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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)**

**CONNECTED TRANSACTION  
ACQUISITION OF EQUITY INTEREST IN  
COSCO SHIPPING PORTS (TIANJIN) LIMITED AND  
ASSIGNMENT OF SALE LOAN**

**EQUITY TRANSFER AGREEMENT**

On 29th August 2024, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with COSCO SHIPPING Ports (as seller), pursuant to which (i) COSCO SHIPPING Ports agreed to sell, and the Purchaser agreed to purchase, 20% of the total issued shares of the Target Company; and (ii) COSCO SHIPPING Ports agreed to assign, and the Purchaser agreed to take assignment of, 20% of the amount owed by the Target Company to COSCO SHIPPING Ports, at an aggregate Consideration of US\$49,289,000.13 (equivalent to approximately HK\$384.45 million) subject to the terms and conditions as set out in the Equity Transfer Agreement.

Before completion of the Acquisition, the Purchaser, COSCO SHIPPING Ports and the Target Company will enter into the Shareholders' Agreement in respect of the Target Company.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, COSCO SHIPPING Ports is a subsidiary of COSCO SHIPPING Holdings, which indirectly controls more than 50% of the issued share capital of the Company. Accordingly, COSCO SHIPPING Ports is a connected person of the Company under Chapter 14A of the Listing Rules, and the Acquisition constitutes a connected transaction of the Company.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 0.1% but all applicable percentage ratios are less than 5%, the Acquisition is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

**The Acquisition is subject to the satisfaction of conditions precedent. There is no assurance that the Acquisition will take place or as to when it may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.**

## **EQUITY TRANSFER AGREEMENT**

On 29th August 2024, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with COSCO SHIPPING Ports (as seller), pursuant to which (i) COSCO SHIPPING Ports agreed to sell, and the Purchaser agreed to purchase, the Sale Shares; and (ii) COSCO SHIPPING Ports agreed to assign, and the Purchaser agreed to take assignment of, the Sale Loan, at an aggregate Consideration of US\$49,289,000.13 (equivalent to approximately HK\$384.45 million) subject to the terms and conditions as set out in the Equity Transfer Agreement.

The principal terms of the Equity Transfer Agreement are as follows:

### **Date**

29th August 2024

### **Parties**

- (1) the Purchaser (an indirect wholly-owned subsidiary of the Company), as purchaser; and
- (2) COSCO SHIPPING Ports, as seller

### **Subject matter**

Pursuant to the Equity Transfer Agreement, (i) COSCO SHIPPING Ports agreed to sell, and the Purchaser agreed to purchase, the Sale Shares; and (ii) COSCO SHIPPING Ports agreed to assign, and the Purchaser agreed to take assignment of, the Sale Loan.

Upon completion of the Acquisition, the Target Company will be owned as to 20% by the Purchaser and 80% by COSCO SHIPPING Ports, respectively.

### **Consideration**

The aggregate Consideration for the Acquisition is US\$49,289,000.13 (equivalent to approximately HK\$384.45 million), comprising the consideration of (i) US\$2,623,660 for the Sale Shares; and (ii) US\$46,665,340.13 for the Sale Loan.

The said aggregate Consideration was determined after arm's length negotiations between the parties with reference to (i) the appraised value of the entire equity interest in the Target Company, being US\$13,118,300 as at the Valuation Reference Date (the appraised value attributable to 20% of the equity interest in the Target Company amounting to US\$2,623,660); (ii) the value of the Sale Loan on a dollar-to-dollar basis, being US\$46,665,340.13; and (iii) other factors set out in the section headed "Reasons for and benefits of the Acquisition" in this announcement.

According to the Valuation Report, the appraised value of the Target Company was determined adopting the asset-based approach, which refers to the concept of determining the value of the valuation subject based on a reasonable appraisal of the value of the assets and liabilities of the valuation subject. An asset-based approach was adopted in the Valuation Report as, among others, the Target Company had a clear assets and liabilities structure and the value of its assets and liabilities could be appraised and recognised on an individual basis.

