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## **ORIENT OVERSEAS (INTERNATIONAL) LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 316)

### **DISCLOSEABLE TRANSACTION CONSTRUCTION OF TWO VESSELS**

On 21st September 2004, Newcontainer No.31 (Marshall Islands) Shipping Inc. and Newcontainer No.32 (Marshall Islands) Shipping Inc., two wholly owned subsidiaries of Orient Overseas (International) Limited, each entered into a contract with China Shipbuilding Trading Company, Limited and Hudong-Zhonghua Shipbuilding (Group) Co., Ltd., for the construction of an approximately 4,250 twenty-foot equivalent unit container vessel and the total consideration for the two vessels is approximately US\$108.4 million (equivalent to approximately HK\$845.5 million).

#### **General:**

On 21st September 2004, Newcontainer No.31 (Marshall Islands) Shipping Inc. and Newcontainer No.32 (Marshall Islands) Shipping Inc., two wholly-owned subsidiaries of Orient Overseas (International) Limited (the "Company"), each entered into a contract (individually the "Contract" and together the "Contracts") with Chinese Shipbuilder, China Shipbuilding Trading Company, Limited and Hudong-Zhonghua Shipbuilding (Group) Co., Ltd., and to the best of the directors' knowledge, information and belief having made all reasonable enquiries, the counterparties and their ultimate beneficial owner, China State Shipbuilding Corporation, are independent third parties not connected with the Company, the directors, Chief Executive or any substantial shareholders of the Company and its subsidiaries and their respective associates as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), for the construction of an approximately 4,250 twenty-foot equivalent unit container vessel (individually the "Vessel" and together the "Vessels"). The value of the Vessels and the total price for the construction of the Vessels is approximately US\$108.4 million (equivalent to approximately HK\$845.5 million). The entering into of the Contracts constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

#### **Finance Terms:**

The Company is presently arranging finance of the Vessels and expects that finance for about 80% of the purchase price of each Vessel, with the financing guaranteed by the Company, will be finalised in the near future with the balance of the purchase price to be funded from internal resources. Should such finance not be arranged, the full purchase price of each Vessel would come from internal resources.

#### **Contract Terms:**

The terms of the Contracts were determined on an arm's length basis and on normal commercial terms (based on price comparable to market price (as published by brokers), payment terms and delivery dates that meet the Company's requirement and agreed between a willing buyer and a willing seller) and the directors of the Company (the "Directors"), including the independent non-executive directors, consider them to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole based on their experience in the container shipping industry. The contract price of each Vessel is payable in four instalments. The first instalment is payable within ten days upon signing of the Contracts and the last instalment is payable upon delivery of each Vessel. The Vessels are expected to be delivered in the fourth quarter of 2006 and in the first quarter of 2007 respectively.

#### **Group Information:**

The principal business of the Company and its subsidiaries (the "Group") is international transportation and logistics and the Contracts have been entered into for the purposes of improving the quality of service which the Group provides to its customers. It is the view of the Directors that ownership of the Vessels will improve both the operating efficiency and profitability of the Group. The Group's fixed assets will increase following the delivery of the Vessels, whilst current assets will decrease and long-term liabilities will increase depending on the proportion of the purchase price funded from internal resources and external finance.

For the purposes of the Listing Rules, the construction of the Vessels constitutes a discloseable transaction for the Company. A circular giving further details of the transaction will be despatched to the shareholders of the Company, for their information, in due course.

As at the date hereof, our Executive Directors are Messrs. Chee Chen TUNG, Tsann Rong CHANG, Nicholas David SIMS, Philip Yiu Wah CHOW and Robert Hcheun SUAN; our Non-Executive Director is Mr. Roger KING; and our Independent Non-Executive Directors are Mr. Simon MURRAY, Dr. Victor Kwok King FUNG and Prof. Richard Yue Chim WONG.

By order of the Board  
**Lammy Chee Fun LEE**  
Company Secretary

Hong Kong, 21st September 2004