
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Orient Overseas (International) Limited, you should at once hand this circular 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 316)

**DISCLOSEABLE TRANSACTION
CONSTRUCTION OF FOUR VESSELS**

* For identification purpose only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX — GENERAL INFORMATION	7

DEFINITIONS

In this Circular, the following expressions have the following meanings unless the context requires otherwise:

“Archmore”	Archmore Limited;
“Board”	the board of directors of the Company;
“Circular”	this circular, including the appendix hereto;
“Company”	Orient Overseas (International) Limited;
“Directors”	the directors of the Company;
“Edgemont”	Edgemont Investment Limited;
“Fortune Crest”	Fortune Crest Inc.;
“Gala Way”	Gala Way Company Inc.;
“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;
“Javier”	Javier Associates Limited;
“Latest Practicable Date”	31 October 2006, being the latest practicable date before printing of this Circular for ascertaining certain information for the purpose of inclusion in this Circular;
“Listing Rules”	The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules;
“Monterrey”	Monterrey Limited;
“Mr Alan Tung”	Mr Alan Lieh Sing Tung, an Executive Director of the Company; nephew of Mr C C Tung, Mrs Peng and Mr King, and son of Mr C H Tung;
“Mr C C Tung”	Mr Chee Chen Tung, an Executive Director, Chairman, President and Chief Executive Officer of the Company; brother of Mr C H Tung and Mrs Peng, brother-in-law of Mr King and uncle of Mr Alan Tung;
“Mr C H Tung”	Mr Chee Hwa Tung, brother of Mr C C Tung and Mrs Peng, brother-in-law of Mr King and father of Mr Alan Tung;

DEFINITIONS

“Mr King”	Mr Roger King, a Non-Executive Director of the Company; brother-in-law of Mr C H Tung, Mr C C Tung and Mrs Peng, and uncle of Mr Alan Tung;
“Mrs Peng”	Mrs Shirley Shiao Ping Peng, sister of Mr C H Tung and Mr C C Tung, sister-in-law of Mr King and aunt of Mr Alan Tung;
“Option Agreement”	agreement dated 11 December 2003 entered into by Samsung with Orient Overseas Container Line Limited, and as amended, with the option to construct the Vessels with the same specifications as vessel Hull nos. 1569 and 1570 built under the shipbuilding contract dated 11 December 2003;
“Purchasers”	Newcontainer No.40 (Marshall Islands) Shipping Inc., Newcontainer No.41 (Marshall Islands) Shipping Inc., Newcontainer No.42 (Marshall Islands) Shipping Inc. and Newcontainer No.43 (Marshall Islands) Shipping Inc., each a wholly owned subsidiary of the Company;
“Samsung”	Samsung Heavy Industries Co., Ltd., a public listed company in Korea;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	shareholders of the Company;
“Shares”	ordinary shares of US\$0.10 each in the share capital of the Company;
“Shipbuilding Contracts”	four shipbuilding contracts all dated 20 October 2006, each entered into by Samsung with the respective Purchasers;
“Springfield”	Springfield Corporation;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TEU”	twenty-foot equivalent unit;
“THTI”	Tung Holdings (Trustee) Inc.;
“Transaction”	the transaction constituted by the Shipbuilding Contracts;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“Vessels” (individually a “Vessel”)	container vessels of approximately 8,063 TEU each;

DEFINITIONS

“Wharncliff”	Wharncliff Limited;
“Winfield”	Winfield Investment Limited; and
“%”	per cent.