According to the Valuation Report, as at the Valuation Reference Date, the appreciation of the appraised value of the Target Company by approximately US\$12.46 million as compared to its book value of approximately US\$0.66 million was due to the appreciation of the appraised value of the long-term equity investment of the Target Company (the "Long-term Equity Investment"), being the equity investment in TCT, by approximately US\$12.46 million or 5.16%. In turn, the Long-term Equity Investment was appreciated as an asset-based approach was adopted in its valuation, whereas a cost-based accounting method was used to account for the Long-term Equity Investment in the audited financial statements of the Target Company.

Set out below are the principal assumptions, among others, adopted in the Valuation Report:

*Basic assumptions*

- Transaction assumption. Transaction assumption assumes that all assets to be appraised are in the process of transaction and the appraisers will carry out the valuation in a simulated market based on the transaction conditions (among others) of the assets to be appraised.
- Open market assumption. Open market assumption represents that assets may be traded freely in a highly competitive market and the price of which is determined based on the judgment of independent buyer and seller over the value of assets under considerable market supply conditions. Open market refers to a highly competitive market with plenty of buyers and sellers. In this market, the buyers and sellers are on equal footing and have opportunity and time to obtain adequate market information, and where transactions between the buyers and sellers are conducted under voluntary, rational, non-compulsory or unrestricted conditions.
- Continuing operation assumption. Continuing operation assumption represents that the operating activities of an operating entity can continue on an ongoing basis, and that the operating activities of such entity will not be suspended or terminated in a foreseeable future.

*Specific assumptions*

- It is assumed that there will be no material change in the relevant prevailing laws, regulations and policies; the macroeconomic situation in the PRC; the political, economic and social environment of the regions where the parties to the transaction are located; there will be no material adverse impact arising from other unforeseeable or force majeure factors.
- It is assumed that the valuation subject will continue to operate in light of the actual conditions of the assets as at the Valuation Reference Date.
- It is assumed that the operators of the valuation subject are responsible, and the members of its management are capable of assuming their positions.
- Unless otherwise stated in the Valuation Report, it is assumed that the valuation subject fully complies with all relevant laws and regulations.
- It is assumed that the accounting policies to be adopted by the valuation subject in the future are essentially consistent in material aspects with the accounting policies adopted in the preparation of the Valuation Report.
- It is assumed that the valuation subject will continue to operate in the same scope and manner based on the current management style and management standard.
- There will be no material change in the interest rates, exchange rates, taxation bases, tax rates, policy-related levies etc.
- There will be no force majeure factors and unforeseeable factors that will cause material adverse impact on the valuation subject.
- It is assumed that the valuation subject will have balanced cash inflows and cash outflows.
- It is assumed that the relevant pre-tax deduction measures will remain the same in the foreseeable future.

- It is assumed that the valuation subject can continue to obtain high-tech enterprise certification, and the preferential policies in income tax will remain the same as present.

### **Payment terms**

The Purchaser shall pay COSCO SHIPPING Ports the aggregate Consideration in cash within ten (10) business days from the date on which the conditions precedent to completion of the Acquisition are satisfied.

The aggregate Consideration will be funded by internal resources of the Group.

### **Conditions to the effectiveness of the Equity Transfer Agreement**

The Equity Transfer Agreement shall become effective upon satisfaction of the following conditions, among others:

- (i) the respective legal representatives or authorised representatives of the parties having signed the Equity Transfer Agreement;
- (ii) the Purchaser and COSCO SHIPPING Ports and their respective beneficial owners (if applicable) having completed the relevant internal and external approval procedures in accordance with their respective constitutional documents currently in force and the requirements under applicable laws (including the relevant requirements under the Listing Rules, if applicable); and
- (iii) the Target Company having issued relevant notifications in respect of the Acquisition to Tianjin Port Holdings, CSTD and CM Terminals.

