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中遠海運控股股份有限公司
COSCO SHIPPING Holdings Co., Ltd.*
*(a joint stock limited company
incorporated in the People's Republic of
China with limited liability)*
(Stock Code: 1919)

Faulkner Global Holdings Limited
*(Incorporated in the British Virgin Islands
with limited liability)*



**Shanghai Port Group (BVI)
Development Co., Limited**
上港集團 BVI 發展有限公司
*(Incorporated in the British Virgin
Islands with limited liability)*



**ORIENT OVERSEAS
(INTERNATIONAL) LIMITED**
東方海外(國際)有限公司*
*(Incorporated in Bermuda with limited
liability)*
(Stock Code: 316)

JOINT ANNOUNCEMENT

**(1) CONDITIONAL VOLUNTARY GENERAL CASH OFFER
BY UBS ON BEHALF OF THE JOINT OFFERORS
TO ACQUIRE ALL OF THE ISSUED SHARES OF OOIL**

**(2) IRREVOCABLE UNDERTAKING BY CONTROLLING SHAREHOLDER TO
ACCEPT THE OFFER**

AND

(3) VERY SUBSTANTIAL ACQUISITION FOR COSCO SHIPPING HOLDINGS

PROPOSED SALE OF U.S. TERMINAL BUSINESS AND TRUST ARRANGEMENT

Reference is made to the joint announcement dated 7 July 2017 in respect of the Offer (the “**Joint Announcement**”), the joint announcement dated 29 June 2018 in respect of the fulfilment of all the Pre-Conditions and the composite document dated 6 July 2018 in respect of the Offer (“**Composite Document**”) respectively jointly issued by Faulkner Global Holdings Limited, Shanghai Port Group (BVI) Development Co., Limited, COSCO SHIPPING Holdings Co., Ltd.* and Orient Overseas (International) Limited. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Composite Document.

PROPOSED SALE OF U.S. TERMINAL BUSINESS AND TRUST ARRANGEMENT

Background

As disclosed in the Joint Announcement, while not being a pre-condition to the Offer, the Joint Offerors and OOIL will together take all necessary steps, including the Joint Offerors taking any accommodation and mitigation actions, to procure the approval or clearance by the Committee on Foreign Investment in the United States (“**CFIUS**”) in relation to the Offer.

Upon implementation of the Offer, COSCO SHIPPING Offeror would obtain indirect ownership of the container terminal business (the “**LB Terminal Business**”) at the Port of Long Beach in Long Beach, California, known as the Long Beach Container Terminal (the “**LBCT**” or “**Terminal**”). For CFIUS purposes, OOIL and COSCO SHIPPING Offeror (together as the “**Transaction Parties**”) have entered into the National Security Agreement (as defined below), pursuant to which they have committed to the sale of the LB Terminal Business and implementation of the U.S. Trust (as defined below) pending the Sale (as defined below) and other related measures. The parties have received a letter from CFIUS dated 6 July 2018 stating that, in light of the entry by the Transaction Parties into the National Security Agreement (as defined below), CFIUS has determined that there are no unresolved national security issues related to the transaction.

National Security Agreement

On 6 July 2018, the Transaction Parties and the U.S. Departments of Homeland Security and Justice (the “**USG Parties**”) have entered into an agreement (the “**National Security Agreement**”), pursuant to which the Transaction Parties committed to divest the entities (namely Long Beach Container Terminal, Inc. (“**LB Inc.**”), OOCL, LLC (“**OOCL**”) and LBCT LLC) which directly (in the case of LBCT LLC) or indirectly (in the case of LB Inc. and OOCL) operate the Terminal (the “**LB Terminal Entities**”) to a suitable, unrelated third party (the “**Potential Purchaser**”), acceptable to the USG Parties on commercially reasonable, arms-length terms and conditions customary for a like-kind transaction (the “**Sale**”). The Potential Purchaser will not be a shareholder of OOIL.

Effective upon the time at which the COSCO SHIPPING Offeror will have acquired 50% or above of the issued share capital of OOIL under the Offer (the “**Effective Time**”), OOIL

has agreed to transfer or cause to be transferred ownership of the LB Terminal Entities into an irrevocable U.S. trust (the “**U.S. Trust**”) formed under Delaware law and overseen by the principal trustee (the “**Principal Trustee**”, as defined in the Trust Agreement), who shall be a sole U.S. citizen, under which OOIL is the beneficiary. OOIL will select the Principal Trustee, subject to the consent of the USG Parties.

