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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)

TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Manager

J.P.Morgan

Placing and Subscription

On 22 January 2021 (before trading hours), the Company, the Seller and the Manager entered into the Placing and Subscription Agreement, pursuant to which (a) the Manager has agreed, as agent of the Seller, to procure purchasers to purchase or, failing of which, itself to purchase the Sale Shares at the Purchase Price; and (b) the Seller has conditionally agreed to subscribe for the Subscription Shares (the number of which is equal to the number of Sale Shares) at the Subscription Price, in each case upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

The total number of Sale Shares represents (i) approximately 1.82% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.79% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to completion of the Subscription other than the allotment and issue by the Company of the Subscription Shares). The total number of the Subscription Shares is the same with the total number of the Sale Shares.

General Mandate to allot and issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate. Under the General Mandate, the Company is authorised to issue up to 125,158,659 new Shares. As at the date of this announcement, 125,158,659 new Shares remain available for issuance under the General Mandate. Accordingly, the allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders.

Listing application for the Subscription Shares

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Use of proceeds

The gross proceeds and net proceeds from the Subscription are estimated to be approximately HK\$932.52 million and HK\$923.72 million respectively. The Company intends to use the proceeds from issuing the Subscription Shares for the money required for paying the vessels under construction and purchase of containers and related assets, or for other possible investment in the future. The Company will closely monitor the business of the Group and the market conditions for any such investment opportunities.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date: 22 January 2021 (before trading hours)

Parties: the Company, the Seller and the Manager

As at the date of this announcement, the Seller holds an aggregate of 469,344,972 Shares, including the Sale Shares, representing 75% of the total number of Shares in issue as at the date of this announcement.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Manager is independent of, and not connected with, the Company and its connected persons.

1. PLACING

Number of Sale Shares:

The Manager has agreed, as agent of the Seller, to procure the purchasers to purchase or, failing of which, itself to purchase 11,400,000 Shares owned by the Seller representing (a) approximately 1.82% of the existing issued share capital of the Company which comprised 625,793,297 Shares as at the date of this announcement; and (b) approximately 1.79% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to completion of the Subscription other than the allotment and issue by the Company of the Subscription Shares), upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

Purchase Price:

HK\$81.80 per Sale Share, which represents:

- (i) a discount of approximately 18.20% to the closing price of HK\$100.00 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 19.19% to the average closing price of HK\$101.22 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 1.01% over the average closing price of HK\$80.98 per Share as quoted on the Stock Exchange for the last thirty trading days up to and including the Last Trading Day.

The Purchase Price was determined with reference to the prevailing market price of the Shares and agreed after arm's length negotiations among the Company, the Seller and the Manager. The Board considers that the Purchase Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Placees:

It is expected that the Sale Shares will be placed to not less than six professional, institutional and/or individual investors and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of such Placees (and their respective ultimate beneficial owners) will be independent of the Company and its connected persons.

Conditions of the Placing:

The Placing is conditional upon the following conditions being met:

- (a) before the closing of the Placing, there shall not have occurred:
 - (i) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or
 - (ii) any suspension or limitation of trading (a) in any of the Company's securities by the Hong Kong Stock Exchange (save and except for any trading halt in relation to the Placing and Subscription), or (b) generally on the Hong Kong Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
 - (iii) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, Bermuda, the British Virgin Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the European Union (together, the "**Applicable Jurisdictions**") of a national emergency or war or other calamity or crisis; or
 - (iv) any material disruption in commercial banking or securities settlement or clearance services in any of the Applicable Jurisdictions and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any of the Applicable Jurisdictions; or
 - (v) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any of the Applicable Jurisdictions or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Manager and after consultation with the Company to the extent reasonably practicable, would make the placement of the Sale Shares or the enforcement of contracts to purchase the Sale Shares impracticable or inadvisable, or would materially prejudice trading of the Sale Shares in the secondary market;

- (b) the representations and warranties made by any of the Company and the Seller pursuant to the Placing and Subscription Agreement being true and accurate in all material respects and not misleading as of the date of the Placing and Subscription Agreement and the Closing Date;
- (c) each of the Company and the Seller having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement on or before the Closing Date; and
- (d) the Manager having received on the Closing Date a United States legal opinion to the Manager, such opinion to be in form and substance reasonably satisfactory to the Manager.

The Company and the Seller shall use their respective reasonable endeavours to procure the fulfilment of the foregoing sale conditions on or before the Closing Date. The Manager in its sole discretion may waive any of the conditions of the Placing, in whole or in part and with or without conditions, by notice to the Company and the Seller.

