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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)

CONTINUING CONNECTED TRANSACTIONS AND DISCLOSEABLE TRANSACTIONS

RENEWAL OF THE EXISTING MASTER AGREEMENTS

Reference is made to the announcements of the Company dated 30th October 2019, 30th October 2020, 21st May 2021 and 19th August 2022 and the circulars of the Company dated 28th November 2019 and 11th November 2020 in relation to the continuing connected transactions between OOIL Group and COSCO SHIPPING Group under the Existing Master Agreements.

The Existing Master Agreements will expire on 31st December 2022. On 30th August 2022, the Company and COSCO SHIPPING entered into the New Business Master Agreement, the New Bunker Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement and the New Vessel Services Master Agreement for a further term of three years commencing from 1st January 2023 and ending on 31st December 2025.

On 30th August 2022, the Company and COSCO SHIPPING Finance entered into the New Financial Services Master Agreement for a term of three years commencing from 1st January 2023 and ending on 31st December 2025.

LISTING RULES IMPLICATIONS

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 each of the New Master Agreements constitute continuing connected transactions of the Company.

As the highest of the applicable percentage ratios of the annual caps in respect of the Partially-exempt Transactions exceed 0.1% but are less than 5%, the Partially-exempt Transactions are only 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.

The loan service contemplated under the New Financial Services Master Agreement will constitute financial assistance to be received by OOIL Group from COSCO SHIPPING Finance. As such loan service will be conducted on normal or better commercial terms and will not be secured by the assets of OOIL Group, the loan service under the New Financial Services Master Agreement is fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all applicable percentage ratios of the annual caps in respect of the Fully-exempt Transactions are less than 0.1%, the Fully-exempt Transactions are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the annual caps in respect of each of the Bunker Service and the Non-exempt Equipment Procurement Service and the Deposit Caps (the **Non-exempt Transactions**) exceed 5%, each of these Non-exempt Transactions is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the annual caps for the Non-exempt Equipment Procurement Service and the Deposit Caps exceed 5% but all applicable percentage ratios are less than 25%, the Non-exempt Equipment Procurement Service and the Deposit Service also constitute discloseable transactions of the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

An Independent Board Committee comprising all Independent Non-Executive Directors (except Mr. Yang Liang Yee Philip and Ms. Chen Ying) has been established to advise the Independent Shareholders on, among other things, the terms of the Non-exempt Transactions (and the annual caps relating thereto) and on how to vote on the resolutions in respect thereof at the SGM. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further details of each of the Non-exempt Transactions, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the SGM, will be despatched to the Shareholders on or around 21st October 2022, as additional time is required to prepare certain information in the circular.

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcements of the Company dated 30th October 2019, 30th October 2020, 21st May 2021 and 19th August 2022 and the circulars of the Company dated 28th November 2019 and 11th November 2020 in relation to the continuing connected transactions between OOIL Group and COSCO SHIPPING Group under the Existing Master Agreements.

The Existing Master Agreements will expire on 31st December 2022. On 30th August 2022, the Company and COSCO SHIPPING entered into the New Business Master Agreement, the New Bunker Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement and the New Vessel Services Master Agreement for a further term of three years commencing from 1st January 2023 and ending on 31st December 2025.

On 30th August 2022, the Company and COSCO SHIPPING Finance entered into the New Financial Services Master Agreement for a term of three years commencing from 1st January 2023 and ending on 31st December 2025.

Details of the New Master Agreements are set out below:

1. New Business Master Agreement

Date: 30th August 2022

Parties: (1) the Company (for itself and on behalf of its subsidiaries and associates);
and
(2) COSCO SHIPPING (for itself and on behalf of its subsidiaries and associates)

- Scope of Services: Provision of the following services between OOIL Group and COSCO SHIPPING Group:
- (A) Liner services, including:
 - (i) network services, including alliances, consortium and joint service; and slot exchange, slot purchase or slot sale under alliance cooperation;
 - (ii) operation services, including depot service, feeder service, terminal rail and trucking service, maintenance and repair service, agency service and shiphusbanding service;
 - (iii) vessel operating common carrier services; and
 - (iv) other services, including information technology service (such as operation software, and liner management services).
 - (B) Logistics services, including:
 - (i) non-vessel operating common carrier services;
 - (ii) international supply chain services; and
 - (iii) domestic logistics services, including freight forwarding service, transportation service, warehouse service, custom brokerage service, air freight forwarding service, depot service and supply chain service.
 - (C) Other contractual arrangements, including office leases and insurance service.
 - (D) Other services but excluding sharing of administrative services exempted under rule 14A.98 of the Listing Rules, including:
 - (i) use of common facilities;
 - (ii) ad-hoc use of business facilities; and
 - (iii) crew manning service/manning agency service.

Both the Company and COSCO SHIPPING have agreed that the type of services under the New Business Master Agreement, including such other services related to alliance cooperation, joint operation centre or project management services, may be amended in writing by mutual agreement (including those in connection with the alliance agreement between members of the alliance) from time to time. Such alliance cooperation as amended (if any) will continue to be conducted under the New Business Master Agreement in accordance with the terms thereof (including the annual caps relating thereto).

Term: The New Business Master Agreement is for a term of three years commencing from 1st January 2023 and ending on 31st December 2025, and is renewable for successive periods of three years subject to mutual agreement of the Company and COSCO SHIPPING. Any renewal of the New Business Master Agreement will be subject to compliance with the applicable Listing Rules requirements (including, if required, independent shareholders' approval requirement).

