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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Orient Overseas (International) Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 FOUR VESSELS**

* For identification purpose only

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DEFINITIONS

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

“Archmore”	Archmore Investment Limited, a company incorporated in the British Virgin Islands;
“Artson”	Artson International Inc., a company incorporated in the British Virgin Islands;
“Bartlock”	Bartlock Assets Ltd., a company incorporated in the British Virgin Islands;
“Board”	the board of directors of the Company;
“Circular”	this circular, including the appendix hereto;
“Company”	Orient Overseas (International) Limited, a company incorporated in Bermuda;
“Directors”	the directors of the Company;
“Edgemont”	Edgemont Investment Limited, a company incorporated in the Republic of Liberia;
“Flowell”	Flowell Development Inc., a company incorporated in the British Virgin Islands;
“Fortune Crest”	Fortune Crest Inc., a company incorporated in the British Virgin Islands;
“Gala Way”	Gala Way Company Inc., a company incorporated in the British Virgin Islands;
“Group”	the Company and its subsidiaries;
“Hanberry”	Hanberry Worldwide Ltd., a company incorporated in the British Virgin Islands;
“HK\$”	Hong Kong Dollars, the lawful currency of The Hong Kong Special Administrative Region of the People’s Republic of China;
“Izone”	Izone Capital Limited, a company incorporated in the British Virgin Islands;
“Javier”	Javier Associates Limited, a company incorporated in the British Virgin Islands;
“Jeference”	Jeference Capital Inc., a company incorporated in the British Virgin Islands;

DEFINITIONS

“Latest Practicable Date”	19 October 2007, being the latest practicable date before printing of this Circular for ascertaining certain information for the purpose of inclusion in this Circular;
“Listing Rules”	The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules;
“Monterrey”	Monterrey Limited, a company incorporated in the Republic of Liberia;
“Mr. Alan Tung”	Mr. Alan Lieh Sing Tung, an Executive Director of the Company; nephew of Mr. C C Tung and Mr. King, and son of Mr. C H Tung;
“Mr. C C Tung”	Mr. Chee Chen Tung, an Executive Director, Chairman, President and Chief Executive Officer of the Company; brother of Mr. C H Tung, brother-in-law of Mr. King and uncle of Mr. Alan Tung;
“Mr. C H Tung”	Mr. Chee Hwa Tung, brother of Mr. C C Tung, brother-in-law of Mr. King and father of Mr. Alan Tung;
“Mr. King”	Mr. Roger King, a Non-Executive Director of the Company; brother-in-law of Mr. C H Tung and Mr. C C Tung, and uncle of Mr. Alan Tung;
“Purchasers”	Newcontainer No.51 (Marshall Islands) Shipping Inc., Newcontainer No.52 (Marshall Islands) Shipping Inc., Newcontainer No.53 (Marshall Islands) Shipping Inc. and Newcontainer No.55 (Marshall Islands) Shipping Inc., each an indirect wholly-owned subsidiary of the Company;
“Sellers”	China Shipbuilding Trading Co., Ltd. and Hudong-Zhonghua Shipbuilding (Group) Co., Ltd.;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	shareholders of the Company;
“Shares”	ordinary shares of US\$0.10 each in the share capital of the Company;
“Shipbuilding Contracts”	four shipbuilding contracts all dated 10 October 2007, each entered into by Sellers with the respective Purchasers;

DEFINITIONS

“Springfield”	Springfield Corporation, a company incorporated in the Republic of Liberia;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TEU”	twenty-foot equivalent container unit;
“Thelma”	Thelma Holdings Limited, a company incorporated in the British Virgin Islands;
“THTI”	Tung Holdings (Trustee) Inc., a company wholly owned by Mr. C C Tung, and which holds the voting rights in respect of the shares in the Company held by the substantial shareholders of the Company;
“Transaction”	the transaction constituted by the Shipbuilding Contracts;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“Vessels” (individually a “Vessel”)	container vessels of approximately 8,600 TEU each;
“Wharnclyff”	Wharnclyff Limited, a company incorporated in the Republic of Liberia;
“Winfield”	Winfield Investment Limited, a company incorporated in the Republic of Liberia; and
“%”	per cent.

Note: The exchange rate used for reference purpose in this Circular is US\$1.00 to HK\$7.80.

