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

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ORIENT OVERSEAS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

Directors:

Chee Chen TUNG (*Chairman, President and Chief Executive Officer*)
Nicholas David SIMS (*Vice President and Chief Financial Officer*)
Tsann Rong CHANG (*Vice Chairman*)
Simon MURRAY (*Independent Non-Executive Director*)
Dr Victor Kwok King FUNG (*Independent Non-Executive Director*)
Professor Richard Yue Chim WONG (*Independent Non-Executive Director*)
Roger KING (*Non-Executive Director*)
Philip Yiu Wah CHOW
Robert Hcheun SUAN

Principal Office:

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

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

30th December 2003

To the shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION CONSTRUCTION OF TWO VESSELS

On 11th December 2003, the board of directors of Orient Overseas (International) Limited (the “Company”) announced that Newcontainer No.25 (Marshall Islands) Shipping Inc. and Newcontainer No.26 (Marshall Islands) Shipping Inc., two wholly-owned subsidiaries of the Company, each entered into a contract (individually the “Contract” and together the “Contracts”) on 11th December 2003 with Samsung Heavy Industries Co., Ltd., a Korean shipbuilder and an independent third party not connected with the Company, the Chief Executive, 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 (the “Listing Rules”), for the

construction of an about 8,000 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 about US\$161 million (equivalent to about HK\$1,256 million and representing about 17.8% of the Company’s net tangible asset as at 30th June 2003).

The Company is presently arranging finance of the Vessels and expects that finance for about 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.

The terms of the Contracts 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 meets the Company’s requirement and agreed between a willing buyer and a willing seller) 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 five equal instalments. The Vessels are expected to be delivered in the first quarter of 2007 and in the second quarter of 2007 respectively.

The principal business of the Company 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 Listing Rules, the construction of the Vessels constitutes a discloseable transaction for the Company.

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,
C.C. Tung
Chairman

APPENDIX

GENERAL INFORMATION

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 (excluding Mr Simon Murray who cannot be contacted since 27th November 2003) 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' INTERESTS

As at 17th December 2003, the latest practicable date before printing this circular (the "Latest Practicable Date"), the interests and short positions of the Directors and the Chief Executive of the Company in the issued share capital of the Company (the "Issued Capital") consisted of ordinary shares (the "Shares"), and underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the Company's register kept under section 352 of the SFO were as follows:

Name	Direct Interests	Other Interests		Total Number of Shares Interested (in Long Position)	%
		Beneficial	Voting		
C C Tung	—	80,835,548 <i>(Note 1)</i>	269,158,908 <i>(Notes 2 & 3)</i>	349,994,456	74.44%
Roger King	—	80,835,548 <i>(Note 1)</i>	—	80,835,548	17.19%
T R Chang	506,390	—	—	506,390	0.11%
Nicholas D Sims	46,000	—	—	46,000	0.01%
Philip Y W Chow	60,000	—	—	60,000	0.01%

Note 1: C C Tung and Roger King have an interest in a trust which, through Springfield Corporation ("Springfield"), holds 80,835,548 Shares. Of such Shares, Springfield has an indirect interest in 25,425,972 Shares in which Monterrey Limited ("Monterrey"), a wholly-owned subsidiary of Springfield, has a direct interest, and Springfield has a direct interest in 55,409,576 Shares.

Note 2: Wharnclyff Limited ("Wharnclyff"), a company owned by a discretionary trust established by Shirley S P Peng, a sister of C C Tung and sister-in-law of Roger King, holds 229,107,662 Shares and the voting rights in respect of such holdings are held by C C Tung through Tung Holdings (Trustee) Inc. Gala Way Company Inc. ("Gala Way"), a company owned by the discretionary trust established by Shirley S P Peng, holds 40,051,246 Shares and the voting rights in respect of such holdings are held by C C Tung through Tung Holdings (Trustee) Inc.