Consideration: The Company and COSCO SHIPPING have entered into and will enter into one or more agreements setting out details of the transactions contemplated under the agreement(s), including the scope of the services, the duration of the agreement(s) and the fees for the transactions. The service fees charged under the New Business Master Agreement be paid in cash and shall continue to be determined within the alliance cooperation applicable to alliance members and/or be determined with reference to the prevailing market price, being the price charged by independent third party operators or service providers; operating or providing similar types of services in their ordinary and usual course of business in the same or comparable service type and subject to

normal commercial terms, and in accordance with the principle of fairness and reasonableness.

Estimated Annual Caps: Under the umbrella of COSCO SHIPPING Group, OOIL Group is anticipating growth and operation of new and larger fleet of vessels and new services.

The annual caps for each of the transactions contemplated under the New Business Master Agreement for the three financial years ending 31st December 2025 for the services anticipated to be provided between COSCO Shipping Group and OOIL Group are as follows:

Provision of services by COSCO SHIPPING Group to OOIL Group:

Type of services under the New Business Master Agreement	<u>Annual Caps</u>		
	Year 2023 (US\$ '000)	Year 2024 (US\$ '000)	Year 2025 (US\$ '000)
(A) Liner services			
(i) network services	512,000	647,000	653,000
(ii) operation services	196,000	196,000	196,000
(iii) vessel operating common carrier services	2,400	2,400	2,400
(iv) other services, including information technology service	15,000	15,000	15,000
(B) Logistics services, including non-vessel operating common carrier services, international supply chain services, and domestic logistics services	274,000	358,000	465,000
(C) Other contractual arrangements, including office leases and insurance service	20,000	20,000	20,000
(D) Other services, including use of common facilities, ad-hoc use of business facilities and crew manning service/manning agency service	12,000	12,000	12,000

Provision of services by OOIL Group to COSCO SHIPPING Group:

Type of services under the New Business Master Agreement	<u>Annual Caps</u>		
	Year 2023 (US\$ '000)	Year 2024 (US\$ '000)	Year 2025 (US\$ '000)
(A) Liner services			
(i) network services	109,000	109,000	109,000
(ii) operation services	10,000	10,000	10,000
(iii) vessel operating common carrier services	683,000	703,000	773,000
(iv) other services, including information technology service	90,000	99,000	104,000
(B) Logistics services, including non-vessel operating common carrier services, international supply chain services and domestic logistics services	50,600	90,200	110,000
(C) Other contractual arrangements, including office leases and insurance service	6,000	6,000	6,000
(D) Other services, including use of common facilities, ad-hoc use of business facilities and crew manning service/manning agency service	6,000	6,000	6,000

The above annual caps are determined by reference to (i) the existing scale and operations of OOIL Group's business and the business plan of OOIL Group, including the expected gradual growth in the relevant services due to further collaboration with COSCO SHIPPING Group; (ii) the anticipated growth and development of OOIL Group; (iii) the anticipated synergies and better operational efficiency growth between OOIL Group and COSCO SHIPPING Group; and (iv) anticipated increase in costs and the global environment in our industry; against below historical transaction amounts of the relevant transactions for the period from 1st January 2020 to 31st July 2022:

Provision of services by COSCO SHIPPING Group to OOIL Group:

Type of services	Year 2020 (<i>Historical Amounts</i>) (US\$ '000)	Year 2021 (<i>Historical Amounts</i>) (US\$ '000)	2022 Annual Cap (US\$ '000)	From 1st January 2022 to 31st July 2022 (<i>Historical Amounts</i>) (US\$ '000)
(A) Liner services				
(i) network services	104,981	211,063	497,000	191,831
(ii) operation services	100,523	97,840	196,000	53,562
(iii) vessel operating common carrier services	-	-	2,400	-
(iv) other services, including information technology service	21	-	15,000	56
(B) Logistics services, including non-vessel operating common carrier services, international supply chain services, and domestic logistics services	19,347	93,749	232,000	54,262
(C) Other contractual arrangements, including office leases and insurance service	8,968	6,464	20,000	1,823
(D) Other services, including use of common facilities, ad-hoc use of business facilities and crew manning service/manning agency service	1,296	2,233	12,000	1,343

Provision of services by OOIL Group to COSCO SHIPPING Group:

Type of services	Year 2020 (Historical Amounts) (US\$'000)	Year 2021 (Historical Amounts) (US\$'000)	2022 Annual Cap (US\$'000)	From 1st January 2022 to 31st July 2022 (Historical Amounts) (US\$'000)
(A) Liner services				
(i) network services	5,617	6,331	109,000	6,493
(ii) operation services	1,507	2,387	6,000	2,168
(iii) vessel operating common carrier services	119,394	393,795	683,000	251,389
(iv) other services, including information technology service	36,548	41,516	75,000	19,075
(B) Logistics services, including non-vessel operating common carrier services, international supply chain services, and domestic logistics services	5,108	7,877	39,000	5,052
(C) Other contractual arrangements, including office leases and insurance service	-	-	6,000	-
(D) Other services, including use of common facilities, ad-hoc use of business facilities and crew manning service/manning agency service	-	-	6,000	-

2. New Bunker Master Agreement

Date:	30th August 2022
Parties:	(1) the Company (for itself and on behalf of its subsidiaries and associates); and (2) COSCO SHIPPING (for itself and on behalf of its subsidiaries and associates)
Scope of Services:	Purchase of bunker, fuel and oil by OOIL Group from COSCO SHIPPING Group
Term:	The New Bunker Master Agreement is for a term of three years commencing from 1st January 2023 and ending on 31st December 2025, and is renewable for successive periods of three years subject to mutual agreement of the Company and COSCO SHIPPING. Any renewal of the New Bunker Master Agreement will be subject to compliance with the applicable Listing Rules requirements (including, if required, independent shareholders' approval requirement).