Completion of the Placing:

It is expected that completion of the Placing will take place in the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited on the Closing Date.

Rights of the Sale Shares:

The Sale Shares will be sold by the Seller free and clear of any liens and charges and other encumbrances at the date of completion of the Placing.

2. THE SUBSCRIPTION

Number of Subscription Shares:

The Company will allot and issue and the Seller will subscribe for 11,400,000 Subscription Shares (such number being equal to the number of Sale Shares) on the terms and subject to the constitutional documents of the Company and the conditions set out in the Placing and Subscription Agreement.

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the completion date of the Subscription including the right to any dividends or distributions after the date of completion of the Subscription.

The maximum number of Subscription Shares represents (a) approximately 1.82% of the existing issued share capital of the Company as at the date of this announcement; and (b) approximately 1.79% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the date of completion of the Subscription other than the allotment and issue by the Company of the Subscription Shares).

The Subscription Shares have an aggregate nominal value of US\$1,140,000 based on the par value of US\$0.10 per Share and a market value of HK\$1,140,000,000 based on the closing price of HK\$100.00 per Share as quoted on the Stock Exchange on the Last Trading Date.

Subscription Price:

HK\$81.80 per Subscription Share, which is the equivalent to the Purchase Price.

General Mandate to allot and issue the Subscription Shares:

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by a resolution of the Shareholders passed at the 2020 AGM. As at the date of this announcement, the Company is authorised to allot and issue 125,158,659 new Shares under such General Mandate. Accordingly, the allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders.

Conditions of the Subscription:

Completion of the Subscription is conditional upon satisfaction of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares and such listing and permission not subsequently being revoked prior to the delivery of the definitive share certificate(s) representing the Subscription Shares under the Placing and Subscription Agreement; and
- (ii) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

The Placing and Subscription Agreement has not provided for the right of the parties to waive the above conditions.

Completion of the Subscription:

Completion of the Subscription will take place within two business days after the date upon which the last of the conditions of the Subscription is satisfied, provided that completion will not be later than a date falling 14 days after the date of the Placing and Subscription Agreement (i.e. 5 February 2021) (or such other time and/or date as the Company, the Seller and the Manager may agree in writing and in compliance with the Listing Rules).

Pursuant to Chapter 14A of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Placing and Subscription Agreement, the Subscription will be regarded as a connected transaction, and the Company would need to issue a circular and hold a special general meeting to seek the approval of the independent Shareholders before the Subscription can proceed.

Lock-up undertakings by the Seller and the Company:

Pursuant to the Placing and Subscription Agreement:

- (a) the Seller shall not, and shall procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf shall, without the prior written consent of the Manager, (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Seller or any affiliate of the Seller or any person in privity with the Seller or any affiliate of the Seller), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the sale of the Shares under the Placing and Subscription Agreement and the issue of the Subscription

Shares under the Placing and Subscription Agreement or any issue of Shares upon exercise of any share options granted under any employee share option scheme of the Company pursuant to Chapter 17 of the Listing Rules; and

- (b) the Company shall not, and the Seller shall procure that the Company will not, without the prior written consent of the Manager, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the issue of the Subscription Shares under the Placing and Subscription Agreement or any issue of Shares upon exercise of any share options granted under any employee share option scheme of the Company pursuant to Chapter 17 of the Listing Rules.

3. EFFECT ON THE SHAREHOLDING OF THE COMPANY AS A RESULT OF THE PLACING AND THE SUBSCRIPTION

Assuming that other than the Placing and the Subscription, there will be no change to the issued share capital of the Company from the date of this announcement to the date of completion of the Placing and the Subscription, the shareholding structure of the Company as at the date of this announcement, immediately after the completion of the Placing but before completion of the Subscription, and immediately after the completion of the Placing and the Subscription are as follows:

Shareholders	As at the date of this announcement		Immediately after the completion of the Placing but before completion of the Subscription		Immediately after the completion of the Placing and the Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
The Seller (Note 1)	469,344,972	75.00	457,944,972	73.18	469,344,972	73.66
Public						
- Placees (Note 2)	--	--	11,400,000	1.82	11,400,000	1.79
- Other Shareholders	156,448,325	25.00	156,448,325	25.00	156,448,325	24.55
Total	625,793,297	100.00	625,793,297	100.00	637,193,297	100.00

Notes:

- The Seller directly held 469,344,972 Shares. The Seller is a wholly-owned subsidiary of COSCO SHIPPING Holdings (Hong Kong) Limited, which is in turn wholly-owned by COSCO SHIPPING Holdings Co., Ltd. COSCO SHIPPING Holdings Co., Ltd. is held by China Ocean Shipping Company Limited as to 37.89% and by China COSCO SHIPPING Corporation Limited as to 8.33%. China Ocean Shipping Company Limited is wholly-owned by China COSCO SHIPPING Corporation Limited. Therefore, each of COSCO SHIPPING Holdings (Hong Kong) Limited, COSCO SHIPPING Holdings Co., Ltd., China Ocean Shipping Company Limited and China COSCO SHIPPING Corporation Limited were deemed to be interested in 469,344,972 Shares held by the Seller.
- It is assumed that there would be no other issue of new Shares and no repurchase of existing Shares before completion of the Subscription, and the Sale Shares have been placed to not less than six independent Placees. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after the completion of the Placing.

4. FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not undertaken any equity fund raising exercise in the 12 months preceding the date of this announcement.

5. REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the business of container transportation and logistics. It is one of the world's three largest of such groups, and will continue to maintain its leading position in the industry.

The Board is of the view that issuing the Subscription Shares provides a good opportunity for the Company to broaden the Shareholder base and to finance the Group's future development and expansion.

The gross proceeds under the Subscription are estimated to be approximately HK\$932.52 million and the net proceeds, after deducting related professional fees and all related expenses which will be borne by the Company, under the Subscription are estimated to be approximately HK\$923.72 million.

The Company intends to use the proceeds from issuing the Subscription Shares for the money required for paying the vessels under construction and purchase of containers and related assets, or for other possible investment in the future. The Company will closely monitor the business of the Group and the market conditions for any such investment opportunities.

The Board considers the terms of the Placing and Subscription Agreement to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

6. APPLICATION FOR LISTING

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

7. DEFINITIONS

The following defined terms are used in this announcement:

“2020 AGM”	the annual general meeting of the Company held on 15 May 2020 at which, among other things, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“Board”	the board of Directors
“Closing Date”	the second business day after the date of the Placing and Subscription Agreement or at such other time and/or date as the Seller and the Manager agree
“Company”	Orient Overseas (International) Limited (東方海外(國際)有限公司*), a company incorporated in Bermuda with members' limited liability, Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the directors of the Company

“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at 2020 AGM to allot, issue or otherwise deal with the Shares not exceeding 20% of the number of Shares in issue as at the date of the 2020 AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	21 January 2021, being the last trading day in the Shares prior to the signing of the Placing and Subscription Agreement, which took place before trading hours on 22 January 2021
“Listing Committee”	the listing committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	J.P. Morgan Securities (Asia Pacific) Limited
“Placees”	purchasers who are procured to purchase the Sale Shares under the Placing and Subscription Agreement and who is not (i) a connected person of the Company; (ii) a person who is acting in concert with the Seller; (iii) a substantial shareholder of the Company; or (iv) an associate of the Seller
“Placing”	the placing of the Sale Shares pursuant to the terms of the Placing and Subscription Agreement
“Placing and Subscription Agreement”	a placing and subscription agreement dated 22 January 2021 and made among the Company, the Seller and the Manager in relation to the Placing and the Subscription
“Purchase Price”	HK\$81.80 per Sale Share
“PRC”	the People’s Republic of China
“Sale Shares”	a total of 11,400,000 Shares beneficially owned by the Seller to be placed pursuant to the Placing and Subscription Agreement
“Securities Act”	the U.S. Securities Act of 1933, as amended
“Seller”	Faulkner Global Holdings Limited
“Share(s)”	ordinary share(s) of US\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Seller pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$81.80 per Subscription Share

“Subscription Shares”	11,400,000 new Shares to be subscribed by the Seller pursuant to the Placing and Subscription Agreement
“United States”	the United States of America
%	per cent

In this announcement, the terms “associate”, “connected person” and “substantial shareholder” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

By order of the Board
Orient Overseas (International) Limited
XIAO Junguang
Company Secretary

Hong Kong, 22 January 2021

As at the date of this announcement, the Executive Directors are Mr. XU Lirong, Mr. HUANG Xiaowen, Mr. YANG Zhijian and Mr. FENG Boming; our Non-Executive Directors are Mr. TUNG Lieh Cheung Andrew, 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 purpose only*