
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this supplemental circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Orient Overseas (International) Limited, you should at once hand this supplemental circular and the proxy form to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**SUPPLEMENTAL CIRCULAR
DISCLOSEABLE AND CONNECTED TRANSACTION REGARDING
CONSTRUCTION OF SEVEN VESSELS
AND
SUPPLEMENTAL NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



First Shanghai Capital Limited

This supplemental circular should be read together with the circular of the Company dated 21st October 2022. Capitalised terms used in this cover page have the same meanings as those defined in the section headed "Definitions" in this supplemental circular. A letter from the Board is set out on pages 5 to 13 of this supplemental circular. A letter from the Independent Board Committee is set out on pages 14 to 15 of this supplemental circular. A letter from the Independent Financial Adviser is set out on pages 16 to 30 of this supplemental circular. A supplemental notice of the SGM of the Company to be held on Thursday, 24th November 2022 at 10:00 a.m. at Dynasty Room, 7th Floor, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong is set out on pages (i) to (ii) of this supplemental circular. A revised proxy form for use by the Shareholders at the SGM is also enclosed with this supplemental circular.

Whether or not you intend to attend the SGM, you are requested to complete and return the accompanying revised proxy form in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (the "Branch Share Registrar"), at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for the SGM (or any adjournment thereof). Completion and return of the revised proxy form will not preclude you from attending and voting at the SGM (or any adjournment thereof) should you so wish.

As part of our control measures to safeguard the health and safety of the Shareholders, the Company encourages the Shareholders to appoint the chairman of the SGM as their proxy to vote as instructed by the Shareholders on the relevant resolutions at the SGM, instead of attending the SGM in person. Subject to the prevailing Hong Kong Government regulations, it is possible that Shareholders and/or their proxies may not be able to attend in person at the SGM. Please see pages (iii) and (iv) of this supplemental circular for precautionary measures to be taken at the SGM, which shall be subject to Hong Kong Government regulations as at the date of the SGM.

8th November 2022

* For identification purpose only

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DEFINITIONS

In this supplemental circular, the following expressions have the following meanings unless the context requires otherwise:

“associate(s)”	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 28th October 2022 for approving, among other things, the Shipbuilding Transaction;
“Builder”	Nantong COSCO KHI Ship Engineering Co., Ltd.* (南通中遠海運川崎船舶工程有限公司), a company established in the PRC and an associate of COSCO SHIPPING, which indirectly holds 50% equity interest in the Builder;
“Buyers”	Newcontainer No.143 (Marshall Islands) Shipping Inc., Newcontainer No.145 (Marshall Islands) Shipping Inc., Newcontainer No.146 (Marshall Islands) Shipping Inc., Newcontainer No.147 (Marshall Islands) Shipping Inc., Newcontainer No.148 (Marshall Islands) Shipping Inc., Newcontainer No.149 (Marshall Islands) Shipping Inc. and Newcontainer No.150 (Marshall Islands) Shipping Inc., each an indirect wholly-owned subsidiary of the Company;
“Company”	Orient Overseas (International) Limited, a company incorporated in Bermuda with members’ limited liability and listed on the Main Board of the Stock Exchange (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 and is also an indirect controlling shareholder of COSCO SHIPPING Holdings;
“COSCO SHIPPING Group”	COSCO SHIPPING and its subsidiaries and associates (as defined under the Listing Rules);

DEFINITIONS

“COSCO SHIPPING Holdings”	COSCO SHIPPING Holdings Co., Ltd.* (中遠海運控股股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1919) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601919), and an indirect controlling shareholder of the Company;
“COSCO SHIPPING Ports”	COSCO SHIPPING Ports Limited (中遠海運港口有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1199);
“Directors”	the directors of the Company;
“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;
“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;
“Independent Board Committee”	an independent board committee of the Board comprising three out of five Independent Non-Executive Directors, namely Mr. Chow Philip Yiu Wah, Dr. Chung Shui Ming Timpson and Mr. So Gregory Kam Leung, who have no material interests in the Shipbuilding Transaction;
“Independent Financial Adviser”	First Shanghai Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Shipbuilding Transaction;
“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;

DEFINITIONS

“Independent Shareholders”	Shareholders other than members of COSCO SHIPPING Group;
“Latest Practicable Date”	2nd November 2022, being the latest practicable date before the printing of this supplemental circular for ascertaining certain information for the purpose of inclusion in this supplemental circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules;
“PRC” or “China”	the People’s Republic of China;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be held on Thursday, 24th November 2022 at 10:00 a.m. at Dynasty Room, 7th Floor, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong or any adjournment thereof;
“Shares”	ordinary shares of US\$0.10 each in the share capital of the Company;
“Shareholders”	holder(s) of the Share(s);
“Shipbuilding Contracts”	the seven shipbuilding contracts all dated 28th October 2022 and entered into by the Builder with each of the Buyers, each of which relates to one Vessel and contains substantially the same terms;
“Shipbuilding Transaction”	the transactions contemplated under the Shipbuilding Contracts;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiaries”	has the meaning ascribed to it under the Listing Rules; and “subsidiary” means any one of them;

DEFINITIONS

“TEU”	twenty-foot equivalent container unit;
“US\$” or “US Dollars”	United States Dollars, the lawful currency of the United States;
“Vessel(s)”	seven units of 24,000 TEU class dual fuel container vessels which will be constructed by the Builder according to the respective Shipbuilding Contracts; and “Vessel” means any of them; and
“%”	per cent.

* *For identification purpose only*

LETTER FROM THE BOARD



ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with members' limited liability)

(Stock Code: 316)

Executive Directors:

Mr. WAN Min *(Chairman)*

Mr. HUANG Xiaowen *(Chief Executive Officer)*

Mr. YANG Zhijian

Non-Executive Directors:

Mr. TUNG Lieh Cheung Andrew

Mr. YAN Jun

Ms. WANG Dan

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

Mr. SO Gregory Kam Leung

Principal Office:

31st Floor

Harbour Centre

25 Harbour Road

Wanchai

Hong Kong, China

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

8th November 2022

To the Shareholders of the Company

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR
DISCLOSEABLE AND CONNECTED TRANSACTION REGARDING
CONSTRUCTION OF SEVEN VESSELS
AND
SUPPLEMENTAL NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

This supplemental circular should be read together with the circular of the Company dated 21st October 2022 which contains, among other things, information regarding the resolutions to be proposed at the SGM.

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this supplemental circular is to provide the Shareholders with, among others, (i) further information on the Shipbuilding Transaction; (ii) a letter from the Independent Board Committee; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the supplemental notice of SGM and other information in accordance with the requirements of the Listing Rules.

2. THE SHIPBUILDING TRANSACTION

Reference is made to the announcement of the Company dated 28th October 2022 in respect of the Shipbuilding Transaction.

On 28th October 2022, the Buyers, seven indirect wholly-owned subsidiaries of the Company, respectively entered into the Shipbuilding Contracts on substantially the same terms with the Builder for the construction of the respective Vessels for a consideration of US\$239.85 million (equivalent to approximately HK\$1,870.83 million) for each Vessel and for an aggregate consideration of US\$1,678.95 million (equivalent to approximately HK\$13,095.81 million) for all the Vessels.

a) Finance Terms

The Company currently envisages that it will obtain financing for not more than 60% of the contract price of each Vessel with the financing guaranteed by the Company which will be finalised before the delivery of the Vessels, whilst the balance of the contract price will be funded from internal resources of the Group. If such financing arrangement could not be arranged, the full contract price of each Vessel would be funded by internal resources of the Group, which is expected to be sufficient for this purpose.

b) Contract terms

The terms of the Shipbuilding Contracts (including the consideration for each Vessel) were determined on an arm's length basis and on normal commercial terms (based on price comparable to market price agreed between a willing buyer and a willing seller, payment terms, technical terms and delivery dates that meet the Company's requirements), pursuant to the negotiation process referred to in the sub-section headed "c) Reasons for and Benefits of the Shipbuilding Transaction" below.

