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If you have sold or transferred all your shares in Orient Overseas (International) Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy 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

(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. C. C. Tung (*Chairman*)
Mr. T. R. Chang
Mr. Nicholas D Sims
Mr. Robert H. Suan
Mr. Philip Chow

Non-executive Director:

Mr. Roger King

Independent Non-executive Directors:

Mr. Simon Murray
Dr. Victor K. Fung
Prof. Richard Wong

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2nd April 2004

To the shareholders of the Company

Dear Sir or Madam,

**PROPOSED BONUS ISSUE OF SHARE
GENERAL MANDATES TO ISSUE SECURITIES AND TO REPURCHASE SECURITIES
AND PROPOSED AMENDMENTS TO BYE-LAWS**

INTRODUCTION

It was announced on 19th March 2004 that the directors of the Company (the “Directors”) have recommended that a bonus issue of new shares of the Company (individually a “Bonus Share” and

collectively the “Bonus Shares”) to the shareholders of the Company (the “Shareholders”) on the basis of one (1) Bonus Share of US\$0.10 for every ten (10) existing issued ordinary share of US\$0.10 held by the Shareholders whose names appear on the Register of Members of the Company on 27th April 2004 (the “Proposed Bonus Issue”).

At the Annual General Meeting of the Company held on 2nd May 2003, resolutions were passed granting the 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 27th April 2004 (the “2004 Annual General Meeting”). It is proposed that at this 2004 Annual General Meeting, the Directors be granted general mandates to issue shares and to repurchase shares of the Company.

The Directors are also proposing certain amendments to the Bye-laws of the Company (the “Bye-laws”) for purposes of, amongst other things, complying with the recent amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and generally extending the mode of communications with the Shareholders.

The purpose of this circular is to set out such information in relation to the Proposed Bonus Issue, the general mandates to issue shares and to repurchase shares of the Company and the proposed amendments to Bye-laws.

PROPOSED BONUS ISSUE

A. Recommendation of the Directors

The Directors have recommended a bonus issue of shares to the Shareholders whose names appear on the Register of Members on 27th April 2004 by way of capitalisation of such amount necessary to give effect to the issue of the Bonus Share that is for the time being standing to the credit of the share premium account of the Company on the basis of one (1) Bonus Share for every ten (10) existing issued ordinary share of US\$0.10 they held on 27th April 2004 subject to the fulfilment of the conditions set out in paragraph B. below.

As at 19th March 2004, the latest practicable date before printing of this circular, there were an aggregate of 517,184,544 issued ordinary shares of US\$0.10 each in the share capital of the Company (the “Issued Shares”). Assuming that no further shares of the Company are issued prior to 27th April 2004, 51,718,454 Bonus Shares would be issued under the Proposed Bonus Issue and the amount of US\$5,171,845 would be capitalized from the share premium account of the Company. After completion of the Proposed Bonus Issue, there would be a total of 568,902,998 ordinary shares of US\$0.10 each in the enlarged share capital of the Company.

The Bonus Shares to be issued pursuant to the Proposed Bonus Issue will be credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares of US\$0.10 each of the Company with effect from the date of issue, except that they will not be entitled to the recommended final dividend or the Proposed Bonus Issue.

The number of Bonus Shares to be issued under the Proposed Bonus Issue to each Shareholder will be rounded down to the nearest whole number. No fractional shares (if any) shall be issued and shares representing fractions shall be aggregated and sold for the benefit of the Company.

In the absence of any specific instruction to the contrary received in writing by the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited (the "Branch Registrar"), certificates in respect of the Bonus Shares will be sent to the persons entitled thereto at their respective addresses shown on the Register of Members or in the case of joint holders, to the address of the joint holder whose name stands first in the Register of Members in respect of the joint holding. It is expected that certificates for the Bonus Shares will be posted to those entitled thereto at their own risk latest on 11th May 2004. Dealings in the Bonus Shares are subject to stamp duty pursuant to the Stamp Duty Ordinance (Cap. 117, Laws of Hong Kong).

B. Conditions

The Proposed Bonus Issue is conditional upon:

- (i) an ordinary resolution being passed to approve the Proposed Bonus Issue; and
- (ii) the listing of and permission to deal in the Bonus Shares being granted by the Listing Committee of the Stock Exchange.

An ordinary resolution to approve the Proposed Bonus Issue will be proposed at the 2004 Annual General Meeting.

C. Closure of register of members

The Register of Members of the Company will be closed from 20th April 2004 to 27th April 2004, both dates inclusive, during which period no transfer of shares will be registered. The last day for dealing in shares cum entitlement to the Proposed Bonus Issue will be 15th April 2004.

