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# ORIENT OVERSEAS (INTERNATIONAL) LIMITED

*(Incorporated in Bermuda with limited liability)*

## DISCLOSEABLE TRANSACTION
## CONSTRUCTION OF TWO VESSELS

On 2nd December 2002, Newcontainer No. 20 (Marshall Islands) Shipping Inc. and Newcontainer No. 21 (Marshall Islands) Shipping Inc., two wholly owned subsidiaries of Orient Overseas (International) Limited, each entered into a contract with Samsung Heavy Industries Co., Ltd., for the construction of an about 7,700 twenty-foot equivalent unit post-Panamax container vessel and the total consideration for the two vessels is approximately US$146 million (equivalent to about HK$1,138.8 million).

**General:**

On 2nd December 2002, Newcontainer No. 20 (Marshall Islands) Shipping Inc. and Newcontainer No. 21 (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 Samsung Heavy Industries Co., Ltd., a Korean shipbuilder and an independent third party not associated with the Company, the directors 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, for the construction of an about 7,700 twenty-foot equivalent unit post-Panamax 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$146 million (equivalent to about HK$1,138.8 million) (representing approximately 17.8% of the Company's net tangible assets as at 30th June 2002).

**Finance Terms:**

The Company is presently arranging finance of the Vessels and expects that finance for approximately 80% of the purchase price of each Vessel, 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 and the directors of the Company, including the independent non-

executive directors (the "Directors") consider them to be fair and reasonable and to be in the interests of the Company 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 on signing of the Contract; the second instalment is payable within twelve months of signing the Contract; the third instalment is payable upon keel laying of each Vessel and the fourth instalment is payable upon delivery of each Vessel. The Vessels are expected to be delivered within the second quarter of 2005.

**Group Information:**

The principal business of the Company's and its subsidiaries' (the "Group") is international transportation & 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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.

By order of the Board
**Lammy Lee**
*Secretary*

Hong Kong, 2nd December 2002