LETTER FROM THE BOARD

Under each of the Shipbuilding Contracts, the relevant Buyer shall pay the respective consideration of US\$239.85 million (equivalent to approximately HK\$1,870.83 million) in cash in five instalments based on progress intervals on the construction of each Vessel, with smaller proportion of contract price payable in the second, third and fourth instalments and larger proportion of contract price payable in the first and fifth instalments. OOCL (Assets) Holdings Inc., an indirect wholly-owned subsidiary of the Company, as guarantor, would provide a letter of guarantee for each of the Vessels in favour of the Builder, guaranteeing the respective Buyers' payment obligation for the payment of the second, third and fourth instalments of the contract price under the respective Shipbuilding Contracts, as provided in the respective letters of guarantee.

The Vessels are expected to be delivered between the third quarter of 2026 and the third quarter of 2028 subject to any early delivery or delay in delivery (subject to a maximum liquidated damages of approximately US\$13.50 million per Vessel for certain delays in delivery payable by the Builder to the relevant Buyer) as provided in each of the Shipbuilding Contracts. In case of delay in delivery, the liquidated damages payable by the Builder to the relevant Buyer (if applicable) shall be deducted from the fifth instalment of the contract price, of which the amount shall be assessed on the length of delayed period after the expiration of the original delivery date. If the length of the delayed period exceeds a certain number of days, the relevant Buyer may, at its option, terminate the relevant Shipbuilding Contract without any incurrence of penalty payable by the Buyer.

In the event that any of the Shipbuilding Contracts is terminated by the relevant Buyer in accordance with the specific terms thereof, the Builder shall refund to the relevant Buyer in US Dollars the full amount already paid by the Buyer to the Builder, together with interest incurred thereof.

The Shipbuilding Transaction is conditional upon such transactions being approved by the Independent Shareholders at the SGM.

LETTER FROM THE BOARD

c) Reasons for and Benefits of the Shipbuilding Transaction

The Shipbuilding Transaction is in line with the 14th Five-Year Plan of the Group, which would, among other things, steadily increase the fleet capacity of the Group, further consolidate its position in the industry and continuously promote the Group's scale and global development of container shipping business. Mega-sized vessels, such as the Vessels, would play an effective role in long trade routes. With the addition of the Vessels in the Group's fleet, it would allow the Group to enhance the service layout and strengthen the position for its long trade routes, and to achieve balanced development in its global service network via vessel cascade plan arrangement. The Group would also benefit from the optimisation of its fleet structure through the increase of self-owned vessels and enhance the core competitiveness of the fleet. The Vessels under the Shipbuilding Transaction would increase the average container space per vessel of the Group, driving economies of scale, whereby a higher container space per vessel would result in a lower cost per container, enhancing the operating cost competitiveness of the Group. Further, the Vessels would be equipped with green fuel technologies such as methanol dual fuel engines, which would demonstrate the Group's commitment towards global energy conservation and carbon emission reduction, fulfill the Group's corporate responsibility for sustainable development and harmonious ecosystem, and respond to the national dual carbon goals.

Based on the Group's evaluation on price, technical competency and delivery schedule, the Builder's offer is optimal amongst the major shipbuilders (including independent third-party shipbuilder) in that they meet the above factors, as (i) the Builder has been well-recognised in the shipbuilding industry for its manufacturing process and quality control, which is crucial to the performance of the vessels, (ii) its vessel delivery schedule fits with the strategic plan of the Group; and (iii) its price is comparable to that obtained during the quotation process of the Group with other shipbuilders.

The Builder has previously been engaged by the Group to build six mega-sized 23,000 TEU class vessels and five 16,000 TEU class NeoPanamax vessels in 2020 and 2021. Engaging the same Builder again in the Shipbuilding Transaction is expected to provide synergy in construction, as the Builder has gained an improved understanding of the Group's operational and technical specifications, requirements and standard for its newbuildings.

d) Listing Rules Implications

The Builder is an associate of COSCO SHIPPING, which indirectly holds 50% equity interest in the Builder. COSCO SHIPPING indirectly controls more than 50% of the issued share capital of the Company. Accordingly, the Builder is a connected person of the Company under Chapter 14A of the Listing Rules, and the Shipbuilding Transaction constitutes a connected transaction of the Company.

LETTER FROM THE BOARD

As all the Shipbuilding Contracts are entered into with the Builder on the same date, the transactions contemplated under the Shipbuilding Contracts are aggregated as one transaction under rule 14.22 and rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio (as defined in rule 14.07 of the Listing Rules) in respect of the Shipbuilding Transaction exceeds 5% but all percentage ratios are less than 25%, the Shipbuilding Transaction constitutes a discloseable transaction and a connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules respectively, and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under the Listing Rules.

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 and/or its associates; Mr. Tung Lieh Cheung Andrew, a Non-Executive Director of the Company, had interests in the shares and the underlying shares of COSCO SHIPPING Holdings; 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; and Ms. Chen Ying, the 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 Shipbuilding Transaction 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 Sing 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 Shipbuilding Transaction, and none of the other Directors had abstained from voting on the relevant resolution.

An Independent Board Committee comprising three out of five Independent Non-Executive Directors, namely Mr. Chow Philip Yiu Wah, Dr. Chung Shui Ming Timpson and Mr. So Gregory Kam Leung, who have no material interests in the Shipbuilding Transaction, has been established to advise the Independent Shareholders on, among other things, the terms of the Shipbuilding Transaction and on how to vote on the resolution in respect of the Shipbuilding Transaction at the SGM. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

The Board (including the Independent Non-Executive Directors, who are members of the Independent Board Committee, after taking into account the advice from the Independent Financial Adviser) considers that the terms of the Shipbuilding Contracts are fair and reasonable, and the Shipbuilding Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

The Shipbuilding Contracts contain certain sensitive commercial and personal information which, if disclosed, may, among other things, prejudice the Group's operation and commercial interests. The Company has therefore applied for a waiver from strict compliance with rule 14A.70(13) and paragraph 43(2)(c) of Appendix 1B to the Listing Rules, so that the sensitive commercial and personal information may be redacted from the Shipbuilding Contracts to be published on the websites of the Stock Exchange and the Company. Subject to the Stock Exchange's approval, the Company will make further announcement(s) as appropriate.

3. INFORMATION ON THE RELEVANT PARTIES

The Group is principally engaged in container transport and logistics business.

To the best of the Directors' knowledge, information and belief, the Builder is a company established in the PRC and is an associate of COSCO SHIPPING, and in which each of COSCO SHIPPING and Kawasaki Heavy Industries, Ltd. (a heavy industrial manufacturer whose shares are listed on the Tokyo and Nagoya Stock Exchanges) indirectly or directly holds 50% equity interest respectively. The Builder is principally engaged in the business of manufacturing, sales and repairing of ships.

To the best of the Directors' knowledge, information and belief, COSCO SHIPPING is a state-owned enterprise. 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 and maritime engineering.

LETTER FROM THE BOARD

4. SPECIAL GENERAL MEETING

The SGM will be held for the Shareholders to consider, and if thought fit, among other things, approve the Shipbuilding Transaction.

Faulkner, being a member of the COSCO SHIPPING Group and therefore considered to have material interest in the Shipbuilding Transaction, will abstain from voting on the relevant resolution in respect thereof at the SGM. As at the Latest Practicable Date, Faulkner directly held 71.07% of the issued share capital of the Company. To the best knowledge of the Directors, as at the Latest Practicable Date, save as disclosed above, no other Shareholder is required to abstain from voting on the resolutions proposed at the SGM.

The original notice and the original proxy form of the SGM were despatched to the Shareholders on 21st October 2022. A supplemental notice of the SGM, which contains an additional ordinary resolution in respect of the Shipbuilding Transaction to be proposed at the SGM, is set out on pages (i) to (ii) of this supplemental circular. A revised proxy form for the SGM is also enclosed to this supplemental circular. Whether or not you intend to be present at the SGM, you are requested to complete and return the accompanying revised proxy form in accordance with the instructions printed thereon and deposit the same with the Branch Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time fixed for the SGM or any adjournment thereof (the "**Closing Time**"). Completion and return of the revised proxy form will not preclude you from attending and voting at the SGM (or any adjournment thereof) should you so wish and in such event, the revised proxy form appointing the proxy shall be deemed to be revoked.