### **Conditions precedent to completion of the Acquisition**

Completion of the Acquisition is conditional upon satisfaction of the following conditions precedent, among others:

- (i) the Equity Transfer Agreement having become effective;
- (ii) the parties to the Equity Transfer Agreement having obtained all necessary and valid consents, approvals, authorisations, orders, registrations, filings or qualifications (if applicable) from third parties or government authorities in respect of the Acquisition, and each party to the Equity Transfer Agreement having received from the other party the relevant documents mentioned above;
- (iii) all necessary approval, confirmation, filing and registration procedures relating to state-owned assets in respect of the Acquisition having processed and completed, including the approval and confirmation on the Valuation Report from the state-owned assets supervisory authority of COSCO SHIPPING Ports or its authorised department;
- (iv) COSCO SHIPPING Ports and the Target Company having entered into a credit agreement in respect of the Shareholder's Loan and the drawdown of the full amount of the Shareholder's Loan having been completed. Such credit agreement has not been cancelled, terminated or early redeemed; and
- (v) the representations and warranties given by each party to the Equity Transfer Agreement remain true and accurate in all material respect as of the Completion Date.

### **Arrangements during the Transitional Period**

The profit or loss in respect of the Sale Shares during the Transitional Period shall be received or borne by the Purchaser.

### **Completion**

Completion shall take place on the date which the Purchaser has duly made payment of the Consideration and the name of the Purchaser has been registered in the register of members of the Target Company, which is scheduled to be within ten (10) business days when all the conditions precedent above have been satisfied.

## **SHAREHOLDERS' AGREEMENT**

Before completion of the Acquisition, the Purchaser, COSCO SHIPPING Ports and the Target Company will enter into the Shareholders' Agreement in respect of the Target Company.

The principal terms of the Shareholders' Agreement are as follows:

### **Parties**

- (1) the Purchaser;
- (2) COSCO SHIPPING Ports; and
- (3) the Target Company

### **Board composition**

The board of directors of the Target Company shall be composed of four (4) directors, of which three (3) directors shall be appointed by COSCO SHIPPING Ports and one (1) director shall be appointed by the Purchaser.

### **Reserved matters**

Certain reserved matters (including, among others, any change in share capital, issue of debt securities, shareholders' transfer of shares to a third party, provision or repayment of funds to shareholders, material loans or pledges to external parties, material change in the nature or scope of business or material dispositions) must be unanimously approved by all directors of the Target Company.

Certain reserved matters (including, among others, any amendments to the Shareholders' Agreement or the constitutional documents of the Target Company, any merger, consolidation or reorganisation, or winding up or liquidation of the Target Company) must be unanimously approved by all shareholders of the Target Company.

### **Disposal of equity interest by shareholders**

If the Purchaser intends to sell or transfer any of its equity interest in the Target Company (the "Offered Shares") to a third party other than to any of its affiliated companies, the Purchaser shall first notify COSCO SHIPPING Ports and the Target Company. COSCO SHIPPING Ports shall have a pre-emptive right to acquire the Offered Shares on the same terms. If COSCO SHIPPING Ports elects not to purchase all of the Offered Shares, the Purchaser may sell or transfer the Offered Shares to other third party upon obtaining COSCO SHIPPING Ports' prior written consent (provided that such consent shall not be unreasonably withheld or delayed) and in accordance with the Shareholders' Agreement.

If COSCO SHIPPING Ports intends to sell or transfer all or part of its equity interest in the Target Company, the Purchaser shall be entitled to certain tag-along rights to dispose of all or any of its equity interest in the Target Company in accordance with the Shareholders' Agreement.

## INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of COSCO SHIPPING Ports before the Acquisition. It is principally engaged in investment holding. As informed by COSCO SHIPPING Ports, the original cost of the Sales Shares incurred by COSCO SHIPPING Ports, being the cost incurred by COSCO SHIPPING Ports for the paid-up capital of the Sale Shares, was US\$2.

Set out below is the financial information of the Target Company (as prepared in accordance with Hong Kong Financial Reporting Standards) for the financial years ended 31st December 2022 and 31st December 2023:

	<b>For the year ended 31st December 2022</b>	<b>For the year ended 31st December 2023</b>
	<i>(US\$'000)</i>	<i>(US\$'000)</i>
	(Audited)	(Audited)
Net profit before taxation	4,747	7,820
Net profit after taxation	4,377	7,372

The audited net asset value of the Target Company as at 31st December 2023 was approximately US\$8,030,000.