Consideration: The Company and COSCO SHIPPING have entered into and will enter into one or more agreements setting out details of the transactions contemplated under the agreement(s), including the scope of the services, the duration of the agreement(s) and the fees for the transactions. The service fees charged under the New Bunker Master Agreement shall be paid in cash and shall be determined with reference to the prevailing market price, being the price charged by independent third party vendors or suppliers in their ordinary and usual course of business in the same or comparable service type and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.

Estimated Annual Caps: Under the umbrella of COSCO SHIPPING Group, OOIL Group is anticipating growth and operation of new and larger fleet of vessels.

The annual caps for the transactions contemplated under the New Bunker Master Agreement for the three financial years ending 31st December 2025 are as follows:

Annual Caps

Year 2023: US\$627,000,000
 Year 2024: US\$726,000,000
 Year 2025: US\$825,000,000

The above annual caps are determined by reference to (i) the existing scale and operations of OOIL Group's business and the business plan of OOIL Group, taking into account of the expected increase in bunker demand following the delivery of the newly ordered vessels in 2023 to 2025; (ii) the anticipated growth and development of OOIL Group; (iii) the anticipated synergies and better operational efficiency growth between OOIL Group and COSCO SHIPPING Group; and (iv) anticipated increase in costs and the global environment in our industry, in particular, the imbalance of supply and demand of fuel and oil in the foreseeable future caused by the political and geographical conflicts and the expected increase usage of biofuels in OOIL Group owned vessels; against the below historical transaction amounts of the relevant transactions for the period from 1st January 2020 to 31st July 2022:

Year 2020 <i>(Historical Amounts)</i> <i>(US\$'000)</i>	Year 2021 <i>(Historical Amounts)</i> <i>(US\$'000)</i>	2022 Annual Cap <i>(US\$'000)</i>	From 1st January 2022 to 31st July 2022 <i>(Historical Amounts)</i> <i>(US\$'000)</i>
113,661	175,158	410,000	183,364

3. New Terminal Master Agreement

- Date: 30th August 2022
- Parties: (1) the Company (for itself and on behalf of its subsidiaries and associates); and
(2) COSCO SHIPPING (for itself and on behalf of its subsidiaries and associates)
- Scope of Services: Purchase of terminal services (including loading and unloading of containers at port) and related services (including terminal handling, storage and maintenance of container and storage services (e.g. temperature monitoring) and customs clearing services) between OOIL Group and COSCO SHIPPING Group
- Term: The New Terminal Master Agreement is for a term of three years commencing from 1st January 2023 and ending on 31st December 2025, and is renewable for successive periods of three years subject to mutual agreement of the Company and COSCO SHIPPING. Any renewal of the New Terminal Master Agreement will be subject to compliance with the applicable Listing Rules requirements (including, if required, independent shareholders' approval requirement).
- Consideration: The Company and COSCO SHIPPING have entered into and will enter into one or more agreements setting out details of the transactions contemplated under the agreement(s), including the scope of the services, the duration of the agreement(s) and the fees for the transactions. The service fees charged under the New Terminal Master Agreement shall be paid in cash and determined with reference to the prevailing market price, being the price charged by independent third party operators or service providers; operating or providing similar types of services in their ordinary and usual course of business in the same or comparable service type (as the case may be) and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.
- Estimated Annual Caps: Under the umbrella of COSCO SHIPPING Group, OOIL Group is anticipating growth and operation of new and larger fleet of vessels and new services.

The annual caps for the transactions contemplated by the New Terminal Master Agreement for the three financial years ending 31st December 2025 are as follows:

	<u>Annual Caps</u>		
	Year 2023 (US\$'000)	Year 2024 (US\$'000)	Year 2025 (US\$'000)
Provision of services by COSCO SHIPPING Group to OOIL Group	459,708	538,716	642,276
Provision of services by OOIL Group to COSCO SHIPPING Group	25,000	25,000	25,000

The above annual caps are determined by reference to (i) the existing scale and operations of OOIL Group's business and its business plan, taking into account of the expected cargo volume growth following the delivery of the newly ordered vessels in 2023 to 2025; (ii) the anticipated growth and development of OOIL Group with COSCO SHIPPING Group's extensive global terminal network and investment in new terminals; (iii) the anticipated synergies and better operational efficiency growth between OOIL Group and COSCO SHIPPING Group; and (iv) the anticipated increase in costs and the global environment in our industry; against below historical transaction amounts of the relevant transactions for the period from 1st January 2020 to 31st July 2022:

	Year 2020 (<i>Historical Amounts</i>) (US\$'000)	Year 2021 (<i>Historical Amounts</i>) (US\$'000)	2022 Annual Cap (US\$'000)	From 1st January 2022 to 31st July 2022 (<i>Historical Amounts</i>) (US\$'000)
Provision of services by COSCO SHIPPING Group to OOIL Group	133,034	151,341	390,000	143,513
Provision of services by OOIL Group to COSCO SHIPPING Group	3,997	5,722	25,000	3,439