A Shareholder who has not yet deposited the original proxy form with the Branch Share Registrar is requested to deposit only the revised proxy form if he/she intends to appoint a proxy/proxies to attend the SGM on his/her behalf. A Shareholder who has already deposited the original proxy form should note that:

- (i) if no revised proxy form is deposited before the Closing Time, the original proxy form (if duly completed) will be treated as a valid proxy form deposited by the Shareholder. The proxy so appointed pursuant to the original proxy form will be entitled to vote in accordance with the instructions previously given by the Shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the SGM, including the additional ordinary resolution as set out in the supplemental notice of the SGM; and
- (ii) if the revised proxy form is deposited before the Closing Time, the revised proxy form will revoke and supersede the original proxy form previously deposited by the Shareholder. The revised proxy form (if duly completed) will be treated as a valid proxy form deposited by the Shareholder.

LETTER FROM THE BOARD

As part of our control measures to safeguard the health and safety of the Shareholders, the Company encourages the Shareholders to consider appointing the chairman of the SGM as their proxy to vote as instructed by the Shareholders on the relevant resolutions at the SGM, instead of attending the SGM in person.

Apart from the additional ordinary resolution and the relevant information as set out in this supplemental circular, all the other matters of the SGM remain unchanged. For details of the other resolutions to be considered and approved at the SGM, eligibility for attending the SGM, closure of register of members and other relevant matters, please refer to the circular of the Company dated 21st October 2022.

5. VOTING BY POLL

Pursuant to rule 13.39(4) of the Listing Rules, the resolution set out in the supplemental notice of the SGM will be voted by way of a poll. An announcement on the results of the poll voting will be made by the Company after the SGM in the manner prescribed under rule 13.39(5) of the Listing Rules.

6. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 14 to 15 of this supplemental circular and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 16 to 30 of this supplemental circular containing the principal factors and reasons considered by the Independent Financial Adviser in arriving at such advice.

The Independent Board Committee, having taken into account the terms of the Shipbuilding Transaction and the advice of the Independent Financial Adviser, is of the opinion that the Shipbuilding Transaction is on normal commercial terms or better, and in the ordinary and usual course of business of the Group, and that the terms of the Shipbuilding Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to approve the Shipbuilding Transaction at the SGM.

The Board recommends the Independent Shareholders to vote in favour of the resolution to approve the Shipbuilding Transaction at the SGM.

LETTER FROM THE BOARD

7. ADDITIONAL INFORMATION

Your attention is drawn to the information set out in Appendix I to this supplemental circular.

Yours faithfully,
By order of the Board
Orient Overseas (International) Limited
WAN MIN
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with members' limited liability)

(Stock Code: 316)

8th November 2022

To the Independent Shareholders of the Company

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION REGARDING CONSTRUCTION OF SEVEN VESSELS

We refer to the supplemental circular issued by the Company to the Shareholders dated 8th November 2022 (the “**Supplemental Circular**”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Supplemental Circular shall have the same meanings in this letter.

We have been appointed by the Board to advise the Independent Shareholders as to whether (i) the Shipbuilding Transaction is on normal commercial terms or better and in the ordinary and usual course of business of the Group, and (ii) the terms of the Shipbuilding Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

First Shanghai Capital Limited has been appointed to act as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Shipbuilding Transaction. The text of the letter of advice from the Independent Financial Adviser containing their recommendations and the principal factors they have taken into account in arriving at their recommendations are set out from pages 16 to 30 of the Supplemental Circular.

Having taken into account the terms of the Shipbuilding Transaction and the advice of the Independent Financial Adviser, we are of the opinion that (i) the Shipbuilding Transaction is on normal commercial terms or better and in the ordinary and usual course of business of the Group, and that (ii) the terms of the Shipbuilding Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We therefore recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Shipbuilding Transaction.

Yours faithfully,

For and on behalf of

THE INDEPENDENT BOARD COMMITTEE

Mr. Chow Philip Yiu Wah	Dr. Chung Shui Ming Timpson	Mr. So Gregory Kam Leung
<i>Independent Non-Executive Director</i>	<i>Independent Non-Executive Director</i>	<i>Independent Non-Executive Director</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter from the Independent Financial Adviser setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Shipbuilding Transaction for inclusion in the Circular.



First Shanghai Capital Limited

FIRST SHANGHAI CAPITAL LIMITED
19th Floor,
Wing On House
71 Des Voeux Road Central
Hong Kong

8th November 2022

To the Independent Board Committee and the Independent Shareholders

Orient Overseas (International) Limited
31st Floor, Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION REGARDING CONSTRUCTION OF SEVEN VESSELS

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Shipbuilding Transaction, details of which are set out in the circular of the Company to the Shareholders dated 8th November 2022 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

On 28th October 2022, the Buyers (seven indirect wholly-owned subsidiaries of the Company) respectively entered into the Shipbuilding Contracts on substantially the same terms with the Builder for the construction of a total of seven Vessels, which are methanol dual fuel 24,000 TEU container vessels, at a consideration of US\$239.85 million for each Vessel, i.e. for an aggregate consideration of US\$1,678.95 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Builder is an associate of COSCO SHIPPING (a controlling shareholder that indirectly controls more than 50% of the issued share capital of the Company), which indirectly holds 50% equity interest in the Builder. Accordingly, the Builder is a connected person of the Company under Chapter 14A of the Listing Rules and therefore the Shipbuilding Transaction constitutes a connected transaction of the Company. As mentioned in the letter from the Board in the Circular (the “**Board Letter**”), the Shipbuilding Transaction is subject to the reporting, announcement, circular and independent shareholders’ approval requirements under the Listing Rules.

The Independent Board Committee, comprising three out of five Independent Non-Executive Directors, namely Mr. CHOW Philip Yiu Wah, Dr. CHUNG Shui Ming Timpson and Mr. SO Gregory Kam Leung, who have no material interests in the Shipbuilding Transaction, has been established to advise the Independent Shareholders in respect of the Shipbuilding Transaction. We, First Shanghai Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

The Independent Shareholders should note that, within the past two years prior to the Latest Practicable Date:

- we were engaged as the independent financial adviser by the Company for three occasions including (i) the major and connected transaction regarding the construction of seven vessels and the revision of annual caps for the continuing connected transactions under the bunker master agreement as detailed in the circular of the Company dated 11th November 2020; (ii) the discloseable and connected transaction regarding the construction of ten vessels as detailed in the circular of the Company dated 24th September 2021; and (iii) the renewal of certain continuing connected transactions as detailed in the circular of the Company dated 21st October 2022; and
- we were also engaged as the independent financial adviser by COSCO SHIPPING Holdings Co., Ltd. (stock code: 1919 HK/601919 CH) (“**COSCO SHIPPING Holdings**”), which is a controlling shareholder of the Company, for four occasions, including (i) the discloseable and connected transaction regarding the construction of seven vessels as detailed in the circular of COSCO SHIPPING Holdings dated 16th November 2020; (ii) the major and connected transaction regarding the leasing of vessels as detailed in the circular of COSCO SHIPPING Holdings dated 16th November 2020; (iii) the discloseable and connected transaction regarding the construction of ten vessels as detailed in the circular of COSCO SHIPPING Holdings dated 5th August 2021; and (iv) the discloseable and connected transaction regarding the construction of ten vessels as detailed in the circular of COSCO SHIPPING Holdings dated 24th September 2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Apart from normal professional fees paid or payable to us in connection with the aforesaid engagements (the “**Previous Engagements**”), we did not have any other relationships or interests with COSCO SHIPPING Group (including the Group). Given (i) our independent roles in the Previous Engagements; (ii) none of the members of our parent group is a direct party to the Shipbuilding Contracts; and (iii) our fee for this present engagement with the Company, in addition to those for the Previous Engagements, represented an insignificant percentage of revenue of our parent group, we consider that the Previous Engagements would not affect our independence, and we consider ourselves independent pursuant to rule 13.84 of the Listing Rules, to provide our advice and form our opinion in respect of the Shipbuilding Transaction.