As at the date of this announcement, the Target Company, Tianjin Port Holdings, CM Terminals and CSTD respectively holds 45%, 41.69%, 7.31% and 6% of the equity interest in TCT, a company incorporated in the PRC with limited liability and principally engaged in the operation of container terminal at the port of Tianjin in the PRC. Upon completion of the Acquisition, the Purchaser shall indirectly hold 9% of the equity interest in TCT through the Purchaser's 20% interest in the Target Company.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

Terminals are necessary links and essential resources in the global maritime business chain. Investing in terminals will strategically support the Group's business network construction. Tianjin, located in the Beijing-Tianjin-Hebei economic zone of China, is highly competitive in the Bohai Sea region and serves as an important hub for many of the Group's routes in northern China. The Target Company is a major shareholder of TCT, which is principally engaged in the operation of the largest container terminal at the port of Tianjin in the PRC. The investment in the Target Company and indirectly in TCT will promote the Group's investment in the terminal sector and deepen cooperation with port operators, providing important support to its shipping network resources. The Acquisition aligns with the Group's strategic planning and helps to further consolidate our leading position in the Greater China region. Strengthening cooperation with Green Port and Smart Port also contributes to the Group's sustainable development.

The Board (including the Independent Non-Executive Directors) considers that the terms of the Acquisition, the Equity Transfer Agreement and transactions contemplated thereunder are fair and reasonable, 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.

Since Mr. Wan Min and Mr. Chen Yangfan, the Executive Directors, and Mr. Yang Zhijian, the then Executive Director (resigned on 29th May 2024), were holding directorships and/or senior management positions in COSCO SHIPPING, its subsidiaries and/or its associates; Mr. Ip Sing Chi, a Non-Executive Director, was a non-executive director of COSCO SHIPPING Development Co., Ltd.; Mr. Yang Liang Yee Philip, an Independent Non-Executive Director, was an independent non-executive director of COSCO SHIPPING Ports; and Ms. Chen Ying, an Independent Non-Executive Director, was an external director of COSCO SHIPPING Lines Co., Ltd., each of them was considered to have a material interest in the Acquisition at the relevant Board meeting approving the Acquisition (the “Board Meeting”) and had abstained from voting on the relevant Board resolution(s) approving the Acquisition at the Board Meeting (Mr. Tao Weidong was appointed as the Executive Director on 29th May 2024 after the Board Meeting and therefore he was not entitled to and did not vote on the relevant Board resolution(s) approving the Acquisition at the Board Meeting).

Other than Mr. Wan Min, Mr. Chen Yangfan, Mr. Yang Zhijian, Mr. Ip Sing Chi, Mr. Yang Liang Yee Philip and Ms. Chen Ying, none of the other Directors (including Mr. Tung Lieh Cheung Andrew, Mr. Gu Jinshan, Ms. Wang Dan, Mr. Chow Philip Yiu Wah, Dr. Chung Shui Ming Timpson and Mr. So Gregory Kam Leung who were present at the Board Meeting) had a material interest in the Acquisition at the Board Meeting and none of the other Directors had abstained from voting on the relevant Board resolution(s) approving the Acquisition at the Board Meeting.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, COSCO SHIPPING Ports is a subsidiary of COSCO SHIPPING Holdings, which indirectly controls more than 50% of the issued share capital of the Company. Accordingly, COSCO SHIPPING Ports is a connected person of the Company under Chapter 14A of the Listing Rules, and the Acquisition constitutes a connected transaction of the Company.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 0.1% but all applicable percentage ratios are less than 5%, the Acquisition is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

## **INFORMATION ON THE PARTIES**

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

The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

To the best of the Directors’ knowledge, information and belief, COSCO SHIPPING Ports is 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) and is principally engaged in the provision of managing and operating terminals, and related businesses. COSCO SHIPPING Ports is a subsidiary of COSCO SHIPPING Holdings, which indirectly controls more than 50% of the issued share capital of the Company.