4. New Equipment Procurement Master Agreement

Date:	30th August 2022
Parties:	(1) the Company (for itself and on behalf of its subsidiaries and associates); and (2) COSCO SHIPPING (for itself and on behalf of its subsidiaries and associates)
Scope of Services:	Provision of equipment to be produced by COSCO SHIPPING Group and equipment procurement services, including container acquisition, and pooling and related services (including leasing of containers and equipment repositioning) between OOIL Group and COSCO SHIPPING Group
Term:	The New Equipment Procurement Master Agreement is for a term of three years commencing from 1st January 2023 and ending on 31st December 2025, and is renewable for successive periods of three years subject to mutual agreement of the Company and COSCO SHIPPING. Any renewal of the New Equipment Procurement Master Agreement will be subject to compliance with the applicable Listing Rules requirements (including, if required, independent shareholders' approval requirement).
Consideration:	The Company and COSCO SHIPPING have entered into and will enter into one or more agreements setting out details of the transactions contemplated under the agreement(s), including the scope of the services, the duration of the agreement(s) and the fees for the transactions. The service fees (including the price of the equipment, if applicable) charged under the New Equipment Procurement Master Agreement shall be paid in cash and determined with reference to the prevailing market price, being the price charged by independent third party operators or service providers; operating or providing

similar types of services in their ordinary and usual course of business in the same or comparable service type and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.

Estimated Annual Caps: Under the umbrella of COSCO SHIPPING Group, OOIL Group is anticipating growth and operation of new and larger fleet of vessels and new services.

The annual caps for the transactions contemplated by the New Equipment Procurement Master Agreement for the three financial years ending 31st December 2025 are as follows:

	<u>Annual Caps</u>		
	Year 2023 (US\$ '000)	Year 2024 (US\$ '000)	Year 2025 (US\$ '000)
Provision of services by COSCO SHIPPING Group to OOIL Group (Non-exempt Equipment Procurement Service)	590,000	829,000	1,085,000
Provision of services by OOIL Group to COSCO SHIPPING Group	237,000	247,000	247,000

The above annual caps are determined by reference to (i) the existing scale and operations of OOIL Group's business and its business plan, including, the envisaged purchase of new containers manufactured by members of COSCO SHIPPING Group, which purchase mainly contributed to the bulk of the annual caps; (ii) the anticipated growth and development of OOIL Group; (iii) the anticipated synergies and better operational efficiency growth between OOIL Group and COSCO SHIPPING Group; and (iv) the anticipated increase in costs and the global environment in our industry; against below historical transaction amounts of the relevant transactions for the period from 1st January 2020 to 31st July 2022:

	Year 2020 (Historical Amounts) (US\$ '000)	Year 2021 (Historical Amounts) (US\$ '000)	2022 Annual Cap (US\$ '000)	From 1st January 2022 to 31st July 2022 (Historical Amounts) (US\$ '000)
Provision of services by COSCO SHIPPING Group to OOIL Group	106,959	152,399	590,000	26,495
Provision of services by OOIL Group to COSCO SHIPPING Group	7,932	13,124	101,000	17,092

5. New Vessel Services Master Agreement

Date:	30th August 2022
Parties:	(1) the Company (for itself and on behalf of its subsidiaries and associates); and (2) COSCO SHIPPING (for itself and on behalf of its subsidiaries and associates)
Scope of Services:	Provision of vessel services, including vessel chartering, vessel supervision, and other vessel-related services (including specialised technical support and service for use of vessels and services auxiliary to shipbuilding) between OOIL Group and COSCO SHIPPING Group
Term:	The New Vessel Services Master Agreement is for a term of three years commencing from 1st January 2023 and ending on 31st December 2025, and is renewable for successive periods of three years subject to mutual agreement of the Company and COSCO SHIPPING. Any renewal of the New Vessel Services Master Agreement will be subject to compliance with the applicable Listing Rules requirements (including, if required, independent shareholders' approval requirement).
Consideration:	The Company and COSCO SHIPPING have entered into and will enter into one or more agreements setting out details of the transactions contemplated under the agreement(s), including the scope of the services, the duration of the agreement(s) and the fees for the transactions. The service fees charged under the New Vessel Services Master Agreement shall be paid in cash and determined with reference to the prevailing market price, being the price charged by independent third party operators or service providers; operating or providing similar types of services in their ordinary and usual course of business in the same or comparable service type and subject to normal commercial terms, and in accordance with the principle of fairness and reasonableness.
Estimated Annual Caps:	Under the umbrella of COSCO SHIPPING Group, OOIL Group is anticipating growth and operation of new and larger fleet of vessels and new services.

The annual caps for the transactions contemplated by the New Vessel Services Master Agreement for the three financial years ending 31st December 2025 are as follows:

	<u>Annual Caps</u>		
	Year 2023 (US\$'000)	Year 2024 (US\$'000)	Year 2025 (US\$'000)
Provision of services by COSCO SHIPPING Group to OOIL Group	230,000	230,000	230,000
Provision of services by OOIL Group to COSCO SHIPPING Group	103,000	218,000	218,000

The above annual caps are determined by reference to (i) the existing scale and operations of OOIL Group's business and its business plan; (ii) the anticipated growth and development of OOIL Group; (iii) the anticipated synergies and better operational efficiency growth between OOIL Group and COSCO SHIPPING Group; and (iv) the anticipated increase in costs and the global environment in our industry; against below historical transaction amounts of the relevant transactions for the period from 1st January 2020 to 31st July 2022:

	Year 2020 (<i>Historical Amounts</i>) (US\$ '000)	Year 2021 (<i>Historical Amounts</i>) (US\$ '000)	2022 Annual Cap (US\$ '000)	From 1st January 2022 to 31st July 2022 (<i>Historical Amounts</i>) (US\$ '000)
Provision of services by COSCO SHIPPING Group to OOIL Group	90,835	106,336	230,000	56,945
Provision of services by OOIL Group to COSCO SHIPPING Group	35,991	53,427	103,000	30,100

6. New Financial Services Master Agreement

Date:	30th August 2022
Parties:	(1) the Company (for itself and on behalf of its subsidiaries and associates); and (2) COSCO SHIPPING Finance
Scope of Services:	Provision of deposit service, loan service and other financial services (including but not limited to clearing services and foreign exchange services) by COSCO SHIPPING Finance to OOIL Group
Term:	The New Financial Services Master Agreement is for a term of three years commencing from 1st January 2023 and ending on 31st December 2025, and is renewable for successive periods of three years subject to mutual agreement of the Company and COSCO SHIPPING Finance. Any renewal of the New Financial Services Master Agreement will be subject to compliance with the applicable Listing Rules requirements (including, if required, independent shareholders' approval requirement).
Consideration:	The Company and COSCO SHIPPING Finance have entered into and will enter into one or more agreements setting out details of the transactions contemplated under the agreement(s), including the scope of the services, the duration of the agreement(s) and the fees for the transactions. The Company and COSCO SHIPPING Finance have agreed that the transaction terms of the services shall be on normal commercial terms and fair and reasonable, and shall not be less favorable to OOIL Group than those offered by COSCO SHIPPING Finance to the other members of COSCO SHIPPING Group with same level of status for the same type of services at the same period of time and also shall not be less favorable than the terms then offered by independent third party onshore financial institutions to OOIL Group for the same type of services.

The Company and COSCO SHIPPING Finance have further agreed that:

- (i) the interest rates for deposits shall not be lower than the benchmark deposit rates stipulated by the People’s Bank of China for the same type of deposits for the same period and shall be determined (a) with reference to market interest rates, being interest rates determined by independent third party onshore commercial banks providing the same type of deposit services in their ordinary and usual course of business in the same or nearby service area and subject to normal commercial terms, and shall be in accordance with the principle of fairness and reasonableness; and (b) with reference to the interest rate offered by COSCO SHIPPING Finance for the same type of deposits from other entities with same level of status;
- (ii) the interest rates for loans shall not be higher than the loan prime rate and be determined (a) with reference to market interest rates, being interest rates determined by independent third party onshore commercial banks providing the same type of loan services in their ordinary and usual course of business in the same or nearby service area and subject to normal commercial terms, and shall be in accordance with the principle of fairness and reasonableness; and (b) with reference to the interest rate charged by COSCO SHIPPING Finance for the same type of loans provided to other entities with same level of status; and
- (iii) the pricing policies for other financial services shall be determined with reference to (a) the handling fees charged by independent third party onshore commercial banks to OOIL Group for the same type of services; and (b) the handling fees charged by COSCO SHIPPING Finance to independent third parties with the same status for the same type of services.

Estimated Annual Caps: Under the umbrella of COSCO SHIPPING Group, OOIL Group is anticipating making use of the function of the internal financing platform and cash management platform within COSCO SHIPPING Group for better efficiency of fund management.

The annual caps for the transactions contemplated by the New Financial Services Master Agreement for the three financial years ending 31st December 2025 are as follows:

Deposit Service	Year 2023 <i>(US\$ '000)</i>	Year 2024 <i>(US\$ '000)</i>	Year 2025 <i>(US\$ '000)</i>
Maximum daily limit of deposits (including accrued interest and handling fee) to be placed by OOIL Group with COSCO SHIPPING Finance (Deposit Caps)	690,000	759,000	828,000

Loan Service

	Year 2023 (US\$ '000)	Year 2024 (US\$ '000)	Year 2025 (US\$ '000)
Maximum daily limit of loan facilities (including accrued interest and handling fee) to be granted by COSCO SHIPPING Finance to OOIL Group	345,000	402,500	460,000

Other Financial Services

	<u>Annual Caps</u>		
	Year 2023 (US\$ '000)	Year 2024 (US\$ '000)	Year 2025 (US\$ '000)
Provision of services by COSCO SHIPPING Finance to OOIL Group	6,000	6,000	6,000

The above annual caps are determined by reference to (i) the existing scale and operations of OOIL Group's business and its business plan with a view to managing its financial risks effectively and reasonably; (ii) the anticipated business growth and development of OOIL Group; (iii) the anticipated synergies and better operational efficiency growth between OOIL Group and COSCO SHIPPING Group; and (iv) the anticipated increase in costs; against the historical daily cash balance of OOIL Group for the period from 1st January 2020 to 31st July 2022.

	Year 2020 (Historical Amounts) (US\$ '000)	Year 2021 (Historical Amounts) (US\$ '000)	2022 Annual Cap (US\$ '000)	From 1st January 2022 to 31st July 2022 (Historical Amounts) (US\$ '000)
Maximum daily outstanding balance of deposits (including accrued interest and handling fee) to be placed by OOIL Group with COSCO SHIPPING Group	58,960	240,296	385,000	315,545
Maximum daily outstanding balance of loans (including accrued interest and handling fee) to be granted by COSCO SHIPPING Group to OOIL Group	-	-	250,000	-
Provision of other financial services by COSCO SHIPPING Group to OOIL Group	-	61	6,000	-

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions contemplated under each of the New Business Master Agreement, the New Bunker Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement and the New Vessel Services Master Agreement are in line with the business and commercial objectives of the Group and would enable the Group to leverage on COSCO SHIPPING Group's global shipping network to drive for future growth, synergies and operational efficiency.

