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ORIENT OVERSEAS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 316)

Directors:

Chee Chen TUNG (*Chairman, President and Chief Executive Officer*)

Tsann Rong CHANG (*Vice Chairman*)

Nicholas David SIMS (*Vice President and Chief Financial Officer*)

Philip Yiu Wah CHOW

Robert Hcheun SUAN

Roger KING (*Non-Executive Director*)

Simon MURRAY (*Independent Non-Executive Director*)

Dr. Victor Kwok King FUNG (*Independent Non-Executive Director*)

Professor Richard Yue Chim WONG (*Independent Non-Executive Director*)

Principal Office:

33rd Floor

Harbour Centre

25 Harbour Road

Wanchai, Hong Kong

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

17th September 2004

To the shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION CONSTRUCTION OF FOUR VESSELS

On 30th August 2004, the board of directors of Orient Overseas (International) Limited (the "Company") announced that Newcontainer No.27 (Marshall Islands) Shipping Inc., Newcontainer No.28 (Marshall Islands) Shipping Inc., Newcontainer No.29 (Marshall Islands) Shipping Inc. and Newcontainer No.30 (Marshall Islands) Shipping Inc., four wholly-owned subsidiaries of the Company, each entered into a contract (individually the "Contract" and together the "Contracts") on 30th August 2004 with Samsung Heavy Industries Co., Ltd. ("Samsung"), a Korean shipbuilder, and

to the best of the directors' knowledge, information and belief having made all reasonable enquiries, Samsung, a public listed company in Korea and a third party independent of the Company and connected persons of the Company, and the Company and connected persons of the Company are unaware who is Samsung's ultimate beneficial owner, for the construction of an approximately 4,500 twenty foot equivalent unit 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\$221.2 million (equivalent to approximately HK\$1,725 million) (representing approximately 6.77% of the Company's consolidated total assets as at 30th June 2004).

As at 30th June 2004, in the published unaudited results of the Company, the Group has cash and portfolio investments balance of USD895.3M. The Company is presently arranging finance of 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. The Group's cash and portfolio investments are sufficient to meet the balance of the purchase price of the Vessels. Should such finance not be arranged, the full purchase price of each Vessel would come from internal resources. The Group cash portfolio investments are sufficient to meet the full purchase price of each Vessel.

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 meet the Company's requirement and agreed between a willing buyer and a willing seller) and the directors of the Company (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 five equal instalments with the first instalment to be paid three days after Contract signing and last instalment to be paid at Vessel delivery. The Vessels are expected to be delivered in the second quarter, the third quarter and the fourth quarter of 2007 and in the first quarter of 2008 respectively.

The principal business of the Company and its subsidiaries (the "Group") is international transportation and 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 by approximately US\$221.2 million 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 "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.

As at the date hereof, our Executive Directors are Messrs. Chee Chen TUNG, Tsann Rong CHANG, Nicholas David SIMS, Philip Yiu Wah CHOW and Robert Hcheun SUAN; our Non-Executive Director is Mr. Roger KING; and our Independent Non-Executive Directors are Mr. Simon MURRAY, Dr. Victor Kwok King FUNG and Prof. Richard Yue Chim WONG.

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 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 15th September 2004, 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"), the underlying Shares and the debentures 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 pursuant to section 352 of the SFO and pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), were as follows:

Name	Direct Interests	Other Interests		Total Number of Shares Interested (in Long Position)	%
		Beneficial	Voting		
C C Tung	—	88,919,102 (Note 1)	296,777,798 (Notes 2 & 3)	385,696,900	67.79%
Roger King	—	88,919,102 (Note 1)	—	88,919,102	15.62%
T R Chang	557,029	—	—	557,029	0.09%
Nicholas D Sims	50,600	—	—	50,600	0.01%
Philip Y W Chow	66,000	—	—	66,000	0.01%

Note 1: Mr. C C Tung and Mr. Roger King have an interest in a trust which, through Springfield Corporation ("Springfield"), holds 88,919,102 Shares. Of such Shares, Springfield has an indirect interest in 27,968,569 Shares in which Monterrey Limited ("Monterrey"), a wholly-owned subsidiary of Springfield, has a direct interest, and Springfield has a direct interest in 60,950,533 Shares.

