	-	-	-	2,573	1,094	55,688	59,355
Balance at 31st December 2013	172,457	88,547	4,696	111,661	64,934	3,965,933	4,408,228

## 17. Creditors and Accruals

<b>US\$'000</b>	<b>30th June 2014</b>	<b>31st December 2013</b>
Trade payables	<b>347,776</b>	303,829
Other creditors	<b>81,487</b>	76,741
Accrued expenses	<b>533,029</b>	455,583
Deferred revenue	<b>60,780</b>	68,471
	<b><u>1,023,072</u></b>	<b><u>904,624</u></b>

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

<b>US\$'000</b>	<b>30th June 2014</b>	<b>31st December 2013</b>
Below one month	<b>221,156</b>	171,269
Two to three months	<b>114,664</b>	122,463
Four to six months	<b>8,176</b>	6,102
Over six months	<b>3,780</b>	3,995
	<b><u>347,776</u></b>	<b><u>303,829</u></b>

## 18. Borrowings

	<b>30th June 2014</b>	31st December 2013
<b>US\$'000</b>		
<b>Non-current</b>		
Bank loans		
- Secured	<b>1,749,376</b>	1,881,785
- Unsecured	<b>100,366</b>	100,447
Finance lease obligations	<b><u>1,391,669</u></b>	<u>1,283,323</u>
	<b><u>3,241,411</u></b>	<u>3,265,555</u>
<b>Current</b>		
Bank overdrafts, unsecured	<b>119</b>	314
Bank loans		
- Secured	<b>160,223</b>	168,588
- Unsecured	-	9,908
Finance lease obligations	<b><u>163,205</u></b>	<u>89,500</u>
	<b><u>323,547</u></b>	<u>268,310</u>
<b>Total borrowings</b>	<b><u><u>3,564,958</u></u></b>	<u><u>3,533,865</u></u>

## 19. Commitments

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

US\$'000	30th June 2014	31st December 2013
Contracted but not provided for	543,866	722,055
Authorised but not contracted for	<u>130,119</u>	<u>333,750</u>
	<u><u>673,985</u></u>	<u><u>1,055,805</u></u>

### (b) Operating lease commitments

The future aggregate minimum lease rental expenses under non-cancellable operating leases are payable in the following years :

US\$'000	Vessels and equipment	Land and buildings	Total
<b>As at 30th June 2014</b>			
2014/15	208,046	22,709	230,755
2015/16	100,212	15,365	115,577
2016/17	94,557	11,543	106,100
2017/18	71,776	7,752	79,528
2018/19	67,655	5,885	73,540
2019/20 onwards	<u>165,949</u>	<u>14,797</u>	<u>180,746</u>
	<u><u>708,195</u></u>	<u><u>78,051</u></u>	<u><u>786,246</u></u>
<b>As at 31st December 2013</b>			
2014	211,998	26,914	238,912
2015	98,058	14,190	112,248
2016	69,504	11,099	80,603
2017	69,273	7,213	76,486
2018	68,788	3,997	72,785
2019 onwards	<u>199,048</u>	<u>15,520</u>	<u>214,568</u>
	<u><u>716,669</u></u>	<u><u>78,933</u></u>	<u><u>795,602</u></u>

## **19. Commitments (Continued)**

### **(b) Operating lease commitments (Continued)**

The Group entered into the Preferential Assignment Agreement (the “Agreement”) with the Port of Long Beach (“POLB”) for the use of the Middle Harbor Terminal (the “Terminal”) in Long Beach, California USA on 30th April 2012. The term of the Agreement is 40 years commencing on 1st July 2011. On 27th March 2013, the Group signed the First Amendment to Preferential Assignment Agreement (the “Amendment”) with POLB, which has amended certain terms within Agreement and has altered the expected guaranteed minimum annual compensation to be made for the relevant period of the lease term.