BASIS OF OUR ADVICE

In putting forth our opinion and recommendation, we have relied on the accuracy of the information and representations included in the Circular and provided to us by the management of the Group (the “**Management**”), and have assumed that all such information and representations made or referred to in the Circular and provided to us by the Management were true and accurate at the time they were made and continued to be true up to the Latest Practicable Date. We have reviewed, among other documents, the Shipbuilding Contracts, the financial reports of the Company and relevant industry information as further elaborated in our letter. We have also assumed that all statements of belief, opinion and intention made in the Circular were reasonably made after due enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management and have been advised that no material facts have been withheld or omitted from the information provided and referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Management nor have we conducted any form of investigation into the business, affairs or future prospects of the Group. We consider that we have taken sufficient and necessary steps to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the Shipbuilding Transaction, we have taken into account the following principal factors and reasons:–

1. Background information on the parties to the Shipbuilding Transaction

The Group is principally engaged in container transport and logistics business. We have reviewed the annual report of the Company for the year ended 31st December 2021 (the “**2021 Annual Report**”) and the interim report for the six months ended 30th June 2022 (the “**2022 Interim Report**”) and we understand that over 99% of the revenue of the Group was generated from the container transport and logistics business segment for each of the years ended 31st December 2020 and 2021 and for the six months ended 30th June 2022. COSCO SHIPPING, which is a PRC state-owned enterprise, is a controlling shareholder of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Board Letter, the Builder is principally engaged in the business of manufacturing, sales and repairing of ships and is owned as to 50% and 50% by COSCO SHIPPING and Kawasaki Heavy Industries, Ltd. (i.e. a heavy industrial manufacturer whose shares are listed on the Tokyo and Nagoya Stock Exchanges) (7012 JP) (“**Kawasaki**”). We understand the Builder has manufactured various large vessels and had obtained various recognitions and certifications since its establishment in 1995. For instance, we have reviewed the website of the Builder and we understand that the Builder has built and delivered more than 200 vessels, covering very large crude oil carrier (VLCC) with capacity of 300,000 deadweight tons (“**DWT**”), very large ore carrier (VLOC) with capacity of 300,000 DWT and container vessel with capacity of 20,000 TEU. We have also reviewed the website of Industry and Information Technology Bureau of Nantong Municipality (南通市工業和信息化局) and we understand that the Builder is the first enterprise in the PRC vessel industry that owns a National Industrial Design Center (國家級工業設計中心).

1.1. Historical financial performance of the Group

The following table summarises the consolidated profit and loss account of the Group for each of the years ended 31st December 2020 and 2021 and the six months ended 30th June 2021 and 2022 with reference to the 2021 Annual Report and the 2022 Interim Report:–

	For the year ended		For the six months ended	
	31st December	31st December	30th June	30th June
	2021	2020	2022	2021
	<i>US\$ million</i>	<i>US\$ million</i>	<i>US\$ million</i>	<i>US\$ million</i>
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	16,832	8,191	11,061	6,988
Gross profit	8,176	1,589	6,120	3,315
Operating profit	7,380	992	5,745	2,855
Profit for the year/period	7,128	903	5,664	2,811
Profit attributable to equity holders of the Company	7,128	903	5,664	2,811

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(a) Year ended 31st December 2021 compared with year ended 31st December 2020

Revenue increased from approximately US\$8,191 million for the year ended 31st December 2020 to approximately US\$16,832 million for the year ended 31st December 2021, representing an increase of approximately 105%, which was mainly attributable to the increase in both freight rates and liftings for the core container transport and logistics business. Gross profit margin considerably increased from approximately 19% for the year ended 31st December 2020 to approximately 49% for the year ended 31st December 2021. Net profit margin also improved from approximately 11% for the year ended 31st December 2020 to approximately 42% for the year ended 31st December 2021. Overall, profit attributable to equity holders of the Company increased from approximately US\$903 million for the year ended 31st December 2020 to approximately US\$7,128 million for the year ended 31st December 2021, representing an increase of approximately 689%. According to the 2021 Annual Report, the significant improvement in freight rates overcame the negative impact from rising cargo, bunker, vessel, voyage, equipment and repositioning costs, leading to the increased profitability for the year ended 31st December 2021.

(b) Six months ended 30th June 2022 compared with six months ended 30th June 2021

Revenue increased from approximately US\$6,988 million for the six months ended 30th June 2021 to approximately US\$11,061 million for the six months ended 30th June 2022, representing an increase of approximately 58%. Gross profit margin further increased from approximately 47% for the six months ended 30th June 2021 to approximately 55% for the six months ended 30th June 2022. Net profit margin also improved from approximately 40% for the six months ended 30th June 2021 to approximately 51% for the six months ended 30th June 2022. Overall, profit attributable to equity holders of the Company increased from approximately US\$2,811 million for the six months ended 30th June 2021 to approximately US\$5,664 million for the six months ended 30th June 2022, representing a year on year increase of approximately 101%. According to the 2022 Interim Report, the financial improvements were mainly attributable to market forces that pushed freight rates upwards on most tradelanes, together with the cost control measures of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2. Historical financial position of the Group

The following table summarises the consolidated balance sheet of the Group as at 31st December 2021 and 30th June 2022 with reference to the 2022 Interim Report:–

	As at 30th June 2022	As at 31st December 2021
	<i>US\$ million</i> (Unaudited)	<i>US\$ million</i> (Audited)
Non-current assets	7,396	7,395
Current assets and assets held for sale	12,517	8,452
Total assets	19,913	15,847
Current liabilities	4,149	3,296
Non-current liabilities	2,637	2,879
Total liabilities	6,786	6,175
Total equity	13,127	9,672

As at 30th June 2022, (i) the principal assets of the Group were cash and bank balances, which amounted to approximately US\$10,922 million, and property, plant and equipment, which amounted to approximately US\$4,063 million; and (ii) the principal liabilities of the Group were creditors and accruals, which amounted to approximately US\$3,178 million, and lease liabilities, which amounted to approximately US\$2,359 million (including both current and non-current portions). Total equity amounted to approximately US\$13,127 million as at 30th June 2022.

For further details of the financial information of the Group, please refer to the financial reports published by the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.3. Prospects of the Group

We have discussed with and are advised by the Management that the prospects of the Group are driven by, among other factors, the performance of the global macroeconomic environment, which affects trade volume and the demand for container shipping services. We understand that the outbreak of COVID-19 pandemic (the “**COVID Pandemic**”) had caused material adverse impacts to the global economy in year 2020 and, fortunately, along with the roll out of vaccines and other public health measures, the global economy has been recovering from the crisis, despite the outbreak of the military conflict earlier this year between Ukraine and Russia (the “**Ukraine Crisis**”). In addition, we note that the Regional Comprehensive Economic Partnership (the “**RCEP**”) agreement entered into force on 1st January 2022, where the RCEP forms the largest trading bloc in the world with 15 participating countries (including the PRC) and is expected to facilitate international trade. In respect of the aforesaid, we have reviewed, among other things, the economic information in the report titled *World Economic Outlook* (the “**IMF Report**”) dated October 2022 published by the International Monetary Fund (國際貨幣基金組織), which is a global organisation with 190 member countries. The following table illustrates the expected performance of the macro-economic environment in terms of annual percentage change of gross domestic product (“**GDP**”) and trade volume as extracted from the IMF Report.

	For the year ended			For the year ending		
	31st December			31st December		
	2018	2019	2020	2021	2022F	2023F
World real GDP of which	+3.6%	+2.8%	-3.0%	+6.0%	+3.2%	+2.7%
– PRC	+6.8%	+6.0%	+2.2%	+8.1%	+3.2%	+4.4%
World trade volume	+4.1%	+0.9%	-7.8%	+10.1%	+4.3%	+2.5%

With reference to the above table, despite the adverse impacts brought by the prolonged COVID Pandemic and the ongoing Ukraine Crisis, we note that the global macro-economy, including trade volume, was adversely impacted in year 2020 primarily due to the COVID Pandemic, but recovery commenced from year 2021 onwards.