Note 2: Wharncliff Limited ("Wharncliff"), a company owned by a discretionary trust established by Mrs. Shirley S P Peng, a sister of Mr. C C Tung and sister-in-law of Mr. Roger King, holds 252,721,428 Shares and the voting rights in respect of such holdings are held by Mr. C C Tung through Tung Holdings (Trustee) Inc. Gala Way Company Inc. ("Gala Way"), a company owned by the discretionary trust established by Mrs. Shirley S P Peng, holds 44,056,370 Shares and the voting rights in respect of such holdings are held by Mr. C C Tung through Tung Holdings (Trustee) Inc.

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

As at the Latest Practicable Date, none of the Directors or the Chief Executive of the Company which has 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.

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, the underlying Shares and the debentures 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 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) 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, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

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 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:

Name	Nature of Interest	Number of Shares Interested (in Long Position)	%
Bermuda Trust Company Limited	Trustee	385,696,900 <i>(Note 1)</i>	67.79%
Shirley S P Peng	Founder of a discretionary trust	296,777,798 <i>(Note 2)</i>	52.16%
Fortune Crest Inc.	Indirect	296,777,798 <i>(Note 2)</i>	52.16%
Winfield Investment Limited	Indirect	296,777,798 <i>(Notes 2 & 3)</i>	52.16%
Tung Holdings (Trustee) Inc.	Voting	296,777,798 <i>(Note 4)</i>	52.16%
Wharnclyff Limited	Direct	252,721,428 <i>(Notes 2 & 5)</i>	44.42%
C H Tung	Indirect	88,942,040 <i>(Note 6)</i>	15.63%
Springfield Corporation	Direct and Indirect	88,919,102 <i>(Note 6)</i>	15.62%
Archduke Corporation	Beneficiary of a trust	88,919,102 <i>(Note 7)</i>	15.62%

Name	Nature of Interest	Number of Shares Interested (in Long Position)	%
Phoenix Corporation	Beneficiary of a trust	88,919,102 (Note 7)	15.62%
Archmore Limited	Beneficiary of a trust	88,919,102 (Note 8)	15.62%
Edgemont Investment Limited	Indirect	88,919,102 (Note 9)	15.62%
Javier Associates Limited	Indirect	88,919,102 (Note 10)	15.62%
Gala Way Company Inc.	Direct	44,056,370 (Notes 2 & 5)	7.74%
Monterrey Limited	Direct	27,968,569 (Note 11)	4.91%

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

Note 2: Mrs. Shirley S P Peng, a sister of Mr. C C Tung and sister-in-law of Mr. Roger King, established the discretionary trust which, through Winfield Investment Limited (“Winfield”), a wholly-owned subsidiary of Fortune Crest, holds 296,777,798 Shares, 252,721,428 of which are owned by Wharnclyff, a wholly-owned subsidiary of Winfield, and 44,056,370 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 Wharnclyff and Gala Way, wholly-owned subsidiaries of Winfield, have an interest.

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

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

Note 6: Mr. C H Tung, a brother of Mr. C C Tung and brother-in-law of Mr. Roger King, has an interest in the trust which, through Springfield, holds 88,919,102 Shares. Of such Shares, Springfield has an indirect interest in the same 27,968,569 Shares in which Monterrey, a wholly-owned subsidiary of Springfield, has a direct interest, and Springfield has a direct interest in 60,950,533 Shares. Mrs. Betty Tung, the spouse of Mr. C H Tung, owns 22,938 Shares.

Note 7: Archduke Corporation and Phoenix Corporation, companies which are wholly-owned by Mr. C C Tung, have an interest in the trust which, through Springfield, holds 88,919,102 Shares.

Note 8: Archmore Limited, a company which is wholly-owned by Edgemont Investment Limited (“Edgemont”), has an interest in the trust which, through Springfield, holds 88,919,102 Shares.

Note 9: Edgemont has an indirect interest in the same Shares in which Archmore Limited, a wholly-owned subsidiary of Edgemont, has an interest.

Note 10: Javier Associates Limited (“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.

Note 11: Monterrey is a wholly-owned subsidiary of Springfield.

Save as disclosed in this Circular, as at the Latest Practicable Date, there was no other person (other than the Directors or Chief Executive of the Company) who has an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was 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 and any options in respect of such capital.

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 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, Certified Public Accountant.

6. LITIGATION

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) have 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.