Upon completion of the Sale, the National Security Agreement will be terminated automatically.

Trust Agreement

Pursuant to the National Security Agreement, (i) OOIL, (ii) Orient Overseas Container Liner Limited (“**OOCL Parent**”), (iii) Consolidated Leasing & Terminals, Inc. (“**Consolidated Terminals**” and collectively with OOCL Parent, the “**Grantors**”, both subsidiaries of OOIL and collectively own 100% of the interests of LBCT), (iv) Wilmington Trust, National Association (the “**Statutory Trust Party**”) and (v) the Principal Trustee (as defined in the Trust Agreement) shall enter into a trust agreement (the “**Trust Agreement**”) to establish the U.S. Trust. The Principal Trustee will not be a shareholder of OOIL.

Pursuant to the Trust Agreement:

- as of the Effective Time, each Grantor will transfer all of its right and title to OOCL and LB Inc. (the “**Subject Interests**”) to the U.S. Trust, and the Principal Trustee will hold such contribution on trust for the benefit of OOIL;
- the Principal Trustee must be a sole U.S. citizen and not constitute a “foreign person” or a “foreign entity” (all as defined under relevant U.S. laws), must be independent of OOIL, the Grantors, COSCO SHIPPING Offeror, COSCO SHIPPING Holdings, or any of their respective affiliates and have sufficient professional experience and background to oversee and exercise ultimate control and authority over the U.S. Trust and the LB Terminal Business;
- in the event that the Principal Trustee resigns or becomes unable to carry out his or her duties, OOIL will select a replacement, subject to prior consent of the USG Parties;
- the Principal Trustee will have the powers, duties, authorities and responsibilities in order for it to oversee and manage the LB Terminal Entities, including the right to vote on or consent to every act of each LB Terminal Entity and the power to appoint all directors of each LB Terminal Entity;
- the Principal Trustee will be prohibited from selling any principal asset of the LB Terminal Business or the Subject Interests, except in accordance with the National Security Agreement in connection with the Sale;

- the Transaction Parties and their affiliates will not have the ability to direct the actions of the Principal Trustee, except for the following actions which require the express written consent of OOIL:
 - (i) sale, liquidation, disposal or winding up, in any manner, of the capital, assets or businesses of any of the LB Terminal Entities;
 - (ii) incurring or guaranteeing indebtedness and the pledging, mortgaging, leasing or encumbering of the assets of any of the LB Terminal Entities;
 - (iii) pledging, mortgaging or creating of other encumbrances on the capital stock of any of the LB Terminal Entities;
 - (iv) creating or authorizing the creation of or issuing any other security convertible into or exercisable for any equity security of any of the LB Terminal Entities or creating or authorizing the creation of any debt security of any of the LB Terminal Entities;
 - (v) consummating the merger, consolidation, reorganization or dissolution of any of the LB Terminal Entities;
 - (vi) the filing or making of any petition under the federal bankruptcy laws or any similar law or statute of any state or any foreign country in respect of any of the LB Terminal Entities;
 - (vii) making material changes to any of the LB Terminal Entities' organizational documents, including bylaws; or
 - (viii) approving any material change in the line of business of any of the LB Terminal Entities.
- OOIL will cause the Sale, in coordination and cooperation with of COSCO SHIPPING Offeror and through the Trustee. Specifically, OOIL will conduct, manage, oversee and cause the Sale, including, the process of identifying and entering into a sale and purchase agreement regarding such Sale and all other customary and necessary actions during negotiation, due diligence, and final agreement on the terms of the Sale (the "**Sale Process**");
- the Principal Trustee will cause each board of directors of each LB Terminal Entity and LB Terminal Entity to use their respective best efforts to cooperate in all respects with the administration and conduct of such Sale Process.

Upon completion of the Sale, the U.S. Trust will be dissolved automatically.

Other matters

- (i) Security measures: Prior to implementation of the U.S. Trust, OOIL will nominate, for the USG Parties' approval, a security officer for the LB Terminal Business (the "**Security**");

Officer”), who will not be a shareholder of OOIL and will be responsible for day-to-day compliance with the National Security Agreement and matters relating to the security of the LB Terminal Business. Following establishment of the U.S. Trust, the Principal Trustee may, with good cause and upon the USG Parties’ approval, replace the Security Officer.

(ii) Maintenance of marine terminal agreements: the LB Terminal Entities will continue to serve its customers and operate the LB Terminal Business consistent with its practices prior to the Transaction.