LETTER FROM THE BOARD



ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 316)

Executive Directors:

Mr. Chee Chen TUNG (*Chairman, President and Chief Executive Officer*)
Mr. Kenneth Gilbert CAMBIE (*Chief Financial Officer*)
Mr. Philip Yiu Wah CHOW
Mr. Alan Lieh Sing TUNG

Non-Executive Directors:

Mr. Roger KING
Mr. Tsann Rong CHANG

Independent Non-Executive Directors:

Mr. Simon MURRAY
Dr. Victor Kwok King FUNG
Prof. Richard Yue Chim WONG

Principal Office:

33rd Floor
Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

25 October 2007

To the Shareholders of the Company

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION CONSTRUCTION OF FOUR VESSELS

INTRODUCTION

On 10 October 2007, the Board announced that the Purchasers, four indirect wholly-owned subsidiaries of the Company, respectively entered into the Shipbuilding Contracts with the Sellers, a Chinese shipbuilder, for the construction of a total of four Vessels for a consideration of approximately US\$120.7 million (equivalent to approximately HK\$941.46 million) for each Vessel and a total consideration for the four Vessels of approximately US\$482.8 million (equivalent to approximately HK\$3,765.84 million).

* *For identification purpose only*

LETTER FROM THE BOARD

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. As at 30 June 2007, in the published unaudited results of the Company, the Group had cash and portfolio investments balance of approximately US\$2.75 billion which are sufficient to meet the full purchase price of the Vessels.

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 five equal instalments. The first instalment is payable within ten days after signing of the respective Shipbuilding Contracts upon receipt of the relevant documents from the Sellers and the last instalment is payable upon delivery of each Vessel, the other instalments are based on progress intervals on the construction of each Vessel. The first Vessel is expected to be delivered in the four quarter of 2010 and the other three Vessels are expected to be delivered in the year of 2011.

GENERAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Sellers, China Shipbuilding Trading Co., Ltd. is the trading arm and Hudong-Zhonghua Shipbuilding (Group) Co., Ltd. is the operation arm of China State Shipbuilding Corporation, a state owned corporation, are independent third parties not connected with the Company and the connected persons of the Company as defined in the Listing Rules.

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 by approximately US\$482.8 million 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.

LETTER FROM THE BOARD

DISCLOSEABLE TRANSACTION

Each of the relevant percentage ratios under Rule 14.07 of the Listing Rules of the Transaction is more than 5% but less than 25%. The entering into of the Shipbuilding Contracts under the Transaction constitutes a discloseable transaction for the Company under the Listing Rules.

ADDITIONAL INFORMATION

This document constitutes the Circular which the Company is required to send to you pursuant to the Listing Rules in respect of the construction of the Vessels.

Your attention is drawn to the information set out in the Appendix to this Circular.

Yours faithfully,
By order of the Board
Chee Chen Tung
Chairman

1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, the underlying Shares and the debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

Name	Direct Interests	Other Interests	Total Number of Shares (Long position)	Percentage
Chee Chen Tung	—	424,438,588 <i>(Notes 1 and 2)</i>	424,438,588	67.82%
Tsann Rong Chang	612,731	—	612,731	0.09%
Philip Yiu Wah Chow	72,600	7,000 <i>(Note 3)</i>	79,600	0.01%
Simon Murray	122,000	—	122,000	0.02%
Richard Yue Chim Wong	—	500 <i>(Note 4)</i>	500	0.00008%

Notes:

1. Mr. C C Tung has an interest in a trust which, through Artson as trustee, holds shares of Thelma, which has an indirect interest in 424,438,588 Shares. Of such Shares, Wharncliff holds 278,165,570 Shares, Gala Way holds 48,462,007 Shares, and Springfield has an indirect interest in 30,765,425 Shares in which Monterrey, a wholly-owned subsidiary of Springfield, has a direct interest, and Springfield has a direct interest in 67,045,586 Shares. The voting rights in respect of such holdings are held by Mr. C C Tung through THTI.
2. Wharncliff, Gala Way, Springfield and Monterrey together are referred to as the controlling shareholders.
3. 7,000 Shares are held by the spouse of Mr. Philip Yiu Wah Chow.
4. 500 Shares are held by the spouse of Prof. Richard Yue Chim Wong.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, the underlying Shares and the debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTEREST

As at the Latest Practicable Date and so far as is known to the Directors and chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Name	Nature of Interest	Number of Shares Interested (in Long Position)	Percentage
Artson International Inc.*	Trustee	424,438,588 <i>(Note 1)</i>	67.82%
Hanberry Worldwide Ltd.*	Trustee	424,438,588 <i>(Note 2)</i>	67.82%
Thelma Holdings Limited*	Indirect	424,438,588 <i>(Note 3)</i>	67.82%
Chee Hwa Tung	Indirect	424,463,819 <i>(Note 4)</i>	67.82%
Archmore Investment Limited*	Beneficiary of a trust	424,438,588 <i>(Note 5)</i>	67.82%
Edgemont Investment Limited*	Indirect	424,438,588 <i>(Note 6)</i>	67.82%
Javier Associates Limited*	Indirect	424,438,588 <i>(Note 7)</i>	67.82%
Bartlock Assets Ltd.*	Beneficiary of a trust	424,438,588 <i>(Note 8)</i>	67.82%
Flowell Development Inc.	Beneficiary of a trust	424,438,588 <i>(Note 9)</i>	67.82%