Note 3: Wharnclyff, Gala Way, Springfield and Monterrey together are referred to as the controlling shareholders.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the Chief Executive of the Company had any interest or short position in the Shares and underlying Shares of the Company or any of its associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director or the Chief Executive is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, in accordance with the register of the substantial shareholders kept by the Company under Section 336 of the SFO, the following persons (other than a Director or Chief Executive of the Company) were interested in the Issued Capital (including short positions) representing 5% or more of the Issued Capital:

Name	Nature of Interest	Number of Shares Interested (in Long Position)	%
Bermuda Trust Company Limited	Trustee	349,994,456 <i>(Note 1)</i>	74.44%
Shirley S P Peng	Founder of a discretionary trust	269,158,908 <i>(Note 2)</i>	57.25%
Winfield Investment Limited	Indirect	269,158,908 <i>(Notes 2 & 3)</i>	57.25%
Tung Holdings (Trustee) Inc.	Voting	269,158,908 <i>(Note 4)</i>	57.25%
Wharnclyff Limited	Direct	229,107,662 <i>(Notes 2 & 5)</i>	48.73%
C H Tung	Indirect	80,856,401 <i>(Note 6)</i>	17.20%
Springfield Corporation	Direct and Indirect	80,835,548 <i>(Note 6)</i>	17.19%
Archduke Corporation	Beneficiary of a trust	80,835,548 <i>(Note 7)</i>	17.19%
Phoenix Corporation	Beneficiary of a trust	80,835,548 <i>(Note 7)</i>	17.19%
Gala Way Company Inc.	Direct	40,051,246 <i>(Notes 2 & 5)</i>	8.52%
Monterrey Limited	Direct	25,425,972 <i>(Note 8)</i>	5.41%

Note 1: Bermuda Trust Company Limited has an indirect interest in the same Shares in which Winfield Investment Limited (“Winfield”) and Springfield, wholly-owned subsidiaries of Bermuda Trust Company Limited, have an interest.

Note 2: Shirley S P Peng, a sister of C C Tung and sister-in-law of Roger King, established the discretionary trust which, through Winfield, holds 269,158,908 Shares, 229,107,662 of which are owned by Wharncliff, a wholly-owned subsidiary of Winfield, and 40,051,246 of which are owned by Gala Way, a wholly-owned subsidiary of Winfield.

Note 3: Winfield has an indirect interest in the same Shares in which Wharncliff and Gala Way, wholly-owned subsidiaries of Winfield, have an interest.

Note 4: Tung Holdings (Trustee) Inc. is a company wholly-owned by C C Tung.

Note 5: Wharncliff and Gala Way are wholly-owned subsidiaries of Winfield.

Note 6: C H Tung, a brother of C C Tung and brother-in-law of Roger King, has an interest in the trust which, through Springfield, holds 80,835,548 Shares. Of such Shares, Springfield has an indirect interest in the same 25,425,972 Shares in which Monterrey, a wholly-owned subsidiary of Springfield, has a direct interest, and Springfield has a direct interest in 55,409,576 Shares. Betty Tung, the wife of C H Tung, owns 20,853 Shares.

Note 7: Archduke Corporation and Phoenix Corporation, companies which are wholly-owned by C C Tung, have an interest in the trust which, through Springfield, holds 80,835,548 Shares.

Note 8: Monterrey is a wholly-owned subsidiary of Springfield.

Save as disclosed in this circular, as at the Latest Practicable Date, no other person was recorded in the Company's register kept pursuant to Section 336 of the SFO as having an interest in the Issued Capital (including short positions) representing 5% or more of the Issued Capital.

The Directors are not aware of any person, other than the persons (including his personal, family and corporate interests) as aforementioned, who had, directly or indirectly, an interest in the Issued Capital (including short positions) representing 5% or more of the Issued Capital as at the Latest Practicable Date.

4. SERVICE CONTRACT

Save as Mr Nicholas D Sims, a Director and the Chief Financial Officer of the Company, who has a service contract with the Company expiring on 21st October 2004, 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

The Secretary of the Company is Lammy Chee Fun Lee, Barrister.

6. LITIGATION

No litigation or claim of material importance is known to the Directors to be pending or threatened against the Group.

7. 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 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

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