In order to qualify for the Proposed Bonus Issue, all transfers together with the relevant share certificates should be lodged for registration with the Company's Branch Registrar at 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 19th April 2004.

D. Listing and Dealing

Application will be made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Bonus Shares to be issued pursuant to the Proposed Bonus Issue.

It is expected that the dealing of Bonus Shares on the Stock Exchange will commence on 14th May 2004.

GENERAL MANDATES TO ISSUE SECURITIES AND TO REPURCHASE SECURITIES

An ordinary resolution will be proposed at the 2004 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 2004 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 Listing Rules to be sent to the Shareholders in connection with the proposed Securities Repurchase Mandate is set out in the Appendix to this circular.

AMENDMENTS TO BYE-LAWS

The Stock Exchange has recently amended, amongst other things, Appendix 3 to the Listing Rules and the revised Listing Rules will take effect on 31st March 2004. The Company as a listed issuer is required to amend its Bye-laws to ensure compliance with the amended provisions of Appendix 3 to the Listing Rules at the earliest opportunity and, in any event, no later than the conclusion of its next annual general meeting.

The Directors of the Company also propose certain other amendments to the Bye-laws which include, amongst other things, the general extension to the mode of communication with the Shareholders.

A special resolution (the particulars of which are set out in the Notice of the 2004 Annual General Meeting on pages 50 to 56 of the Annual Report) to amend the Bye-laws of the Company will be proposed at the 2004 Annual General Meeting.

ANNUAL GENERAL MEETING

Enclosed with this circular is a form of proxy. Whether or not you intend to be present at the 2004 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 each of the Proposed Bonus Issue, the Share Issue Mandate, the Securities Repurchase Mandate and the proposed amendments to the Bye-laws are in the best interests of the Company and its Shareholders as a whole and recommend you to vote in favour of the relevant resolutions to be proposed at the 2004 Annual General Meeting. The Directors intend to vote in favour of the resolutions in respect of their shareholdings (if any) 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 (the “Shareholders”) of Orient Overseas (International) Limited (the “Company”) by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 of Hong Kong Limited (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 of the Company (the “Directors”) to repurchase on the Stock Exchange shares of the Company (the “Shares”) representing up to 10 per cent. of the Shares in issue at the date of the resolution granting the general mandate.

As at 19th March 2004 (the latest practicable date prior to printing of this circular for determining such figures, the “Latest Practicable Date”), the issued share capital of the Company comprised 517,184,544 ordinary shares of US\$0.10 each.

On the basis that no further ordinary shares are issued prior to the 2004 Annual General Meeting, the Directors would be authorised under the Securities Repurchase Mandate to repurchase Shares up to a limit of 51,718,454 ordinary shares of the Company.

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 the 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 2003) 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 the Latest Practicable Date, Wharnclyff Limited (a company owned by a discretionary trust established by the Tung Family (the "Discretionary Trust")), Springfield Corporation (a company owned by a trust under which the descendants of the late Mr. Chao Yung Tung and members of their families, or any of them, are beneficiaries), Gala Way Company Inc., (a company wholly-owned by the Discretionary Trust) and Monterrey Limited (a company wholly-owned by Springfield Corporation) directly owned approximately 44.30, 10.71, 7.74 and 4.92 per cent. respectively of the issued ordinary share capital of the Company. In the opinion of the Directors, if the Securities Repurchase Mandate were exercised in full at any time during the proposed repurchase period, this may give rise to an obligation to make a mandatory offer under the Takeover Code.

9. SHARE PURCHASES MADE BY THE COMPANY

On 7th August 2003, the Company entered into agreements with Fortwin Investment Limited and Sixpence Holdings Limited, under which the Company agreed to repurchase 15,922,000 Shares and 31,035,088 Shares, respectively, at the price of HK\$9.80 per Share. The share repurchase was completed on 25th September 2003 and all the Shares repurchased were then cancelled. The total number of issued ordinary shares of the Company was reduced from 517,141,632 to 470,184,544.

Save as disclosed herein, the Company had not repurchased any of the Company's ordinary shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

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:

2003	Ordinary Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
March	6.650	4.175
April	7.650	5.400
May	9.400	6.200
June	10.750	8.500
July	12.000	9.900
August	18.900	10.050
September	17.800	15.350
October	20.000	17.100
November	23.600	18.750
December	24.450	20.300
2004		
January	28.800	23.950
February	31.200	26.000