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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)

REVISION OF ANNUAL CAPS CONTINUING CONNECTED TRANSACTIONS

SUMMARY

Reference is made to the 2005 Announcement by the Company on 29 June 2005 in connection with, inter alia, the CMTL Master Agreement and the AII Master Agreement for the provision of various services by CMTL and AII to OTWL, an indirect wholly-owned subsidiary of the Company, in Taiwan, which constituted continuing connected transactions of the Company under the Listing Rules.

After the announcement, OTWL will enter into the CMTL Supplemental Agreement and the AII Supplemental Agreement with CMTL and AII respectively to revise the CMTL Annual Cap and the AII Annual Cap.

BACKGROUND

On 29 June 2005, the Company announced the continuing connected transactions with CMTL and AII, pursuant to the CMTL Master Agreement and the AII Master Agreement entered into by OTWL with CMTL and AII respectively. CMTL and AII are companies controlled by Mr. Peng who is an associate of Mr. Chee Chen Tung, Mr. Roger King and Mr. Alan Lieh Sing Tung, Directors of the Company, and an associate of Mrs. Shirley Shiao Ping Peng and Mr. Chee Hwa Tung, the substantial shareholders of the Company. Mr. Peng and accordingly CMTL and AII are therefore connected persons of the Company as defined in the Listing Rules and the transactions contemplated under the Master Agreements constituted continuing connected transactions of the Company under the Listing Rules.

REVISED ANNUAL CAPS AND REASONS FOR THE REVISION OF ANNUAL CAPS

The respective Annual Caps under the respective Master Agreements might be exceeded for the year 2007 due to the latest projected business growth being higher than that applicable at the time of the 2005 Announcement and potential increase in tariff rates by CMTL and AII for their services provided to OTWL under the respective Master Agreements as a result of higher energy costs and higher interest rate environment affecting their respective operations. The Board considered that it would be necessary for the Annual Caps under the respective Master Agreements for the year 2007 to be revised to a level adequate to meet the projected increase in transaction volume for the year 2007 based on projected historical amounts for the years 2005 and 2006 which were within the respective Annual Caps and the two months up to 28 February 2007 as set out below. After the announcement, OTWL will enter into the CMTL Supplemental Agreement and the AII Supplemental Agreement with CMTL and AII respectively to revise the Annual Caps to the Revised Annual Caps in the amounts set out below.

| <u>Agreement</u> | <u>Audited Amount in Year 2005</u> (\$'000) | <u>Audited Amount in Year 2006</u> (\$'000) | <u>Amount from 1.1.2007 to 28.02.2007</u> (\$'000) | <u>Approved Annual Cap</u> (\$'000) | <u>Revised Annual Cap for 2007</u> (\$'000) |
|-----------------------|--|--|---|--|--|
| CMTL Master Agreement | US\$21,194 (about HK\$165,313) | US\$22,013 (about HK\$171,701) | US\$3,250 (about HK\$25,348) | US\$24,000 (about HK\$187,200) | US\$26,000 (about HK\$202,800) |
| AII Master Agreement | US\$2,102 (about HK\$16,396) | US\$1,902 (about HK\$14,836) | US\$266 (about HK\$2,073) | US\$2,500 (about HK\$19,500) | US\$2,700 (about HK\$21,060) |

The transactions contemplated under the Master Agreements will continue to provide important support to the Group in connection with its shipping operations in Taiwan. The Revised Annual Caps will provide sufficient flexibility for the expansion in the Group's business. The Board (including the Independent Non-Executive Directors) considers that the revision of the Annual Caps by the Supplemental Agreements are in the usual and ordinary course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES REQUIREMENTS

As each of the Percentage Ratios of the Revised CMTL Annual Cap under the CMTL Supplemental Agreement and the Revised AII Annual Cap under the AII Supplemental Agreement exceeds 0.1% but is below 2.5%, the transactions contemplated under the Master Agreements continue to be subject to reporting, announcement and annual review requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules. The Company will comply with the continuing obligations under Rules 14A.37 to 14A.40 of the Listing Rules and will re-comply with the relevant Listing Rules when the Master Agreements are renewed or when there is a material change to their terms. Other than the revision of the Annual Caps, all the other terms of the Master Agreements remained unchanged.

