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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)**

**REVISED ANNUAL CAPS  
FOR EXISTING CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement dated 24 July 2018 and the announcement dated 26 March 2019 (the "Announcements") in relation to the continuing connected transactions between OOIL Group and COSCO SHIPPING Group under the Business Master Agreement, the Bunker Master Agreement, the Terminal Master Agreement and the Equipment Procurement Master Agreement. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Company (for itself and on behalf of its subsidiaries and associates) and COSCO SHIPPING (for itself and on behalf of its subsidiaries and associates) entered into, among other things, the Business Master Agreement for the continuing provision of services related to containerized liner, logistics, information technology and vessels between OOIL Group and COSCO SHIPPING Group.

Due to the surges on services between OOIL Group and COSCO SHIPPING Group as part of synergy and closer integration of operations, it is anticipated that the original annual caps for the financial year ending 31 December 2019 for the provision of (i) network services and (ii) logistics services contemplated under the Business Master Agreement by COSCO SHIPPING Group to OOIL Group will not be sufficient to meet the relevant expected transactions and business growth for the remaining financial year ending 31 December 2019. The Board has resolved to increase the respective annual caps accordingly and that all the other terms of the Business Master Agreement remain unchanged.

COSCO SHIPPING indirectly controls more than 50% of the issued share capital of the Company. Accordingly, members of COSCO SHIPPING Group are connected persons of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Business Master Agreement constitute the continuing connected transactions of the Company.

Pursuant to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the provision requirements under Chapter 14A of the Listing Rules applicable to the continuing connected transactions under network services and logistics services before their caps are exceeded.

As the applicable percentage ratios in respect of the revised annual caps for the financial year ending 31 December 2019 for the transactions relating to the provision of (i) network services and (ii) logistics services contemplated under the Business Master Agreement by COSCO SHIPPING Group to OOIL Group are more than 0.1% but less than 5%, the revised annual caps for these transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules and are exempt from the independent shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

## BACKGROUND

Reference is made to the Announcements in relation to the continuing connected transactions between OOIL Group and COSCO SHIPPING Group under the Business Master Agreement, the Bunker Master Agreement, the Terminal Master Agreement and the Equipment Procurement Master Agreement. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Company (for itself and on behalf of its subsidiaries and associates) and COSCO SHIPPING (for itself and on behalf of its subsidiaries and associates) entered into, among other things, the Business Master Agreement for the continuing provision of services related to containerized liner, logistics, information technology and vessels between OOIL Group and COSCO SHIPPING Group.

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### **HISTORICAL TRANSACTION AMOUNTS AND REVISED ANNUAL CAPS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019**

The table below sets out the historical transaction amounts and revised annual caps for the relevant transactions contemplated under the Business Master Agreement:

#### **1. Provision of network services by COSCO SHIPPING Group to OOIL Group contemplated under the Business Master Agreement**

Historical transaction amounts	:	2016: US\$3,564,000 2017: US\$8,956,000 2018: US\$6,140,000 1 January 2019 - 31 July 2019: US\$41,193,000
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Previously announced annual cap for the financial year ending 31 December 2019	:	US\$60,000,000
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Revised annual cap for the financial year ending 31 December 2019	:	US\$119,000,000
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#### **2. Provision of logistics services by COSCO SHIPPING Group to OOIL Group contemplated under the Business Master Agreement**

Historical transaction amounts	:	2016: US\$2,312,000 2017: US\$2,811,000 2018: US\$763,000 1 January 2019 - 31 July 2019: US\$4,360,000
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Previously announced annual cap for the : US\$7,200,000  
financial year ending 31 December 2019

Revised annual cap for the financial year : US\$11,000,000  
ending 31 December 2019

The above revised annual caps for the financial year ending 31 December 2019 are determined by reference to (i) the existing scale and operations of OOIL Group's business and the business plan of OOIL Group; (ii) the anticipated growth and development of OOIL Group under COSCO SHIPPING Group; (iii) anticipated achievement in synergies and better operational efficiency growth between OOIL Group and COSCO SHIPPING Group; and (iv) increase in energy costs and interest costs and the global environment in our industry; against the above historical amounts of the transactions relating to the provision of (i) network services and (ii) logistics services under the Business Master Agreement by COSCO SHIPPING Group to OOIL Group for the financial years ended 31 December 2016, 2017 and 2018, and financial period from 1 January 2019 to 31 July 2019.