According to the 2022 Interim Report, the Company, as part of the COSCO SHIPPING Group, continues to be in the vanguard of the advancement of the container shipping industry and will work to provide ever more reliable and resilient services to its customers in terms of, among other things, optimising its network and intelligent growth of its fleet.

Overall, we understand that the macro-economic environment is expected to recover and grow in the long term future and the Group has made and will continue to make efforts in the continuous development of its businesses to capture growth opportunities.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Background of and reasons for the Shipbuilding Transaction

With reference to the 2021 Annual Report, after the initial lockdowns introduced by many governments around the world in year 2020, economic activity started to return extremely quickly, where an unexpectedly speedy return of demand led to the rapid introduction of additional vessel capacity, such that the liner industry has been running at essentially full deployment since around the middle of year 2020 and, despite this injection of capacity above previous and historic levels, the available amount of effective capacity has often been insufficient to cater for market levels of demand. With reference to the the 2022 Interim Report, the Group is expected to grow its fleet as aforementioned. We note that the Group, under its accounting policies, adopts a useful life of 25 years for its container vessels.

We have reviewed the global ranking of shipping companies in terms of their consolidated container fleet capacity measured in TEU as at 30th September 2022 based on the industry statistics published by Alphaliner, which is a knowledge base used by many port authorities, terminal operators, logistics companies, shippers, research companies and banks and other financial institutions, where we understand the industry information published by Alphaliner are quoted by various companies listed in Hong Kong.

Ranking in terms of container fleet capacity as at 30th September 2022

Rank	Operator	Number of container vessels	Approximate TEU
1	Mediterranean Shipping Company (“MSC”)	698	4,498,000
2	Maersk	726	4,271,000
3	CMA CGM Group (“CMA”)	589	3,338,000
4	COSCO SHIPPING (including the Group)	464	2,872,000
5	Hapag-Lloyd	248	1,760,000

Based on the above table, we understand COSCO SHIPPING ranked fourth in the world in terms of container fleet capacity. The Group is part of the COSCO SHIPPING Group and we note that (i) the operating capacity of the fleet of the Group was approximately 751,618 TEU as at 31st December 2021 according to the 2021 Annual Report and ranked ninth in the world in term of container fleet capacity if considered separately from COSCO SHIPPING Group; (ii) twelve 23,000 TEU container vessels ordered by the Group, being a total operating capacity of 276,000 TEU, are expected to be delivered starting from 2023 with reference to the announcements of the Company dated 10th March 2020 and 30th October 2020; and (iii) ten 16,000 TEU container vessels ordered by the Group, being a total operating capacity of 160,000 TEU, are expected to be delivered in 2024 and 2025 with reference to the announcement of the Company dated 2nd September 2021 ((ii) and (iii) together, the “**22 Vessels under Construction**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 28th October 2022, the Buyers (seven indirect wholly-owned subsidiaries of the Company) respectively entered into the Shipbuilding Contracts on substantially the same terms with the Builder for the construction of a total of seven Vessels. The Vessels are seven units of 24,000 TEU class, which together represent a total operating capacity of about 168,000 TEU, methanol dual fuel container vessels to be delivered between the third quarter of 2026 and the third quarter of 2028. We are advised by the Management that the Vessels are different from the existing ones of the Group, where the Vessels are equipped with green fuel technologies, which would demonstrate the Group's commitment towards global energy conservation and carbon emission reduction, fulfil the Group's corporate responsibility for sustainable development and harmonious ecosystem, and respond to the national dual carbon goals.

We understand the industry competitors are also on their ways to expand their fleet capacity. Based on the industry statistics published by Alphaliner, the order book for container fleet capacity of the top three industry competitors (namely MSC, Maersk and CMA) was approximately 1,503,000 TEU, 293,000 TEU and 626,000 TEU, respectively, as at 30th September 2022. We note that the Vessels, together with the 22 Vessels under Construction, represent an order book of a total of 29 vessels with a total operating capacity of about 604,000 TEU to the Group (being under the COSCO SHIPPING Group), where there would still be a significant gap as compared with the existing capacities of the top two industry competitors, assuming no other capacity additions.

We also understand the size of around 24,000 TEU (being the size of the individual Vessels) is currently the largest type of container vessel capable of crossing the Suez Canal for international logistics business.

In addition, we understand the industry began to pay further attention to building new vessels with green fuel technologies in the recent few years. According to the report titled International Shipping dated September 2022 published by the International Energy Agency, we understand (i) international shipping accounted for approximately 2% of global energy-related carbon dioxide emissions for the year ended 31st December 2021; (ii) the International Maritime Organization, the European Commission and the United States have proposed or introduced measures to reduce carbon intensity of the shipping industry; and (iii) orders for new ships are showing a trend towards alternative fuels. We also understand from an article dated 24th August 2021 published on the Maersk official website that (i) Maersk would introduce “*the first in a groundbreaking series of large ocean-going container vessels capable of being operated on carbon neutral methanol, enabling Maersk to take a significant leap forward in its commitment to scale carbon neutral solutions and lead the decarbonisation of container logistics*”; and (ii) more than half of Maersk's 200 largest customers have set, or are in the process of setting, ambitious science-based or zero carbon targets for their supply chains, where “*Amazon, Disney, H&M Group, HP Inc., Levi Strauss & Co., Microsoft, NovoNordisk, The Procter and Gamble Company, PUMA, Schneider Electric, Signify, Syngenta and Unilever have committed to actively use and scale zero carbon solutions for their ocean transport, with many more expected to follow*”.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the Board Letter, (i) the construction of the Vessels is intended for the business expansion of the Group and the Shipbuilding Transaction is in line with the 14th Five-Year Plan of the Group, which would, among other things, steadily increase the fleet capacity of the Group and consolidate its position in the industry and continuously promote the Group's scale and global development of container shipping business; (ii) mega-sized vessels, such as the Vessels, would play an effective role in long trade routes, where the addition of the Vessels in the Group's fleet would allow the Group to enhance the service layout and strengthen the position for its long trade routes, and to achieve balanced development in its global service network via vessel cascade plan arrangement; (iii) the Group would also benefit from the optimisation of its fleet structure through the increase of self-owned vessels and enhance the competitiveness of the fleet; (iv) the Vessels under the Shipbuilding Transaction would increase the average container space per vessel of the Group, driving economies of scale, whereby a higher container space per vessel would result in a lower cost per container, enhancing the operating cost competitiveness of the Group; and (v) the Vessels would be equipped with green fuel technologies, which would demonstrate the Group's commitment towards global energy conservation and carbon emission reduction, fulfil the Group's corporate responsibility for sustainable development and harmonious ecosystem, and respond to the national dual carbon goals. We are also advised by the Management that, in respect of risk management of fleet capacity, the Group may extend or terminate a portion of its ship leases in order to optimise its operating capacity in line with the market demand in the future.

Taking into account, in particular, (i) the scale of the fleet of the Group, together with COSCO SHIPPING Group, has to keep pace with those of the major competitors in the industry, so as to maintain the competitiveness and development of the core business of the Group; (ii) the construction of the Vessels is a capital investment, where the Group continues to utilise container vessels for its on-going principal business operations, which successfully recorded very favourable financial performance for the year ended 31st December 2021 and the six months ended 30th June 2022; (iii) the macro-economic environment is expected to continue to recover and, upon delivery of the Vessels, the operating capacity of the Group could be further enhanced and can more effectively compete for and capture the possible increasing market demand for container shipping services in the long-term future brought forward by, among other things, the RCEP; and (iv) the terms of the Shipbuilding Transaction are fair and reasonable as discussed below, we are of the view that the entering into of the Shipbuilding Transaction is a capital investment activity ancillary and incidental to the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Principal terms of the Shipbuilding Transaction

Pursuant to each of the Shipbuilding Contracts, the relevant Buyer shall pay the respective consideration of US\$239.85 million (i.e. an aggregate consideration of US\$1,678.95 million for the seven Vessels) in cash in five instalments based on progress intervals on the construction of each Vessel, with smaller proportion of contract price payable in the second, third and fourth instalments and larger proportion of the contract price payable in the first and fifth instalments. OOCL (Assets) Holdings Inc., an indirect wholly-owned subsidiary of the Company, as guarantor, would provide a letter of guarantee for each of the Vessels in favour of the Builder, guaranteeing the respective Buyers' payment obligation for the payment of the second, third and fourth instalments of the contract price under the respective Shipbuilding Contracts, as provided in the respective letters of guarantee. In the event that any of the Shipbuilding Contracts is terminated by the relevant Buyer in accordance with the specific terms thereof, the Builder shall refund to the relevant Buyer in US Dollars the full amount already paid by the Buyer to the Builder, together with interest incurred thereof.