The guaranteed minimum annual compensation is computed based on the guaranteed minimum annual compensation per acreage (ranging from US\$180,000 to US\$270,000 in the first 5 years of the lease) multiplied by the number of acreages of the Terminal delivered, which is subject to mutual agreement between the Group and POLB along the Terminal construction and based on the milestones set out in the Agreement. The construction is expected to be completed by 2019 and the estimated number of acreages of the Terminal upon completion is estimated to be approximately 304.7 acres. As of 30th June 2014, the acreages of the Terminal available is 90.8 acres. The Group and POLB will renegotiate the guaranteed minimum annual compensation per acre every 5 years which will not be less than the highest guaranteed minimum annual compensation in the previous 5 years.

## **20. 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.

## 20. Segment Information (Continued)

### *Operating segments*

The segment results for the six months ended 30th June 2014 are as follows:

US\$'000	Container transport and logistics	Others	Elimination	Group
<b>Revenue</b>	<b><u>3,224,218</u></b>	<b><u>13,486</u></b>	<b><u>(456)</u></b>	<b><u>3,237,248</u></b>
Operating profit	135,148	75,743	-	210,891
Finance costs	(26,788)	-	-	(26,788)
Share of profits of joint ventures	2,467	-	-	2,467
Share of profits of associated companies	7,680	-	-	7,680
<b>Profit before taxation</b>	<b><u>118,507</u></b>	<b><u>75,743</u></b>	<b><u>-</u></b>	<b><u>194,250</u></b>
Taxation	(7,349)	(5,707)	-	(13,056)
<b>Profit for the period</b>	<b><u>111,158</u></b>	<b><u>70,036</u></b>	<b><u>-</u></b>	<b><u>181,194</u></b>
Capital expenditure	441,619	347	-	441,966
Depreciation	157,557	-	-	157,557
Amortisation	4,442	-	-	4,442

## 20. Segment Information (Continued)

### *Operating segments (Continued)*

The segment results for the six months ended 30th June 2013 are as follows:

US\$'000	<b>Container transport and logistics</b>	<b>Others</b>	<b>Elimination</b>	<b>Group</b>
<b>Revenue</b>	<u>3,012,234</u>	<u>13,203</u>	<u>(432)</u>	<u>3,025,005</u>
Operating profit/(loss)	(4,385)	7,663	-	3,278
Finance costs	(18,592)	-	-	(18,592)
Share of profits of joint ventures	1,901	-	-	1,901
Share of profits of associated companies	5,332	-	-	5,332
<b>(Loss)/profit before taxation</b>	<u>(15,744)</u>	<u>7,663</u>	<u>-</u>	<u>(8,081)</u>
Taxation	(6,887)	(169)	-	(7,056)
<b>(Loss)/profit for the period</b>	<u>(22,631)</u>	<u>7,494</u>	<u>-</u>	<u>(15,137)</u>
Capital expenditure	584,354	9,563	-	593,917
Depreciation	143,893	-	-	143,893
Amortisation	4,459	-	-	4,459

## 20. Segment Information (Continued)

### *Operating segments (Continued)*

The segment assets and liabilities as at 30th June 2014 are as follows:

US\$'000	Container transport and logistics	Others	Group
Segment assets	6,900,081	2,192,747	9,092,828
Joint ventures	9,889	-	9,889
Associated companies	<u>151,120</u>	<u>-</u>	<u>151,120</u>
Total assets	<u><u>7,061,090</u></u>	<u><u>2,192,747</u></u>	<u><u>9,253,837</u></u>
Segment liabilities	<u><u>(4,595,224)</u></u>	<u><u>(65,656)</u></u>	<u><u>(4,660,880)</u></u>

The segment assets and liabilities as at 31st December 2013 are as follows:

US\$'000	Container transport and logistics	Others	Group
Segment assets	6,616,682	2,222,835	8,839,517
Joint ventures	8,674	-	8,674
Associated companies	<u>142,027</u>	<u>-</u>	<u>142,027</u>
Total assets	<u><u>6,767,383</u></u>	<u><u>2,222,835</u></u>	<u><u>8,990,218</u></u>
Segment liabilities	<u><u>(4,456,967)</u></u>	<u><u>(56,627)</u></u>	<u><u>(4,513,594)</u></u>

The segment of “Others” primarily includes assets and liabilities of property and corporate level activities. Assets under the segment of “Others” consist primarily of investment property, available-for-sale financial assets, held-to-maturity investments and portfolio investments together with cash and bank balances that are managed at corporate level. Liabilities under the segment of “Others” primarily include creditors and accruals and deferred taxation liabilities related to corporate level activities.