### **REASONS FOR AND BENEFITS FOR THE REVISION OF ANNUAL CAPS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019**

Due to the surges on services between OOIL Group and COSCO SHIPPING Group as part of synergy and closer integration of operations, it is anticipated that the original annual caps for the financial year ending 31 December 2019 for the provision of (i) network services and (ii) logistics services contemplated under the Business Master Agreement by COSCO SHIPPING Group to OOIL Group will not be sufficient to meet the relevant expected transactions and business growth for the remaining financial year ending 31 December 2019. The Board has resolved to increase the respective annual caps accordingly and that all the other terms of the Business Master Agreement remain unchanged.

The Board (including the Independent Non-Executive Directors) considers that the continuing connected transactions contemplated under the Business Master Agreement are in the ordinary and usual course of business of OOIL Group, and that the terms of the Business Master Agreement (including the revised annual caps for the financial year ending 31 December 2019) are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Xu Lirong, Mr. Huang Xiaowen, Mr. Wang Haimin and Mr. Zhang Wei, Executive Directors of the Company, and Dr. Chung Shui Ming Timpson and Mr. Yang Liang Yee Philip, Independent Non-Executive Directors of the Company, are holding directorships and/or senior management positions in COSCO SHIPPING, its subsidiaries or its associates. Accordingly, each of them is considered to have a material interest in the transactions contemplated under the Business Master Agreement and is required to abstain from voting on the board resolutions approving the revision of annual caps at the meeting of the Board. Each of Mr. Huang Xiaowen, Mr. Wang Haimin and Mr. Yang Liang Yee Philip had abstained from voting on the board resolutions approving the revision of annual caps at the meeting of the Board. Mr. Xu Lirong, Mr. Zhang Wei and Dr. Chung Shui Ming Timpson were absent from the meeting of the Board and did not vote on the resolutions.

Other than Mr. Xu Lirong, Mr. Huang Xiaowen, Mr. Wang Haimin, Mr. Zhang Wei, Dr. Chung Shui Ming Timpson and Mr. Yang Liang Yee Philip, none of the Directors (including Mr. Chow Philip Yiu Wah, Ms. Chen Ying and Mr. So Gregory Kam Leung, the Independent Non-Executive Directors) has a material interest in the Business Master Agreement and none of them had abstained from voting on the relevant resolutions.

## LISTING RULES IMPLICATIONS

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Pursuant to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the provision requirements under Chapter 14A of the Listing Rules applicable to continuing connected transactions under network services and logistics services before their caps are exceeded.

As the applicable percentage ratios in respect of the revised annual caps for the financial year ending 31 December 2019 for the transactions relating to the provision of (i) network services and (ii) logistics services contemplated under the Business Master Agreement provided by COSCO SHIPPING Group to OOIL Group are more than 0.1% but less than 5%, the revised annual caps for these transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules and are exempt from the independent shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

## BUSINESS OF OOIL GROUP AND COSCO SHIPPING GROUP

OOIL Group is principally engaged in the provision of container transport and logistics services.

According to the information provided by COSCO SHIPPING, and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, COSCO SHIPPING is a state-owned enterprise wholly-owned and controlled by SASAC. The scope of business of COSCO SHIPPING includes international shipping, ancillary business in international maritime transportation, import and export of goods and technologies, international freight agency business, leasing of self-owned vessels, sale of vessels, containers and steel, maritime engineering.

By Order of the Board  
**Orient Overseas (International) Limited**  
**Lammy LEE**  
*Company Secretary*

Hong Kong, 28 August 2019

*As at the date of this announcement, our Executive Directors are Mr. XU Lirong, Mr. HUANG Xiaowen, Mr. WANG Haimin, Mr. ZHANG Wei and Mr. TUNG Lieh Cheung Andrew; our Non-Executive Directors are Mr. YAN Jun, Ms. WANG Dan, Mr. IP Sing Chi and Ms. CUI Hongqin; 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.*

\* *For identification purposes only*

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