As advised by the Management, (i) the Group did not enter into any comparable shipbuilding contracts (in terms of vessel type, size and specification) within the past year from the date of the Shipbuilding Contracts; (ii) as far as the Management understands, the Builder also did not enter into any comparable shipbuilding contracts (in terms of vessel type, size and specification) with independent third party customer within the past year from the date of the Shipbuilding Contracts; and (iii) the shipbuilding contracts of the 22 Vessels under Construction are not comparable because they were entered into more than a year ago, where inflation may have an effect on pricing, and the specifications of those vessels were different, including the consideration that they were not methanol dual fuel container vessels. Nonetheless, we understand that the Management had obtained price quotations for the construction of Vessels from two shipbuilders other than the Builder, where the offer of the Builder was optimal among the three shipbuilders (being (i) the Builder; (ii) a connected shipbuilder indirectly wholly-owned by COSCO SHIPPING; and (iii) an independent third-party shipbuilder) given (i) as elaborated in the section headed "1. Background information on the parties to the Shipbuilding Transaction" above, the Builder has been well-recognised in the shipbuilding industry for its manufacturing process and quality control, which is crucial to the performance of the Vessels; (ii) its vessel delivery schedule fits with the strategic plan of the Group, where the Group has to keep pace with those of the major competitors in the industry and the delivery schedules of all three shipbuilders similarly commence in 2026; and (iii) its price is comparable to those obtained from the other shipbuilders, where the differences of the quotations were minimal of no more than 0.5%. We also note that the Builder is the builder for 11 of the 22 Vessels under Construction (whereas the builder of the remaining 11 vessels is a company jointly owned by COSCO SHIPPING, Kawasaki and the Builder), therefore we believe the Builder has an advantage as compared with the other two shipbuilders in meeting the requirements of the Group to build the Vessels with customised specifications based on the needs of the Group. Accordingly, we concur with the Management that the offer of the Builder was optimal among the three shipbuilders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have attempted to exhaustively identify the pricing terms of the most recent comparable transactions (involving the building of large scale container vessels with methanol fuel) in the market in year 2022 up to the date of the Shipbuilding Contracts, however shipbuilding transactions (particularly their pricing terms) may not be disclosed in official sources (such as the websites of the shipping company and the shipbuilding company). Nonetheless, based on our review of available disclosed information, we understand (i) Maersk entered into shipbuilding contract to build comparable vessels at approximately US\$10,937 per TEU in January 2022; and (ii) Maersk entered into shipbuilding contract to build comparable vessels at approximately US\$11,091 per TEU in October 2022, where the building cost per TEU of the Vessels under the Shipbuilding Contracts at approximately US\$9,994 per TEU is no higher than those of the market comparable transactions this year up to the date of the Shipbuilding Contracts.

In respect of payment terms, during our course of due diligence, we noted the announcements of CSSC (Hong Kong) Shipping Company Limited (3877 HK) (“CSSC”) dated 18th May 2022 (regarding the building of four 1,100 TEU container vessels) and 1st August 2022 (regarding the building of four 1,600 TEU container vessels) and we understood that the payment terms of both of these two batches of shipbuilding contracts of CSSC entered into at two different times were in five instalments of 20%, 10%, 5%, 5% and 60%, where the second to fourth instalment had a lower proportion and the final instalment would be payable upon delivery of the vessels. In addition, we have also noted the announcement of COSCO SHIPPING Development Co., Ltd. (2866 HK) (“CSD”) dated 18th March 2022 (regarding the building of two 700 TEU electric container vessels) and we understood the payment terms of the shipbuilding contracts of CSD were in five instalments of 30%, 20%, 20%, 10% and 20%. We understand the specifications of the aforementioned container vessels of CSSC and CSD are not strictly comparable with the Vessels because those of CSSC and CSD are not large scale methanol dual fuel container vessels, but we understand such review gives us recent information on payment terms (rather than unit pricing terms) of the container vessel shipbuilding market. We note that the payment terms under the Shipbuilding Contracts are comparable with those of CSSC and CSD, where payments are in five instalments according to the manufacturing progress of the vessels. We also understand that given shipbuilding involves substantial costs on raw material, such as steel, and various components, such as engine, therefore the making of payments in instalments before delivery (rather than one-off full payment upon or after delivery) is considered reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account, in particular, (i) the Builder (being owned as to 50% by COSCO SHIPPING, which is a PRC state-owned enterprise, and as to 50% by Kawasaki, which is a Japan-based manufacturer) has relevant technical expertise and experience to meet the requirements of the Group to build the customised Vessels; (ii) our review of the recent market pricing and payment terms of container vessels, where the price quotation offered by the Builder was comparable with those obtained by the Group from two other shipbuilders and the building cost per TEU of the Vessels is no higher than those of the market comparable transactions; (iii) the payment terms under the Shipbuilding Contracts are comparable with those of CSSC and CSD; and (iv) the reasons for and benefits of the Shipbuilding Transaction as aforementioned, we consider the terms of the Shipbuilding Transaction (including the consideration of each Vessel) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

4. Possible financial implications of the Shipbuilding Transaction

The total consideration under the Shipbuilding Contracts is approximately US\$1,679 million. For each of the Shipbuilding Contracts, the Buyer shall pay the consideration in cash in five instalments based on progress intervals on the construction of each Vessel, with smaller proportion of contract price payable in the second, third and fourth instalments and larger proportion of the contract price payable in the first and fifth instalments. The Vessels are expected to be delivered between the third quarter of 2026 and the third quarter of 2028. The Company currently envisages that it will obtain financing for not more than 60% of the contract price of each Vessel, with the financing guaranteed by the Company, which will be finalised before the delivery of the Vessels, whilst the balance of the contract price will be funded from internal resources of the Group. If the bank financing arrangement could not be arranged, the full contract price of each Vessel would be funded by internal resources of the Group, which is currently expected to be sufficient for this purpose.

The Group recorded (i) revenue of approximately US\$16,832 million and US\$11,061 million; and (ii) profit attributable to equity holders of the Company of approximately US\$7,128 million and US\$5,664 million for the year ended 31st December 2021 and the six months ended 30th June 2022, respectively. We are advised by the Management that the Shipbuilding Transaction is not expected to have any immediate material impact on the net profit of the Group upon the entering into of the Shipbuilding Contracts and, after the delivery of the Vessels, the Vessels are expected to be utilised for the generation of revenue through the core businesses of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded total assets, total liabilities and cash and bank balances of approximately US\$19,913 million, US\$6,786 million and US\$10,922 million, respectively, as at 30th June 2022. For illustrative purpose, the aggregate consideration for the building of the 22 Vessels under Construction and the Vessels amount to approximately US\$5,137 million, which is less than half of the cash and bank balances of the Group as at 30th June 2022. Following delivery of the Vessels, the Group's fixed assets will increase whilst current assets will decrease and long term liabilities will increase depending on the proportion of the contract price to be funded from internal resources and external finance. We have also reviewed the financial performance of the Group and noted the Group recorded net cash from operating activities of approximately US\$660 million, US\$1,905 million, US\$8,899 million, and US\$6,243 million for each of the years ended 31st December 2019, 2020 and 2021 and the six months ended 30th June 2022, respectively, which demonstrated the capability of the Group to generate operating cash inflow to finance its operations and future payment for the total consideration of the Shipbuilding Contracts. We are advised by the Management that the Shipbuilding Contracts themselves are not expected to cause any material adverse impact to the financial position of the Group in view of (i) the scale of the total consideration of the Shipbuilding Contracts as compared with the overall scale of the Group (in terms of the existing financial position and the ongoing capability to generate cash); and (ii) the consideration of the Shipbuilding Contracts will be settled in instalments, where a significant proportion of the payment is expected to be payable upon delivery of the Vessels starting in the third quarter of 2026 and until the third quarter of 2028.