## 20. 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.

<b>US\$'000</b>	<b>Revenue</b>	<b>Capital expenditure</b>
<b>Six months ended 30th June 2014</b>		
Asia	<b>2,073,998</b>	<b>9,857</b>
North America	<b>466,873</b>	<b>85,795</b>
Europe	<b>586,050</b>	<b>298</b>
Australia	<b>110,327</b>	<b>9</b>
Unallocated*	<b>-</b>	<b>346,007</b>
	<b><u>3,237,248</u></b>	<b><u>441,966</u></b>
<b>Six months ended 30th June 2013</b>		
Asia	1,967,819	6,645
North America	506,343	15,097
Europe	437,872	130
Australia	112,971	3
Unallocated*	-	572,042
	<b><u>3,025,005</u></b>	<b><u>593,917</u></b>

\* Unallocated capital expenditure comprises additions to vessels, dry-docking, containers and intangible assets.

## Results for First Half 2014

For the first six months of 2014 Orient Overseas (International) Limited and its subsidiaries (the “Group”) recorded a profit attributable to equity holders of US\$181.3 million compared with a loss of US\$15.3 million for the corresponding period of 2013.

The profit attributable to equity holders for the first half of 2014 included investment income of US\$41.4 million from Hui Xian and a net fair value gain of US\$9.7 million on Wall Street Plaza revaluation.

<b>OOIL INTERIM RESULTS ANALYSIS</b>		
<i>(US\$'000)</i>	<b>2014</b>	<b>2013</b>
Profit/(Loss) before tax from operating activities	143,213	(12,585)
Investment income from Hui Xian	41,384	9,064
Revaluation of Wall Street Plaza	9,653	(4,560)
<b>Profit/(Loss) Before Tax for the Period Ended 30th June</b>	<b>194,250</b>	<b>(8,081)</b>
Taxation	(13,056)	(7,056)
Non-controlling Interests	102	(127)
<b>Profit/(Loss) Attributable to Equity Holders</b>	<b>181,296</b>	<b>(15,264)</b>

## Review of Operations

The global economic environment seems to be positioning for a shift in the right direction despite the disappointing headline figures recorded in the first half of 2014. In particular, the Bureau of Economic Analysis of the U.S. Department of Commerce announced in its third estimate of the first quarter real GDP growth to have been in the negative. At the same time, the European Union announced that the 18 countries sharing the Euro had a growth of 0.2% for the first quarter.

Despite these disappointing figures, however, there are underlying developments that support a degree of cautious optimism. Consumer spending in the U.S. continued to recover during the first quarter, and the economy is expected to have performed better during the second quarter. The Federal Reserve has become more confident in a sustained recovery as the windup of the bond purchase program proceeds as planned, and unemployment has dropped to its lowest level since 2008. In Europe, despite the weak GDP figures, the European Central Bank is responding in a proactive manner by cutting lending rates to 0.15%, lowering deposit rates to the negative, and preparing to embark on its own stimulus program.

The industry saw a disappointing first half and a more encouraging second half in 2013. Moving into 2014, there has been cargo volume increase and a generally more positive sentiment than last year. In total, it is expected that the container transportation industry posted improved results for the first half of 2014. Such improvement, however, is likely to be capped given the large newbuilding orderbook and the anticipated next round of newbuildings that will likely materialise over the next twelve months.

OOCL's lifting for the first half year increased 10% and load factor increased by 5 points thereby generating an overall revenue increase of 4% over the same period last year. While freight rates across various trade lanes had a mixed performance against first half last year, additional liftings made up the revenue shortfall. The first six months of 2014 saw a robust growth in cargo demand in the major European and American markets.

