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ORIENT OVERSEAS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

Directors:

C C Tung (*Chairman, President and Chief Executive*)
Nicholas D Sims (*Vice President and Chief Financial Officer*)
Roger King
Simon Murray
T R Chang
Dr Victor K Fung
Robert Suan

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Registered Office:

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Bermuda

28th March 2002

To the holders of ordinary shares

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE SECURITIES AND TO REPURCHASE SECURITIES

INTRODUCTION

At the Annual General Meeting of the Company held on 4th May 2001, resolutions were passed granting the directors of the Company (“Directors”) general mandates to issue shares and to repurchase shares of the Company. Such general mandates will expire at the conclusion of the Annual General Meeting of the Company to be held on 3rd May 2002 (the “2002 Annual General Meeting”).

It is proposed that at this 2002 Annual General Meeting of the Company, ordinary resolutions will be proposed granting the Directors general mandates to issue shares and to repurchase shares of the Company. The purpose of this document is to set out such information in relation to the proposed general mandates.

GENERAL MANDATES TO ISSUE SECURITIES AND TO REPURCHASE SECURITIES

An ordinary resolution will be proposed at the 2002 Annual General Meeting to give a general and unconditional mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with at any time until the conclusion of the next Annual General Meeting or such earlier period as stated in the ordinary resolution (the “Relevant Period”) shares of all classes in the capital of the Company and securities convertible into shares and options, warrants or similar rights to subscribe for or purchase any shares in the capital of the Company or such convertible securities (the “Shares”) and to make, issue or grant offers, agreements, options or warrants which will or might require the exercise of such mandate either during or after the Relevant Period, up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company in issue on the date of the resolution (the “Share Issue Mandate”).

A separate ordinary resolution will be proposed at the 2002 Annual General Meeting to give a general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase, at any time until the conclusion of the next Annual General Meeting of the Company following the passing of the resolution or such earlier period as stated in the ordinary resolution of the shareholders in general meeting, Shares up to a maximum of 10 per cent. of the aggregate nominal amount of the issued share capital of the Company (the “Securities Repurchase Mandate”).

In addition, an ordinary resolution will be proposed to authorise the extension of the Share Issue Mandate, if passed, to increase the limit of the Share Issue Mandate by adding to it any Shares repurchased under the Securities Repurchase Mandate.

The explanatory statement as required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to be sent to shareholders of the Company in connection with the proposed Securities Repurchase Mandate is set out in the Appendix to this document.

ANNUAL GENERAL MEETING

Enclosed with this circular is a form of proxy. Whether or not you intend to be present at the 2002 Annual General Meeting, you are requested to complete the proxy form and return it in accordance with the instructions printed thereon as soon as possible and in any event so as to be received not less than 48 hours before the time fixed for holding the meeting. The completion and return of the proxy form will not preclude you from attending and voting at the meeting.

RECOMMENDATION

The Directors believe that the Share Issue Mandate and the Securities Repurchase Mandate are in the best interests of the Company and its shareholders as a whole and recommend you to vote in favour of the resolutions to be proposed at the 2002 Annual General Meeting. The Directors intend to vote in favour of the resolutions in respect of their shareholdings in the Company.

Yours faithfully,
C C Tung
Chairman

APPENDIX

EXPLANATORY STATEMENT

The appendix serves as the explanatory statement required to be sent to shareholders by the Listing Rules to provide requisite information to you for your consideration of the Securities Repurchase Mandate.

1. LISTING RULES

The Listing Rules permit companies whose listings are on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, inter alia, source of funds - repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum of Association and Bye-laws of the company and the laws of the jurisdiction in which the company is incorporated.

2. SHARE CAPITAL

The Securities Repurchase Mandate relates to the granting of a general mandate to the Directors to repurchase on the Stock Exchange shares representing up to 10 per cent. of the Shares in issue at the date of the resolution granting the general mandate.

As at 28th March 2002 (the latest practicable date prior to printing of this document for determining such figures), the issued share capital of the Company comprised 517,141,632 ordinary shares of US\$0.10 each.

On the basis that no further ordinary shares are issued prior to the 2002 Annual General Meeting, the Directors would be authorised to repurchase Shares up to a limit of 51,714,163 ordinary shares.

3. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase securities on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

4. FUNDING OF REPURCHASES

It is envisaged that the funds required for any repurchase would be derived from the funds of the Company, legally permitted to be utilised in this connection, including capital paid up on the Shares to be repurchased, funds of the Company otherwise available for dividend or distribution or out of the proceeds of a new issue of Shares made for purposes of the repurchase, and any premium payable on repurchase shall be provided out of funds of the Company otherwise available for dividend or distribution or sums standing to the share premium account of the Company.

5. IMPACT ON WORKING CAPITAL

The Directors do not propose to exercise the Securities Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. However, there might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the most recently published audited financial statements contained in the annual report for the year ended 31st December 2001) in the event that the Securities Repurchase Mandate were exercised in full at any time during the proposed repurchase period.

6. DIRECTORS' INTENTION TO SELL SHARES TO THE COMPANY

None of the Directors or to the best of their knowledge having made all reasonable enquiries, their associates have any present intention to sell any Shares to the Company or its subsidiaries under the Securities Repurchase Mandate if such Securities Repurchase Mandate is approved by the shareholders.

7. EXERCISE OF POWER IN ACCORDANCE WITH LAW

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Securities Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

8. CONSEQUENCES OF REPURCHASE UNDER THE TAKEOVER CODE

If on the exercise of the power to repurchase Shares pursuant to the Securities Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeover Code"). As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase of shareholders interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer under the Takeover Code. As at 28th March 2002, (being the latest practicable date prior to printing of this statement for determining such figures), Wharnclyff Limited (a company owned by a discretionary trust established by the Tung Family) and Springfield Corporation (a Tung Trust company) and Monterrey Limited (a separate Tung Trust company) beneficially owned 49.14, 10.71 and 4.92 per cent. respectively of the issued ordinary share capital of the Company. The Directors confirm to the best of their knowledge having made all reasonable enquiries that, if the Securities Repurchase Mandate were exercised in full at any time during the proposed repurchase period, it would not cause the Tung Family, which holds Shares of the Company and through Wharnclyff Limited, Springfield Corporation and Monterrey Limited or other shareholder(s), to make a mandatory offer under the Takeover Code.

9. SHARE PURCHASES MADE BY THE COMPANY

The Company had not purchased any of its ordinary shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this document.

10. CONNECTED PERSONS

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Securities Repurchase Mandate is approved by the shareholders.

11. ORDINARY SHARE PRICES

The highest and lowest prices at which the ordinary shares of the Company have traded on the Stock Exchange during each of the previous twelve months were as follows:

2001	Ordinary Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
March	3.600	3.250
April	3.750	3.400
May	3.950	3.375
June	4.125	3.500
July	3.650	3.200
August	3.625	3.225
September	3.475	2.650
October	3.300	2.900
November	3.525	3.150
December	3.475	3.300
2002		
January	3.600	3.375
February	4.025	3.575