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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 ONE VESSEL

On 28 May 2007, the Purchaser, a wholly owned subsidiary of the Company, entered into the Shipbuilding Contract with Samsung for the construction of the Vessel for a consideration of approximately US\$66.2 million (equivalent to approximately HK\$516.4 million).

Each of the relevant percentage ratios under Rule 14.07 of the Listing Rules of the Transaction and the Aggregate Transactions, when aggregated, is more than 5% but less than 25% and the Transaction and the Aggregate Transactions, when 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 28 May 2007, the Purchaser entered into the Shipbuilding Contract with Samsung, a Korean shipbuilder, for the construction of the Vessel for a consideration of approximately US\$66.2 million (equivalent to approximately HK\$516.4 million).

Finance Terms

The Company is presently arranging bank financing for the Vessel and expects that finance for about 80% of the purchase price of the 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 the Vessel would come from internal resources.

Contract Terms

The terms of the Shipbuilding Contract (including the consideration for the 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 the delivery date 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 the Vessel is payable in cash in four instalments. The first instalment is payable on the fifth business day after signing of the Shipbuilding Contract and the last instalment is payable upon delivery of the Vessel, the rest of the instalments are based on progress intervals on the construction of the Vessel. The Vessel is 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. The principal business activities of Samsung are shipbuilding, construction of offshore facilities, infrastructure and digital control system.

The principal business of the Group is container transport and logistics services, ports and terminals and property development and investment. The Shipbuilding Contract has been entered into for the purpose of improving the quality of service which the Group provides to its customers. It is the view of the Directors that ownership of the Vessel will improve both the operating efficiency and profitability of the Group. The Group's fixed assets will increase following delivery of the Vessel, 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 the Aggregate Transactions, when aggregated, is more than 5% but less than 25%. The entering into of the Shipbuilding Contract under the Transaction and the Aggregate Transactions, when 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”	three previously announced discloseable transactions on i) 20 July 2006 for the construction of four vessels of approximately 4,500 TEU each; ii) 20 October 2006 for the construction of four vessels of approximately 8,063 TEU each; and iii) 23 April 2007 for the construction of five vessels of approximately 4,500 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;
“Purchaser”	Newcontainer No.50 (Marshall Islands) Shipping Inc., 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 Contract”	the shipbuilding contract dated 28 May 2007 entered into by Samsung with the Purchaser;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TEU”	twenty-foot equivalent container unit;
“Transaction”	the transaction constituted by the Shipbuilding Contract;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“Vessel”	the container vessel of approximately 4,500 TEU to be constructed under the Shipbuilding Contract; 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
Lammy LEE
Company Secretary

Hong Kong, 28 May 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.