Lifting in the Trans-Pacific trade increased 6% but average revenue per TEU was lowered by 5%. After a moderate start in 2014, volume picked up in the second quarter with a stronger cargo demand.

Lifting increased 16% and average revenue was slightly lower by 0.2% in the Asia-Europe trade. The trade benefited from the gradual economic recovery and restocking across the European states.

Lifting in the Intra-Asia and Australasia trade increased 12%, while average revenue per TEU fell by 7%. The trade saw a satisfactory volume growth but was impacted by the cascading of larger ships from the east-west trades.

Lifting and average revenue in the Trans-Atlantic trade dropped by 1% and 2% respectively. While cargo growth for westbound trade to the U.S. remained strong, the eastbound trade to Europe continued to drop on both lifting and average revenue.

OOCL continues its efforts in building out its Logistics business. The principal focus will be ensuring that the business will achieve steady growth, and that the organisation is equipped to provide quality multi-modal logistics solutions and end-to-end services to our customers. In China, the business has leveraged upon our in-country experience and extended to provide domestic services to our customers. We remain committed in growing our logistics business going forward.

The average price of bunker recorded by OOCL in the first half of 2014 was US\$595 per ton compared with US\$626 per ton for the corresponding period in 2013. Fuel costs decreased by 8% in the first half of 2014 compared with the corresponding period in 2013.

OOCL achieved 8% reduction in bunker cost against a 3% increase in capacity and 10% increase in lifting

During first half of 2014, the Group took delivery of the ninth and tenth 'Mega' Class 13,208 TEU vessels from Samsung Heavy Industries Co., Ltd., namely the 'OOCL Korea' and 'OOCL Singapore'. They are the last two vessels of the 'Mega' Class 13,208 TEU series being delivered to the Group from the previous round of newbuilding order.

The Group will take delivery of the remaining four 'SX' Class 8,888 TEU vessels from Hudong Zhonghua Shipbuilding in 2015. Further modifications have been made to the vessels to further optimise engine and fuel efficiency. Delivery has been postponed from the original contracted delivery schedule.

Two 8,063 TEU 'SX' Class vessels, namely 'OOCL Long Beach' and 'OOCL Shenzhen', were sold during the first half of 2014 and leased back to OOCL for 3 years under a time-charter arrangement.

No orders for new buildings were placed in the first half of 2014.

The Group's property investments include its long-standing ownership of Wall Street Plaza located in New York. Wall Street Plaza continues to perform in line with expectations and based on an independent valuation, it has been re-valued upwards by US\$10 million as at 30th June 2014 to reflect an assessed market value of US\$180 million. After offsetting a total of US\$0.3 million improvement to the building spent in the first six months of the year, the net fair value gain for the first half of 2014 was US\$9.7 million.

The Group continues its investment in Beijing Oriental Plaza directly through holdings in the Hui Xian REIT and indirectly through Hui Xian Holdings Ltd., which holds units in the Hui Xian REIT. During the first half of 2014, Hui Xian Holdings Ltd. paid a dividend in specie of 59.25 million units of the Hui Xian REIT to the Group, resulting in a US\$32.3 million income to the Group for the first half of 2014. Together with the cash dividends from Hui Xian Holdings Ltd. and the cash distributions from Hui Xian REIT, the Group posted a profit of US\$41.4 million in relation to our investment in Hui Xian in the first half of 2014.

The investments in Wall Street Plaza and Hui Xian are both historical in nature and the Group currently has no intention of further investment in property other than that in relation to the operations of the container transportation and logistics business.

## Looking Forward

The industry will continue to face overcapacity in the coming years. Despite the gradual recoveries of the developed economies, demand growth is not expected to return to the pre Global Financial Crisis level over the short to medium term. At the same time, gross static supply growth remains high with the orderbook-as-a-percentage-of-fleet ratio at 9.3% and 9.8% for 2014 and 2015 respectively. Unless bunker prices can decline to a more reasonable level, the drive for scale and fuel efficiency will translate into continued newbuilding projects. As a result, the challenge of overcapacity will likely persist over the short to medium term.