This announcement is made pursuant to Rule 14A.36 of the Listing Rules.

BUSINESS OF THE GROUP, THE CMTL GROUP AND THE AII GROUP

The principal business of the Group is container transport and logistics services, ports and terminals and property development and investment. The principal business activity of OTWL is liner agency.

According to the information provided by CMTL and AII, the principal business activities of the CMTL Group are inland container trucking operation, inland container depot operation and ship management, and the principal business activities of the AII Group are inland container depot operation and real estate management. CMTL is a public company whose shares are listed on the Taiwan Stock Exchange.

DEFINITIONS

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| “2005 Announcement” | announcement made by the Company on 29 June 2005 in relation to the continuing connected transactions with AII, CMTL and Associated Industries China Inc.; |
| “AII” | Associated International Inc., a company which Mr. Peng is interested in 94.96% of its issued share capital; |
| “AII Annual Cap” | the annual cap of US\$2,500,000 (equivalent to approximately HK\$19,500,000) for the transactions contemplated under the AII Master Agreement; |
| “AII Group” | AII and its subsidiaries; |
| “AII Master Agreement” | agreement dated 29 June 2005 entered into between AII and OTWL for various services provided by AII to OTWL in Taiwan for a term of three years commencing from 1 January 2005; |
| “AII Supplemental Agreement” | an agreement between AII and OTWL supplemental to the AII Master Agreement for revision of the AII Annual Cap; |
| “Annual Caps” | the AII Annual Cap and the CMTL Annual Cap; |
| “Board” | the board of directors of the Company; |
| “Company” | Orient Overseas (International) Limited; |
| “CMTL” | Chinese Maritime Transport Ltd., a company which Mr. Peng is interested in 59.60% of its issued share capital, whose shares are listed on the Taiwan Stock Exchange; |

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| “CMTL Annual Cap” | the annual cap of US\$24,000,000 (equivalent to approximately HK\$187,200,000) for the transactions contemplated under the CMTL Master Agreement; |
| “CMTL Group” | CMTL and its subsidiaries; |
| “CMTL Master Agreement” | agreement dated 29 June 2005 entered into between CMTL and OTWL for various services provided by CMTL to OTWL in Taiwan for a term of three years commencing from 1 January 2005; |
| “CMTL Supplemental Agreement” | an agreement between CMTL and OTWL supplemental to the CMTL Master Agreement for revision of the CMTL Annual Cap; |
| “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; |
| “Master Agreements” | the CMTL Master Agreement and the AII Master Agreement; |
| “Mr. Peng” | Mr. Yin-Kang John Peng, brother-in-law of Mr. Chee Chen Tung, an Executive Director, Chairman, President and Chief Executive Officer of the Company; brother-in-law of Mr. Roger King, a Non-Executive Director of the Company; uncle of Mr. Alan Lieh Sing Tung, an Executive Director of the Company; spouse of Mrs. Shirley Shiao Ping Peng, a substantial shareholder of the Company; and brother-in-law of Mr. Chee Hwa Tung, a substantial shareholder of the Company; |
| “OTWL” | OOCL (Taiwan) Co., Ltd., an indirect wholly-owned subsidiary of the Company; |
| “Percentage Ratios” | the percentage ratios, other than the profit ratio, as defined in Rule 14.07 of the Listing Rules; |
| “Revised AII Annual Cap” | the revised annual cap in the amount of US\$2,700,000 (equivalent to approximately HK\$21,060,000) for the transactions contemplated under the AII Master Agreement for the financial year ending 31 December 2007; |
| “Revised Annual Caps” | the Revised AII Annual Cap and the Revised CMTL Annual Cap; |

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| “Revised CMTL Annual Cap” | the revised annual cap in the amount of US\$26,000,000 (equivalent to approximately HK\$202,800,000) for the transactions contemplated under the CMTL Master Agreement for the financial year ending 31 December 2007; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Supplemental Agreements” | the CMTL Supplemental Agreement and the AII Supplemental Agreement; and |
| “US\$” | United States dollars, the lawful currency of the United States of America. |

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, 15 March 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.