(iii) OOIL’s support for the Middle Harbor Redevelopment Project (the “**MHRP**”): OOIL provides support to the MHRP, an ongoing construction and improvement project to redevelop and expand two aging terminal facilities at the Long Beach port. OOIL will continue to provide support for the MHRP during the interim period in a manner consistent with current practice, subject to the oversight of the Security Officer and the Principal Trustee.

Remaining U.S. businesses unaffected

After the Sale, OOIL would continue to engage in business activities in the United States, comprised of its U.S. liner agency business, ownership of a building at the Wall Street Plaza in New York City, and logistics agency business. These business activities are unchanged from the way they were conducted prior to the Sale.

Listing Rules Implications

Upon implementation of the U.S. Trust, OOIL will become the beneficiary of the U.S. Trust holding the LB Terminal Entities, and the LB Terminal Entities will continue to be consolidated into the group accounts of OOIL. Hence, the signing of the National Security Agreement and the Trust Agreement do not constitute a transaction for OOIL under Chapter 14 of the Listing Rules.

The National Security Agreement may lead to a discloseable transaction for OOIL and COSCO SHIPPING Holdings under Chapter 14 of the Listing Rules upon the effecting of the Sale. Further announcements will be made as and when appropriate or required in accordance with applicable laws and regulations.

WARNING: Closing of the Offer is subject to the Conditions being fulfilled. Accordingly, the issue of this announcement does not in any way imply that the Offer will be completed. The transactions contemplated by the Offer may or may not proceed. OOIL Shareholders, COSCO SHIPPING Holdings Shareholders and prospective investors are advised to exercise caution when dealing in the securities of OOIL or COSCO SHIPPING Holdings.

** For identification purpose only*

By order of the board of

By order of the board of

By order of the board of

COSCO SHIPPING Holdings Co., Ltd.	Faulkner Limited	Global Holdings	Orient Overseas (International) Limited
GUO Huawei	WANG Haimin		Lammy LEE
Company Secretary	Director		Company Secretary

By order of the board of

Shanghai Port Group (BVI) Development Co., Limited

XI Yanbing

Director

Hong Kong, 7 July 2018

As at the date of this announcement, the Executive Directors of OOIL are Messrs. TUNG Chee Chen, TUNG Lieh Cheung Andrew and TUNG Lieh Sing Alan; Non-Executive Director of OOIL is Professor Roger KING and Independent Non-Executive Directors of OOIL are Mr. Simon MURRAY, Mr. CHOW Philip Yiu Wah, Professor WONG Yue Chim Richard, Mr. CHENG Wai Sun Edward and Mr. KWOK King Man Clement.

The OOIL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating the Joint Offerors or any of their associates or any parties acting in concert with any of them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by the Joint Offerors or any of their associates or any parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the directors of COSCO SHIPPING Offeror are Mr. WANG Haimin, Mr. DENG Huangjun and Ms. LI Yan.

As at the date of this announcement, the directors of COSCO SHIPPING Holdings are Mr. HUANG Xiaowen¹ (Vice Chairman), Mr. WANG Haimin¹, Mr. MA Jianhua², Mr. ZHANG Wei (張為)¹, Mr. FENG Boming², Mr. ZHANG Wei (張煒)², Mr. CHEN Dong², Mr. YANG, Liang Yee Philip³, Mr. WU Dawei³, Mr. ZHOU Zhonghui³ and Mr. TEO Siong Seng³.

¹ Executive director

² Non-executive director

³ Independent non-executive director

The directors of COSCO SHIPPING Offeror and the directors of COSCO SHIPPING Holdings jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to OOIL or any of its associates or any parties acting in concert with any of them, SIPG Offeror or any of its associates or SIPG or any of its

associates) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by OOIL or any of its associates or any parties acting in concert with any of them, SIPG Offeror or any of its associates or SIPG or any of its associates) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the sole director of SIPG Offeror is XI Yanbing.

As at the date of this announcement, the directors of SIPG are CHEN Xuyuan, BAI Jingtao, YAN Jun, WANG Erzhang, ZHUANG Xiaoqing, ZHENG Shaoping, GUAN Yimin, DU Yongcheng and LI Yifan.

The sole director of SIPG Offeror and the directors of SIPG jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to OOIL or any of its associates or any parties acting in concert with any of them, COSCO SHIPPING Offeror or any of its associates or COSCO SHIPPING Holdings or any of its associates) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by OOIL or any of its associates or any parties acting in concert with any of them, COSCO SHIPPING Offeror or any of its associates or COSCO SHIPPING Holdings or any of its associates) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.