The industry has traditionally endured challenges brought on by escalating costs, particularly bunker costs, and in an environment already characterised by overcapacity, all carriers should take stock and look for better ways to improve both their cost structures and service quality. It is only through product quality that carriers can achieve differentiation in pricing and avoid the commoditisation of the industry. At the same time, shippers need to be aware that sustained carrier losses over the long term is not conducive to a stable freight environment, nor is it in the interest of shippers to accept declining levels of carrier service in reaction to losses incurred.

The Group continues to focus on enhancing contribution by a more disciplined approach to differentiation and segmentation, and ensuring better cost efficiency by continuous efforts to drive down costs without compromising service quality. Our investments in a new port facility in North America and IT capabilities will ensure our competitive edge in the industry going forward. The Group is building its logistics business and expect meaningful contribution to the Group over the medium to long term. We remain deliberate in our efforts to balance the need for a strong and liquid Group balance sheet against a competitive shareholder return. This is especially important as the Group considers further capacity growth and enhancement of its competitive edge over the medium and long term.

Given the market conditions, the first half of 2014 was satisfactory for OOIL. During the second half of the year, the Group will redouble its efforts in its focus on cost efficiency and operating margin. As the global economy gradually recovers, there is expectation that the container transport industry will find itself in a more positive operating environment.

## **Interim Dividend**

The Board of Directors (the “Board”) of the Company is pleased to announce an interim dividend of US7.5 cents (HK\$0.585 at the exchange rate of US\$1 : HK\$7.8) per ordinary share for the six months ended 30th June 2014 to be paid on 16th October 2014 to the shareholders of the Company whose names appear on the register of members of the Company on 12th September 2014. 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”), not later than 4:30 p.m. on 7th October 2014.

## **Closure of Register of Members**

The register of members of the Company will be closed from 8th September 2014 to 12th September 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, the share transfers 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 5th September 2014.

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

During the six-month period ended 30th June 2014, 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 laws of Bermuda in relation to the issue of new shares by the Company.

## **Corporate Governance**

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

The Board and management of the Company are committed to maintaining high standards of corporate governance and the Company considers that effective corporate governance makes an important contribution to corporate success and to the enhancement of shareholder value.

The Company has adopted its own corporate governance code (the “CG Code”), which in addition to applying the principles as set out in the Corporate Governance Code and Corporate Governance Report (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 2014 to 30th June 2014, the Company complied with the SEHK Code, save for the following:-

- there was no separation of the roles of Chairman and Chief Executive Officer of the Company. Mr. TUNG Chee Chen currently assumes the roles of both Chairman and Chief Executive Officer of the Company. The executive members of the Board currently consist of chief executive officer of the principal division of the Group and there is an effective separation of the roles between the chief executive of its principal division and the Chief Executive Officer of the Company. The Board considers that further separation of the roles of the Chief Executive Officer and Chairman would represent duplication and is not necessary for the time being.

### ***Securities Transactions by Directors***

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

All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standards set out in both the Securities Code and the Model Code throughout the period from 1st January 2014 to 30th June 2014.

## **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 <http://www.hkexnews.hk> and the Company at <http://www.oilgroup.com>. The 2014 Interim Report will be despatched to shareholders of the Company on or around 4th September 2014 and will also be available on the HKEx’s website and the Company’s website.

## **Employee Information**

As at 30th June 2014, the Group had 9,196 full-time equivalent 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 Messrs. TUNG Chee Chen, TUNG Lieh Cheung Andrew and TUNG Lieh Sing Alan; our Non-Executive Directors are Professor Roger KING and CHOW Philip Yiu Wah and our Independent Non-Executive Directors are Mr. Simon MURRAY, Mr. CHANG Tsann Rong Ernest, Professor WONG Yue Chim Richard and Mr. CHENG Wai Sun Edward.

## **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**

**TUNG Chee Chen**  
Chairman

Hong Kong, 8th August 2014

† *For identification only*  
Website : <http://www.ooilgroup.com>