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ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 316)

DISCLOSEABLE TRANSACTION CONSTRUCTION OF FIVE VESSELS

On 23 April 2007, the Purchasers, five wholly owned subsidiaries of the Company, respectively entered into the Shipbuilding Contracts with Samsung for the construction of a total of five Vessels for a total consideration of approximately US\$331 million (equivalent to approximately HK\$2,581.8 million).

Each of the relevant percentage ratios under Rule 14.07 of the Listing Rules of the Transaction and Aggregate Transactions, whether considered separately or aggregated, is more than 5% but less than 25% and the Transaction and Aggregate Transactions, whether considered separately or aggregated, constitute a discloseable transaction for the Company.

A circular containing the information required under the Listing Rules will be despatched to the Shareholders as soon as practicable.

Background

On 23 April 2007, the Purchasers respectively entered into the Shipbuilding Contracts with Samsung, a Korean shipbuilder, for the construction of a total of five Vessels for a consideration of approximately US\$66.2 million (equivalent to approximately HK\$516.4 million) for each Vessel and a total consideration for the five Vessels of approximately US\$331 million (equivalent to approximately HK\$2,581.8 million).

Finance Terms

The Company is presently arranging bank financing for 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 bank finance not be arranged, the full purchase price of each Vessel would come from internal resources.

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 (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, 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 cash in four instalments. The first instalment is payable on the fifth business day after signing of the respective Shipbuilding Contracts and the last instalment is payable upon delivery of each Vessel, the rest of the instalments are based on progress intervals on the construction of each Vessel. The Vessels are expected to be delivered in the year of 2009.

General

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Samsung, a public listed company in Korea, is a third party independent of the Company and the connected persons of the Company as defined in the Listing Rules, and the Company and the connected persons of the Company are unaware who Samsung's ultimate beneficial owner is.

The principal business of the Group is container transport and logistics services, ports and terminals and property development and investment. The Shipbuilding 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 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.

Discloseable Transaction

Each of the relevant percentage ratios under Rule 14.07 of the Listing Rules of the Transaction and Aggregate Transactions, whether considered separately or aggregated, is more than 5% but less than 25%. The entering into of the Shipbuilding Contracts under the Transaction and Aggregate Transactions, whether considered separately or aggregated, constitutes a discloseable transaction for the Company under the Listing Rules.

A circular containing further details of the Transaction will be despatched to the Shareholders in accordance with the requirements of the Listing Rules.

Definitions

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

“Aggregate Transactions”	previously announced discloseable transactions on 20 July 2006 for the construction of four vessels of approximately 4,500 TEU each and on 20 October 2006 for the construction of four vessels of approximately 8,063 TEU each, respectively all built by Samsung for the Group;
“Company”	Orient Overseas (International) Limited, a company incorporated in Bermuda;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of The Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
“Purchasers”	Newcontainer No.45 (Marshall Islands) Shipping Inc., Newcontainer No.46 (Marshall Islands) Shipping Inc., Newcontainer No.47 (Marshall Islands) Shipping Inc., Newcontainer No.48 (Marshall Islands) Shipping Inc. and Newcontainer No.49 (Marshall Islands) Shipping Inc., each a wholly owned subsidiary of the Company;
“Samsung”	Samsung Heavy Industries Co., Ltd., a public listed company in Korea;
“Shareholders”	shareholders of the Company;
“Shipbuilding Contracts”	five shipbuilding contracts all dated 23 April 2007, each entered into by Samsung with the respective Purchasers;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TEU”	twenty-foot equivalent container unit;
“Transaction”	the transaction constituted by the Shipbuilding Contracts;
“US\$”	United States Dollars, the lawful currency of the United States of America;

“Vessels” (individually a container vessels of approximately 4,500 TEU each; and
“Vessel”)

“%” 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
Lammy LEE
Company Secretary

Hong Kong, 23 April 2007

As at the date of this announcement, our Executive Directors are Messrs. Chee Chen TUNG, Nicholas David SIMS, Philip Yiu Wah CHOW and Alan Lieh Sing TUNG; our Non-Executive Directors are Messrs. Roger KING and Tsann Rong CHANG; and our Independent Non-Executive Directors are Mr. Simon MURRAY, Dr. Victor Kwok King FUNG and Professor Richard Yue Chim WONG.

** For identification only*

website: <http://www.ooilgroup.com>

Please also refer to the published version of this announcement in The Standard.