**The Acquisition is subject to the satisfaction of conditions precedent. There is no assurance that the Acquisition will take place or as to when it may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.**

## 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:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from COSCO SHIPPING Ports and the assignment of the Sale Loan from COSCO SHIPPING Ports to the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement;
“Board”	the board of Directors of the Company;
“business day”	a day other than a Saturday, Sunday or statutory holiday in the PRC, Hong Kong and the British Virgin Islands;
“CM Terminals”	China Merchants International Terminals (Tianjin) Limited, a company incorporated in the British Virgin Islands and an existing shareholder of TCT;
“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);
“Completion Date”	the date of completion of the Acquisition pursuant to the Equity Transfer Agreement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the total consideration for the sale and purchase of the Sale Shares and the Sale Loan pursuant to the Equity Transfer Agreement;
“controlling shareholder(s)”	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. It is an indirect controlling shareholder of COSCO SHIPPING Holdings, which in turn is an indirect controlling shareholder of COSCO SHIPPING Ports;
“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 indirectly controls more than 50% of the issued share capital of the Company. It is also an indirect controlling shareholder of COSCO SHIPPING Ports;
“COSCO SHIPPING Ports”	COSCO SHIPPING Ports Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1199);



“CSTD”	China Shipping Terminal Development Co., Limited* (中海碼頭發展有限公司), a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of the COSCO SHIPPING Ports and an existing shareholder of TCT;
“Director(s)”	the director(s) of the Company;
“Equity Transfer Agreement”	the equity transfer agreement dated 29th August 2024 entered into between the Purchaser and COSCO SHIPPING Ports in respect of the Acquisition;
“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 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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time;
“PRC” or “China”	the People’s Republic of China, which shall for the sole purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Purchaser”	OOCL Terminal Tianjin (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“Sale Shares”	two (2) issued shares of the Target Company to be acquired by the Purchaser in connection with the Acquisition, representing 20% of the equity interest in the Target Company as at the date of this announcement;
“Sale Loan”	20% of the Shareholder’s Loan, being US\$46,665,340.13 as at the Completion Date;
“Shareholder(s)”	holder(s) of the share(s) of the Company;
“Shareholder’s Loan”	the interest-free equity loan owing by the Target Company to COSCO SHIPPING Ports, which shall amount to US\$233,326,700.66 as at the Completion Date;
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between the Purchaser, COSCO SHIPPING Ports and the Target Company to set out the operation, management and shareholding arrangements of the Target Company;
“subsidiaries”	has the meaning ascribed to it under the Listing Rules; and “subsidiary” means any one of them;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	COSCO SHIPPING Ports (Tianjin) Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of COSCO SHIPPING Ports before the Acquisition;
“TCT”	Tianjin Port Container Terminal Co., Ltd.* (天津港集裝箱碼頭有限公司), a company incorporated in the PRC with limited liability;
“Tianjin Port Holdings”	Tianjin Port Holdings Co., Ltd.* (天津港股份有限公司), a company incorporated in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600717), and an existing shareholder of TCT;
“Transitional Period”	the period from the day following the Valuation Reference Date to the Completion Date (both days inclusive);
“US\$”	United States Dollars, the lawful currency of the United States;
“Valuation Reference Date”	31st December 2022, being the reference date for the valuation of the market value of the entire equity interest in the Target Company;
“Valuation Report”	the valuation report prepared by China Tong Cheng Assets Appraisal Co., Ltd.* (中通誠資產評估有限公司) in relation to the valuation of the entire equity interest in the Target Company as at Valuation Reference Date; and
“%”	per cent.

*The exchange rate used for reference purpose in this announcement is US\$1.00 to HK\$7.80.*

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

Hong Kong, 29th August 2024

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

Executive Directors:	Mr. WAN Min, Mr. CHEN Yangfan and Mr. TAO Weidong
Non-Executive Directors:	Mr. TUNG Lieh Cheung Andrew, Mr. GU Jinshan, 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*