OOIL Group and COSCO SHIPPING Group mutually provide similar service to each other under each of the New Business Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement and the New Vessel Services Master Agreement because (i) OOIL Group and COSCO SHIPPING Group each owns vessel capacity, and marine terminals and depots in different geographical locations, and requires services provided by each other in various geographical locations; and (ii) as members of the Ocean Alliance, OOIL Group and COSCO SHIPPING Group co-operate to offer services to each other, in the capacity of an owner to a user of the relevant facility or vessel and also to promote capacity utilization and reduce idle capacity.

Ocean Alliance is a leading alliance formed by CMA CGM S.A., COSCO SHIPPING Lines Co., Ltd. (a member of COSCO SHIPPING Group), Evergreen Marine Corporation (Taiwan) Ltd. and Orient Overseas Container Line Limited and OOCL (Europe) Limited (both are wholly owned subsidiaries of the Company and acting as one party) to operate a comprehensive service network covering the various trade lanes globally.

The continuing connected transactions contemplated under the New Financial Services Master Agreement would enable OOIL Group to obtain financial services on terms not less favorable than the terms offered by independent banks and financial institutions and would provide for efficient fund management between OOIL Group and COSCO SHIPPING Finance by OOIL Group utilizing the financial and cash management platform of COSCO SHIPPING Finance.

The Board (including the Independent Non-Executive Directors) (other than in respect of the Non-exempt Transactions in relation to which their view will be given after taking into account the advice from the Independent Financial Adviser) considers that the entering into of the New Master Agreements and the continuing connected transactions contemplated thereunder are in the ordinary and usual course of business of the Group, and that the terms of the continuing connected transactions contemplated under each of the New Master Agreements (including the annual caps relating thereto) are on normal commercial terms or better, fair and reasonable and in the interests of the Company and its shareholders as a whole.

On the date of Board Meeting, Mr. Wan Min, Mr. Huang Xiaowen and Mr. Yang Zhijian, the Executive Directors of the Company, were holding directorships and/or senior management positions in COSCO SHIPPING, its subsidiaries or its associates; Mr. Tung Lieh Cheung Andrew, a Non-Executive Director of the Company, had interests in the shares of COSCO SHIPPING Holdings Co., Ltd.; Mr. Ip Sing Chi, a Non-Executive Director of the Company, was a non-executive director of COSCO SHIPPING Development Co. Ltd.; Mr. Yang Liang Yee Philip, an Independent Non-Executive Director of the Company, was an independent non-executive director of COSCO SHIPPING Ports Limited; and Ms. Chen Ying, an Independent Non-Executive Director of the Company, was an external director of COSCO SHIPPING (Guangzhou) Co. Ltd. and COSCO SHIPPING Lines Co. Ltd. Accordingly, each of them was considered to have a material interest in the transactions contemplated under each of the New Master Agreements (including the Non-exempt Transactions) and had abstained from voting on the relevant resolution at the Board Meeting.

Other than Mr. Wan Min, Mr. Huang Xiaowen, Mr. Yang Zhijian, Mr. Tung Lieh Cheung Andrew, Mr. Ip Shing Chi, Mr. Yang Liang Yee Philip and Ms. Chen Ying, none of the other Directors on the date of Board Meeting (including Mr. Chow Philip Yiu Wah, Dr. Chung Shui Ming Timpson and Mr. So Gregory Kam Leung, the Independent Non-Executive Directors) had a material interest in the transactions contemplated under each of the New Master Agreements (including the Non-exempt Transactions), and none of them had abstained from voting on the relevant resolution.

LISTING RULES IMPLICATIONS

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 each of the New Master Agreements constitute continuing connected transactions of the Company.

As the highest of the applicable percentage ratios of the annual caps in respect of the Partially-exempt Transactions exceed 0.1% but are less than 5%, the Partially-exempt Transactions are only 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.

The loan service contemplated under the New Financial Services Master Agreement will constitute financial assistance to be received by OOIL Group from COSCO SHIPPING Group. As such loan service will be conducted on normal or better commercial terms and will not be secured by the assets of OOIL Group, the loan service under the New Financial Services Master Agreement is fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios of the annual caps in respect of the Fully-exempt Transactions are less than 0.1%, the Fully-exempt Transactions are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the annual caps in respect of each of the Bunker Service and the Non-exempt Equipment Procurement Service and the Deposit Caps exceed 5%, each of these Non-exempt Transactions is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For avoidance of doubt, under each of the New Master Agreements, if a service contemplated thereunder is subject to independent shareholders' approval requirements under the Listing Rules, regardless of whether such independent shareholders' approval is obtained, it will not affect the performance by OOIL Group or COSCO SHIPPING Group of its respective obligations with respect to the other services which are exempt from such independent shareholders' approval under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the annual caps for the Non-exempt Equipment Procurement Service and the Deposit Caps exceed 5% but all applicable percentage ratios are less than 25%, the Non-exempt Equipment Procurement Service and the Deposit Service also constitute discloseable transactions of the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

An Independent Board Committee comprising all Independent Non-Executive Directors (except Mr. Yang Liang Yee Philip and Ms. Chen Ying) has been established to advise the Independent Shareholders on, among other things, the terms of the Non-exempt Transactions (and the annual caps relating thereto) and on how to vote on the resolutions in respect thereof at the SGM. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further details of each of the Non-exempt Transactions, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, together with a notice convening the SGM, will be despatched to the Shareholders on or around 21st October 2022, as additional time is required to prepare certain information in the circular.