Name	Nature of Interest	Number of Shares Interested (in Long Position)	Percentage
Izone Capital Limited*	Beneficiary of a trust	424,438,588 (Note 10)	67.82%
Jeference Capital Inc.*	Beneficiary of a trust	424,438,588 (Note 11)	67.82%
Tung Holdings (Trustee) Inc.*	Voting	424,438,588 (Note 12)	67.82%
Fortune Crest Inc.	Indirect	326,627,577 (Note 13)	52.19%
Winfield Investment Limited	Indirect	326,627,577 (Note 14)	52.19%
Wharnclyff Limited	Direct	278,165,570 (Note 15)	44.45%
Springfield Corporation	Direct and Indirect	97,811,011 (Note 16)	15.62%
Gala Way Company Inc.	Direct	48,462,007 (Note 15)	7.74%
Monterrey Limited*	Direct	30,765,425 (Note 17)	4.91%

Notes:

1. Artson, a company which is wholly owned by Mr. C C Tung, holds 56.36% of the shares of Thelma and, accordingly, has an indirect interest in the same Shares in which Thelma has an interest.
2. Hanberry, a company which is wholly owned by Mr. C H Tung, holds 43.64% of the shares of Thelma and, accordingly, has an indirect interest in the same Shares in which Thelma has an interest.
3. Thelma, a company which is owned collectively by Artson and Hanberry, has an indirect interest in the same Shares in which Fortune Crest and Springfield, wholly-owned subsidiaries of Thelma, have an interest.
4. Mr. C H Tung has an interest in a trust which, through Hanberry as trustee, holds shares of Thelma, which has an indirect interest in 424,438,588 Shares. Mrs. Betty Hung Ping Chiu Tung (spouse of Mr. C H Tung, sister-in-law of Mr. C C Tung and Mr. King, and mother of Mr. Alan Tung) owns 25,231 Shares.
5. Archmore, a company which is wholly owned by Edgemont, has an interest in a trust which, through Artson as trustee, holds shares of Thelma, which has an indirect interest in 424,438,588 Shares.
6. Edgemont has an indirect interest in the same Shares in which Archmore, a wholly owned subsidiary of Edgemont, has an interest.

7. Javier, a company which is wholly owned by Mr. C C Tung, has an indirect interest in the same Shares in which Edgemont, a wholly-owned subsidiary of Javier, has an interest.
8. Bartlock, a company which is wholly owned by Mr. C H Tung, has an interest in a trust which, through Hanberry as trustee, holds shares of Thelma, which has an indirect interest in 424,438,588 Shares.
9. Flowell, a company which is wholly owned by Mr. C C Tung, has an interest in a trust which, through Artson as trustee, holds shares of Thelma, which has an indirect interest in 424,438,588 Shares.
10. Izone, a company which is wholly owned by Mr. C C Tung, has an interest in a trust which, through Artson as trustee, holds shares of Thelma, which has an indirect interest in 424,438,588 Shares.
11. Jeference, a company which is wholly owned by Mr. C C Tung, has an interest in a trust which, through Artson as trustee, holds shares of Thelma, which has an indirect interest in 424,438,588 Shares.
12. THTI is a company wholly owned by Mr. C C Tung.
13. Fortune Crest has an indirect interest in the same Shares in which Winfield, a wholly-owned subsidiary of Fortune Crest, has an interest.
14. Winfield has an indirect interest in the same Shares in which Wharncliff and Gala Way have an interest.
15. Wharncliff and Gala Way are wholly-owned subsidiaries of Winfield.
16. Springfield has a direct interest in 67,045,586 Shares and an indirect interest in the same Shares in which Monterrey, a wholly owned subsidiary of Springfield, has an interest.
17. Monterrey is a wholly-owned subsidiary of Springfield.
18. Mr. C C Tung is a director of the companies marked with an asterisk.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, no other persons had interests or short positions in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company was a director or an employee of a company which had an interest or short position in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. SERVICE CONTRACT

Mr. Kenneth Gilbert Cambie has a service contract with the Company which will expire on 31 July 2010. None of the Directors has entered into any service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without any payment of compensation, other than statutory compensation.

5. SECRETARY AND QUALIFIED ACCOUNTANT

The Secretary of the Company is Ms. Lammy Chee Fun Lee, Barrister and the Qualified Accountant of the Company is Mr. Kit Man Fung, member of Hong Kong Institute of Certified Public Accountants.

6. LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete with the business of the Group.

8. MISCELLANEOUS

The principal registrar of the Company is Butterfield Fund Services (Bermuda) Limited at Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda and the branch registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The English text of this Circular shall prevail over the Chinese text.