Taking in account, in particular, (i) the Shipbuilding Contracts were entered into for the building of the Vessels, which are revenue generating assets for the core business operations of the Group; (ii) the scale of the total consideration of the Shipbuilding Contracts as compared with the overall scale of the Group; (iii) the total consideration of the Shipbuilding Contracts will be settled by instalments, payable in the upcoming few years, which is not expected to cause immediate material impact to the financial position of the Group; and (iv) the terms of the Shipbuilding Transaction are fair and reasonable as aforementioned, we consider the financial implications of the Shipbuilding Transaction to be normal and acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that (i) entering into of the Shipbuilding Transaction is a capital investment activity ancillary and incidental to the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Shipbuilding Transaction are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Shipbuilding Transaction.

Yours faithfully,

For and on behalf of

First Shanghai Capital Limited

Nicholas Cheng

Director

Roger Tang

Vice President

Note: Mr. Nicholas Cheng has been a Responsible Officer and Mr. Roger Tang has been a Representative of Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Both of them have extensive experience in corporate finance industry and have been participating in the provision of independent financial advisory services for, and completed, numerous connected transactions involving listed companies in Hong Kong.

1. RESPONSIBILITY STATEMENT

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

2. DISCLOSURE OF INTERESTS**(A) Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures**

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and the debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules:

(i) Directors' and Chief Executive's interests and short positions in Shares, underlying Shares and debentures of the Company

Nil.

(ii) Directors' and Chief Executive's interests and short positions in shares of associated corporations of the Company

Name of associated corporation	Name of Director	Capacity	Number of ordinary shares held as personal interest	Total number of shares interested	Approximate percentage of total issued share capital class of shares of associated corporation
COSCO SHIPPING Development Co., Ltd.	WAN Min	Beneficial owner	200,000 (H Shares)	200,000 (H Shares)	0.00544% (Note 1)
		Interest of spouse	–	2,000 (A Shares)	0.00002% (Note 1)
	YANG Zhijian	Beneficial owner	400,000 (H Shares)	400,000 (H Shares)	0.01088% (Note 1)
COSCO SHIPPING Energy Transportation Co., Ltd.	WAN Min	Interest of spouse	–	16,000 (A Shares)	0.00046% (Note 2)
COSCO SHIPPING Holdings Co., Ltd.	YANG Zhijian	Beneficial owner	130,000 (H Shares)	130,000 (H Shares)	0.00387% (Note 3)
		Beneficial owner	401,544 (A Shares)	401,544 (A Shares)	0.00315% (Note 3)
		TUNG Lieh Cheung Andrew	Beneficial owner	231,544 (A Shares)	231,544 (A Shares)
COSCO SHIPPING Ports Limited	WAN Min	Beneficial owner	302,912	302,912	0.00895% (Note 4)

(iii) Directors' and Chief Executive's interests and short positions in the underlying shares and debentures of associated corporation of the Company

Name of associated corporation	Name of Director	Capacity	Date of grant	Exercise price per A share	Number of outstanding share options granted (Note 5)	Total number of shares interested	Approximate percentage of total issued share capital of relevant class of shares of associated corporation (Note 3)
COSCO SHIPPING Holdings Co., Ltd. (A Shares)	YANG Zhijian	Beneficial owner	29th May 2020	RMB1.82	815,256	815,256	0.00639%
	TUNG Lieh Cheung Andrew	Beneficial owner	3rd June 2019	RMB2.28	413,712	413,712	0.00324%

Notes:

- (1) The shareholding percentage in COSCO SHIPPING Development Co., Ltd. (“COSCO SHIPPING Development”) was calculated on the basis of 3,676,000,000 H shares of COSCO SHIPPING Development in issue and 9,910,477,301 A shares of COSCO SHIPPING Development in issue as at the Latest Practicable Date (as the case may be).
- (2) The shareholding percentage in COSCO SHIPPING Energy Transportation Co., Ltd. (“COSCO SHIPPING Energy”) was calculated on the basis of 3,474,776,395 A shares of COSCO SHIPPING Energy in issue as at Latest Practicable Date.
- (3) The shareholding percentage in COSCO SHIPPING Holdings Co., Ltd. (“COSCO SHIPPING Holdings”) was calculated on the basis of 3,354,780,000 H shares of COSCO SHIPPING Holdings in issue and 12,739,174,815 A shares of COSCO SHIPPING Holdings in issue as at the Latest Practicable Date (as the case may be).
- (4) The shareholding percentage in COSCO SHIPPING Ports Limited (“COSCO SHIPPING Ports”) was calculated on the basis of 3,383,224,798 shares of COSCO SHIPPING Ports in issue as at the Latest Practicable Date.
- (5) According to the terms of the Share Option Incentive Scheme of COSCO SHIPPING Holdings (the “Scheme”) and its amendments approved on 18th May 2020, the Scheme is valid for 10 years from 30th May 2019 and the share options shall be vested 24 months after the date of grant (the “Vesting Period”). Subject to the fulfilment of the relevant conditions of exercise, these share options shall be exercisable in three batches after the expiry of the Vesting Period, i.e. (a) the exercise period of 33% of the share options will commence on the first trading day after expiration of the 24-month period from the date of grant and ending on the last trading day of the 36-month period from the date of grant; (b) the exercise period of 33% of the share options will commence on the first trading day after expiration of the 36-month period from the date of grant and ending on the last trading day of the 48-month period from the date of grant; and (c) the exercise period of 34% of the share options will commence on the first trading day after expiration of the 48-month period from the date of grant and ending on the last trading day of the 84-month period from the date of grant. Details of the Scheme are set out in the announcements dated 3rd June 2019 and 30th March 2020 of COSCO SHIPPING Holdings (A shares). No consideration was paid by the grantees for acceptance of the share options.

(B) Directors' interest as a director or employee of a company which has a discloseable interest or short position in the Shares and underlying Shares of the Company

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, no Director was a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of company	Name of Director	Position held by the Director in such company
China COSCO SHIPPING Corporation Limited	Mr. Wan Min	Chairman of the board and the Party Secretary
	Mr. Huang Xiaowen	Executive Vice President and the Party Committee member
	Mr. Yang Zhijian	Employee Representative Director
COSCO SHIPPING Holdings Co., Ltd.	Mr. Wan Min	Executive Director and Chairman of the board
	Mr. Huang Xiaowen	Executive Director and Vice Chairman of the board
	Mr. Yang Zhijian	General Manager, Executive Director and the Party Secretary
Faulkner Global Holdings Limited	Mr. Yang Zhijian	Director
Shanghai International Port (Group) Co., Ltd.	Mr. Yan Jun	Director, President and the Deputy Party Secretary

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had or proposed to enter into a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

COSCO SHIPPING, an indirect controlling Shareholder of the Company, its subsidiaries and/or its associates are engaged in the same business of container shipping, management and operation of container terminals and/or logistics services (the “**Competing Companies**”) as the Group. As at the Latest Practicable Date, 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 and/or its associates; Mr. Tung Lieh Cheung Andrew, a Non-Executive Director of the Company, had interests in the shares and the underlying shares of COSCO SHIPPING Holdings; Mr. Ip Sing Chi, a Non-Executive Director of the Company, was a non-executive director of COSCO SHIPPING Development; Mr. Yang Liang Yee Philip, an Independent Non-Executive Director of the Company, was an independent non-executive director of COSCO SHIPPING Ports; 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.

As the Board of the Company is independent of the board of directors of the Competing Companies, the Directors of the Company are of the view that the Group is capable of carrying on its business independently of, and at arm’s length from the businesses of the Competing Companies.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. DIRECTORS' INTERESTS IN CONTRACTS

There are no contracts or arrangements of significance in relation to the Group’s business to which the Company or any of its subsidiaries was a party, and in which a Director had a material interest, subsisted as at the date of this supplemental circular.

6. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which has been, since 31st December 2021, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or is proposed to be acquired or disposed of by or leased to any member of the Group.

7. NO MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31st December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given an opinion or advice, which is contained or referred to in this supplemental circular:

Name	Qualification
First Shanghai Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, First Shanghai Capital Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, First Shanghai Capital Limited did not have any direct or indirect interest in any asset which has been, since 31st December 2021, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or is proposed to be acquired or disposed of by or leased to any member of the Group.

First Shanghai Capital Limited has given and has not withdrawn its written consent to the issue of this supplemental circular, with the inclusion herein of their letter dated 8th November 2022 in connection with their advice to the Independent Board Committee and the Independent Shareholders, and references to their name and logo in the form and context in which they appear.

9. DOCUMENTS ON DISPLAY

Copies of the Shipbuilding Contracts will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.ooilgroup.com>) for a period of not less than 14 days before the date of the SGM. The Company has applied for a waiver from strict compliance with rule 14A.70(13) and paragraph 43(2)(c) of Appendix 1B to the Listing Rules, so that only the redacted versions of the Shipbuilding Contracts will be available for display on the websites of the Stock Exchange and the Company.

10. MISCELLANEOUS

The English text of this supplemental circular shall prevail over the Chinese text in case of inconsistencies.

SUPPLEMENTAL NOTICE OF SPECIAL GENERAL MEETING



ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with members' limited liability)

(Stock Code: 316)

SUPPLEMENTAL NOTICE OF SPECIAL GENERAL MEETING

Reference is made to the circular of ORIENT OVERSEAS (INTERNATIONAL) LIMITED (the “Company”) dated 21st October 2022 (the “Original Circular”) and the notice of the Special General Meeting (the “Original Notice”) of the Company dated 21st October 2022. This supplemental notice should be read together with the Original Notice.

SUPPLEMENTAL NOTICE is hereby given that the Special General Meeting (the “SGM”) will be held as originally scheduled on Thursday, 24th November 2022 at 10:00 a.m. at Dynasty Room, 7th Floor, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong to transact the following business in addition to the resolutions set out in the Original Notice.

Unless the context requires otherwise, the terms used in this supplemental notice of SGM shall have the same meanings as those defined in the Original Circular, the supplemental circular of the Company dated 8th November 2022 and the Original Notice.

ORDINARY RESOLUTION

4. “**THAT** the Shipbuilding Transaction (as defined in the supplemental circular of the Company dated 8th November 2022 of which this supplemental notice forms part) be and is hereby approved and confirmed and that any Director of the Company be and is hereby authorised to do all such further acts and things, to execute such further documents and to take all such steps which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of such agreement.”

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

Hong Kong, 8th November 2022

* *For identification purpose only*

SUPPLEMENTAL NOTICE OF SPECIAL GENERAL MEETING

Notes:

- (i) The special resolution numbered 4 as set out in the Original Notice is re-numbered as special resolution numbered 5.
- (ii) A revised proxy form containing the ordinary resolution numbered 4 stated above is enclosed with the supplemental circular of the Company dated 8th November 2022. Please refer to the section headed “Special General Meeting” in the letter from the Board on pages 11 to 12 of the supplemental circular for arrangements on the completion and submission of the revised proxy form.
- (iii) Apart from the ordinary resolution numbered 4 stated above and the relevant information as set out in the supplemental circular, all other matters of the SGM remain unchanged. Please refer to the Original Circular for details of the other resolutions to be considered and approved at the SGM, eligibility for attending the SGM, closure of register of members and other relevant matters.
- (iv) If typhoon signal No.8 (or above) is hoisted or extreme conditions and/or black rainstorm warning signal are in force at any time between 6:00 a.m. and 10:00 a.m. on the date of the SGM, the SGM may be adjourned in accordance with the Bye-laws of the Company.

The Company will publish an announcement on the websites of both the Stock Exchange (<https://www.hkex.com.hk>) and the Company (<https://www.ooilgroup.com>) to notify the Shareholders that the SGM has been adjourned (however, failure to publish such notice shall not affect the adjournment of such meeting). Shareholders may also contact the Branch Share Registrar (telephone: 852 2862 8555) for enquiries.

The Company will publish a further announcement on the websites of the Stock Exchange and the Company to notify the Shareholders of the date, time and location of the adjourned SGM.

Shareholders should in any event exercise due care and caution when deciding to attend the SGM in adverse weather condition.

- (v) In the event of any regulation imposed by the Hong Kong Government due to COVID-19 requiring change of the date or venue of the SGM, the Shareholders of the Company will be notified of the revised arrangement in the same manner as provided in note (iv) above.
- (vi) If any shareholder of the Company has any particular access request or special need for participating in the SGM, please contact the Branch Share Registrar (telephone: 852 2862 8555) on or before 22nd November 2022.
- (vii) The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

PRECAUTIONARY MEASURES FOR SPECIAL GENERAL MEETING

The health of the Shareholders, stakeholders and staff of the Company is of paramount importance to us. In view of the ongoing COVID-19 pandemic, the Company will implement the following at the SGM as part of the control measures to safeguard the health and safety of our attending Shareholders, stakeholders and staff of the Company:

- (i) compulsory body temperature checks will be conducted for every attending shareholder, proxy or other attendee at the entrance of the SGM venue. Any person with a body temperature of over 37.5 degrees Celsius or who has any flu-like symptom or is otherwise apparently unwell will be denied entry into the SGM venue or be required to leave the SGM venue;
- (ii) each attendee must scan the “LeaveHomeSafe” venue QR code and comply with the requirements of the Vaccine Pass Direction (defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the Laws of Hong Kong)) prior to entry into the SGM venue;
- (iii) each attendee would be required to wear a surgical face mask throughout the SGM and inside the SGM venue;
- (iv) any person who does not comply with the precautionary measures to be taken at the SGM, or is subject to any Hong Kong Government prescribed quarantine will be denied entry into the SGM venue or be required to leave the SGM venue;
- (v) seating at the SGM venue will be arranged so as to allow for appropriate social distancing in accordance with prevailing requirements or guidelines published by the Hong Kong Government of the SGM date. Accordingly, for compliance reason, there will be limited capacity for Shareholders to attend SGM;
- (vi) no refreshments and beverages will be served; and
- (vii) before entering the SGM venue, each attendee must provide either: (i) a photo showing the negative result of a rapid antigen test (RAT) for COVID-19 conducted within 24 hours prior to the commencement of the SGM, with the (a) full name of the attendee, and (b) the date and time of taking the test marked on the RAT testing kit; or (ii) an SMS (Short Message Service) notification containing the negative result of a polymerase chain reaction-based nucleic acid (PCR) test issued within 48 hours prior to the commencement of the SGM.

The Company will closely monitor the COVID-19 pandemic situation in Hong Kong and reserves the right to take further measures or make any change to the arrangement of the SGM as appropriate in order to minimise any risk to the attending Shareholders, stakeholders and staff of the Company, and to comply with any requirement or recommendation of any government authority from time to time.

PRECAUTIONARY MEASURES FOR SPECIAL GENERAL MEETING

The Company would like to remind all attending Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. The Company encourages the Shareholders to appoint the chairman of the SGM as their proxy to vote as instructed by the Shareholders on the relevant resolutions at the SGM, instead of attending the SGM in person.

If any Shareholder not attending the SGM in person has any question about the resolutions proposed to be passed at the SGM or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to the Company's principal office at 31st Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong, China (Attention: Company Secretary) or to the Company's email at ooil@computershare.com.hk.

In the event of any regulation imposed by the Hong Kong Government due to COVID-19 requiring change of the date or venue of the SGM, the Shareholders will be notified of the revised arrangements in the same manner as provided in note (iv) in the supplemental notice of SGM.

If any Shareholder has any question relating to the SGM, please contact the Branch Share Registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Enquiries: <https://www.computershare.com/hk/contact>
Tel: 852 2862 8555
Fax: 852 2865 0990