Faulkner will abstain from voting on the resolutions in respect of each of the Bunker Service, the Non-exempt Equipment Procurement Service and the Deposit Service at the SGM.

INTERNAL CONTROL PROCEDURES

Annual review by the auditors and Independent Non-Executive Directors, as part of the Group's internal controls systems, are in place to ensure that the transactions between the Group and its connected persons are conducted in accordance with the pricing policy. Apart from this, the Company would:

- identify and register the connected transactions in a system designed to track the connected transactions;
- carry out regular checking and reconciliation to ensure the completeness and accuracy of the connected transactions recorded in the system;
- report the transaction amounts monthly, so that the Group's management is informed of the status of the connected transactions timely and assess if the transactions are conducted within the annual caps;
- examine the pricing of transactions regularly to ensure that the connected transactions are conducted in accordance with the pricing terms thereof, including reviewing the transaction records of OOIL Group, for the purchase or provision of similar goods or services from or to independent third parties; and
- in relation to each annual cap for the transactions under the New Master Agreements, set appropriate internal monitoring limits, such that the Company will be alerted at appropriate times prior to reaching the relevant annual caps.

In addition, OOIL Group shall obtain the rates for deposits, loans and service fee for other financial services offered by several onshore commercial banks as needed when dealing with the financial services provided by connected persons, to ensure better rates are offered by COSCO SHIPPING Finance and in the interests of the Company as a whole.

If the terms obtained above are more favorable to OOIL Group than those provided by COSCO SHIPPING Finance, the Company will report to the management and re-negotiating price with COSCO SHIPPING Finance. Other banks would be selected if the offer from COSCO SHIPPING Finance cannot meet the pricing principle.

Capital risk control measures

- COSCO SHIPPING Finance shall ensure the security of the funds of the OOIL Group, that its funds management information system (a) operates safely; (b) has passed the security test in respect of the interface with online banking of commercial banks; (c) has attained the security standards for commercial banks in the PRC; and (d) has adopted the certification authority security certificate mode.
- COSCO SHIPPING Finance shall operate strictly in compliance with the risk monitoring indicators guidelines for finance companies issued by the China Banking and Insurance Regulatory Commission ("CBIRC"), and shall ensure that its main regulatory indicators such as gearing ratio and liquidity ratio comply with the requirements of the CBIRC and other relevant PRC laws and regulations.
- COSCO SHIPPING Finance shall (a) submit monthly financial statements to the Company's senior management and Executive Directors for review by the fifth business day of the following month; and (b) provide the Company with sufficient information on its various financial indicators and interim and annual financial statements to enable OOIL Group to monitor and review its financial conditions.
- COSCO SHIPPING Finance shall obtain the Company's prior written consent if COSCO SHIPPING Finance makes any long-term equity investment.
- the Company shall have the right to assign professional parties and personnel to conduct dynamic assessment and supervise the risk status of the funds it deposited with COSCO SHIPPING Finance, and COSCO SHIPPING Finance shall cooperate accordingly.

- if COSCO SHIPPING Finance fails to repay any deposit as scheduled, COSCO SHIPPING Finance agrees that the Company shall have the right to offset any loan payable to COSCO SHIPPING Finance with the deposit of OOIL Group.

INFORMATION ON THE RELEVANT PARTIES

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

According to the information provided by COSCO SHIPPING Group, and to the best of the Directors' knowledge, information and belief, the scope of business of COSCO SHIPPING Group 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, and maritime engineering.

According to the information provided by COSCO SHIPPING Group, and to the best of the Directors' knowledge, information and belief, COSCO SHIPPING Finance is a company established in the PRC with limited liability and is an indirect non-wholly owned subsidiary of COSCO SHIPPING. It is principally engaged in the provision of deposit services, credit services, financial and financing consultation, credit verification and related consultation and agency services, settlement, and liquidation.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings set out below, and words in plural shall include the singular and vice versa, as applicable:

“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Board Meeting”	the meeting of the Board held on 19th August 2022 for approving, among other things, the New Master Agreements (including the annual caps relating thereto);
“Bunker Service”	the service (including the annual caps relating thereto) contemplated under the New Bunker Master Agreement;
“Company”	Orient Overseas (International) Limited, a company incorporated in Bermuda with members’ limited liability and listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 316);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“COSCO SHIPPING”	China COSCO SHIPPING Corporation Limited* (中國遠洋海運集團有限公司), a PRC state-owned enterprise and indirectly controls more than 50% of the issued share capital of the Company;
“COSCO SHIPPING Finance”	COSCO SHIPPING Finance Co., Ltd.* (中遠海運集團財務有限責任公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of COSCO SHIPPING;
“COSCO SHIPPING Group”	COSCO SHIPPING and its subsidiaries and associates (as defined under the Listing Rules);
“Deposit Caps”	the maximum daily limit of deposits (including accrued interest and handling fee) to be placed by OOIL Group with COSCO SHIPPING Finance under the New Financial Services Master Agreement;
“Deposit Service”	the deposit service transaction contemplated under the New Financial Services Master Agreement (including the Deposit Caps relating thereto);
“Directors”	the directors of the Company;
“Existing Bunker Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the purchase of bunker, fuel and oil by OOIL Group from COSCO SHIPPING Group;
“Existing Business Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the provision of containerized liner, logistics and information technology services between COSCO SHIPPING Group and OOIL Group;
“Existing Equipment Procurement Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the provision of equipment to be produced by COSCO SHIPPING Group and equipment procurement services, including container acquisition, and pooling and related services between COSCO SHIPPING Group and OOIL Group;

“Existing Financial Services Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the provision of deposit service, loan service and other financial services by COSCO SHIPPING Group to OOIL Group;
“Existing Master Agreements”	namely the Existing Business Master Agreement, the Existing Bunker Master Agreement, the Existing Terminal Master Agreement, the Existing Equipment Procurement Master Agreement, the Existing Vessel Services Master Agreement and the Existing Financial Services Master Agreement;
“Existing Terminal Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the provision of the terminal services and related services between COSCO SHIPPING Group and OOIL Group;
“Existing Vessel Services Master Agreement”	the master agreement dated 30th October 2019 and entered into between the Company and COSCO SHIPPING in relation to the provision of vessel services, including vessel chartering, vessel supervision, and other vessel-related services between COSCO SHIPPING Group and OOIL Group;
“Faulkner”	Faulkner Global Holdings Limited, a company incorporated in the British Virgin Islands and is a member of COSCO SHIPPING Group, and directly holds 71.07% of the issued share capital of the Company;
“Fully-exempt transaction”	together, the transactions under the following services (including the respective annual caps relating thereto): (a) three services to be provided by COSCO SHIPPING Group to OOIL Group under the New Business Master Agreement: (i) the vessel operating common carrier services under liner services; (ii) other services under liner services, including information technology service; and (iii) other services, including use of common facilities, ad-hoc use of business facilities, and crew manning service/ manning agency service; (b) three services to be provided by OOIL Group to COSCO SHIPPING Group under the New Business Master Agreement: (i) the operation services under liner services; (ii) other contractual arrangements, including office lease and insurance service; and (iii) other services, including use of common facilities, ad-hoc use of business facilities, and crew manning service/ manning agency service; and (c) the other financial services under the New Financial Services Master Agreement;
“Group”	the Company and its subsidiaries;
“Independent Board Committee”	an independent board committee of the Board comprising all the Independent Non-Executive Directors (except Mr. Yang Liang Yee Philip and Ms. Chen Ying), who have no material interests in the New Master Agreements;
“Independent Financial Adviser”	First Shanghai Capital Limited, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt Transactions (including the respective annual caps relating thereto);
“Independent Non-Executive Directors”	the independent non-executive Directors, namely Mr. Chow Philip Yiu Wah, Dr. Chung Shui Ming Timpson, Mr. Yang Liang Yee Philip, Ms. Chen Ying and Mr. So Gregory Kam Leung;

“Independent Shareholders”	Shareholders other than members of COSCO SHIPPING Group;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“New Bunker Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING in relation to the purchase of bunker, fuel and oil by OOIL Group from COSCO SHIPPING Group;
“New Business Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING in relation to the provision of containerized liner, logistics and information technology services between COSCO SHIPPING Group and OOIL Group;
“New Equipment Procurement Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING in relation to the provision of equipment to be produced by COSCO SHIPPING Group and equipment procurement services, including container acquisition, and pooling and related services between COSCO SHIPPING Group and OOIL Group;
“New Financial Services Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING Finance in relation to the provision of Deposit Service, loan service and other financial services by COSCO SHIPPING Finance to OOIL Group;
“New Master Agreements”	namely the New Business Master Agreement, the New Bunker Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement, the New Vessel Services Master Agreement and the New Financial Services Master Agreement;
“New Terminal Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING in relation to the provision of terminal services and related services between COSCO SHIPPING Group and OOIL Group;
“New Vessel Services Master Agreement”	the master agreement dated 30th August 2022 and entered into between the Company and COSCO SHIPPING in relation to the provision of vessel services, including vessel chartering, vessel supervision, and other vessel-related services between COSCO SHIPPING Group and OOIL Group;
“Non-exempt Equipment Procurement Service”	the service (including the annual caps relating thereto) to be provided by COSCO SHIPPING Group to OOIL Group contemplated under the New Equipment Procurement Master Agreement;
“Non-exempt Transactions”	together, the Bunker Service, the Non-exempt Equipment Procurement Service and the Deposit Service;
“OOIL Group”	the Company and its subsidiaries and associates (as defined under the Listing Rules);
“Partially-exempt Transactions”	together, the transactions under the New Business Master Agreement, the New Terminal Master Agreement, the New Equipment Procurement Master Agreement and the New Vessel Services Master Agreement, except the Fully-exempt Transactions and the Non-exempt Transactions;
“PRC”	the People’s Republic of China;

“SGM”	the special general meeting of the Company to be held to consider, and if thought fit, approve, among other things, each of the Non-exempt Transactions (including the annual caps relating thereto);
“Shareholders”	holder(s) of the Share(s);
“subsidiaries”	has the meaning ascribed to it under the Listing Rules; and “subsidiary” means any of them;
“US\$”	United States Dollars, the lawful currency of the United States; and
“%”	per cent.

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

Hong Kong, 30th August 2022

As at the date of this announcement, the Directors of the Company are:

Executive Directors:	Mr. WAN Min, Mr. HUANG Xiaowen and Mr. YANG Zhijian
Non-Executive Directors:	Mr. TUNG Lieh Cheung Andrew, Mr. YAN Jun, Ms. WANG Dan and Mr. IP Sing Chi
Independent Non-Executive Directors:	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*