Note: The exchange rate used for reference purpose in this Circular is US\$1.00 to HK\$7.80

LETTER FROM THE BOARD



ORIENT OVERSEAS (INTERNATIONAL) LIMITED

東方海外(國際)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 316)

Executive Directors:

Mr. Chee Chen TUNG (*Chairman, President and Chief Executive Officer*)
Mr. Nicholas David SIMS (*Vice President and Chief Financial Officer*)
Mr. Philip Yiu Wah CHOW
Mr. Alan Lieh Sing TUNG

Non-Executive Directors:

Mr. Roger KING
Mr. Tsann Rong CHANG

Independent Non-Executive Directors:

Mr. Simon MURRAY
Dr. Victor Kwok King FUNG
Prof. Richard Yue Chim WONG

Principal Office:

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

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

13 November 2006

To the Shareholders of the Company

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION CONSTRUCTION OF FOUR VESSELS

INTRODUCTION

On 20 October 2006, the Board announced that the Purchasers, four wholly owned subsidiaries of the Company, respectively entered into the Shipbuilding Contracts with Samsung, a Korean shipbuilder, for the construction of a total of four Vessels at a consideration of approximately US\$119.36 million (equivalent to approximately HK\$931 million) for each Vessel and the total consideration for the four Vessels is approximately US\$477 million (equivalent to approximately HK\$3,723.9 million), pursuant to the option in the Option Agreement.

** For identification purpose only*

LETTER FROM THE BOARD

FINANCE TERMS

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. Should such finance not be arranged, the full purchase price of each Vessel would come from internal resources. As at 30 June 2006, in the published unaudited results of the Company, the Group had cash and portfolio investments balance of approximately US\$1.1 billion which are sufficient to meet the full purchase price of the Vessels.

CONTRACT TERMS

The terms of the Shipbuilding 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, 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 cash in five instalments. The first instalment is payable on the fifth business day after signing of the respective Shipbuilding Contracts and the last instalment is payable upon delivery of each Vessel, the rest of the instalments are based on progress intervals on the construction of each Vessel. The Vessels are expected to be delivered from the fourth quarter of 2009 to the first quarter of 2010.

GENERAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Samsung and its substantial shareholders are third parties independent of the Company and the connected persons of the Company as defined in the Listing Rules.

The principal business of the Group is container transport and logistics services, ports and terminals and property development and investment. The Shipbuilding 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\$477 million following 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.

DISCLOSEABLE TRANSACTION

Each of the relevant percentage ratios under Rule 14.07 of the Listing Rules of the Transaction is more than 5% but less than 25%. The entering into of the Shipbuilding Contracts under the Transaction constitutes a discloseable transaction for the Company under the Listing Rules.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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,
By order of the Board
Chee Chen Tung
Chairman

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 the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in 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 SFO), which were required to be: (a) 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 were taken or deemed to have under such provisions of the SFO); or (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

Name	Direct Interests	Other Interests		Total Number of Shares Interested (in Long Position)	Percentage
		Beneficial	Voting		
Chee Chen Tung	—	97,811,011 <i>(Note 1)</i>	326,627,577 <i>(Notes 2 & 3)</i>	424,438,588	67.82%
Roger King	—	97,811,011 <i>(Note 1)</i>	—	97,811,011	15.62%
Tsann Rong Chang	612,731	—	—	612,731	0.09%
Nicholas David Sims	55,660	—	—	55,660	0.01%
Philip Yiu Wah Chow	79,600	—	—	79,600	0.01%
Simon Murray	65,000	57,200 <i>(Note 4)</i>	—	122,200	0.02%

Notes:

- Mr C C Tung and Mr King have an interest in a trust which, through Springfield, holds 97,811,011 Shares. Of such Shares, Springfield has an indirect interest in 30,765,425 Shares in which Monterrey, a wholly owned subsidiary of Springfield, has a direct interest, and Springfield has a direct interest in 67,045,586 Shares.
- Wharnclyff, a company owned by a discretionary trust established by Mrs Peng, holds 278,165,570 Shares and the voting rights in respect of such holdings are held by Mr C C Tung through THTI. Gala Way, a company owned by the discretionary trust established by Mrs Peng, holds 48,462,007 Shares and the voting rights in respect of such holdings are held by Mr C C Tung through THTI.
- Wharnclyff, Gala Way, Springfield and Monterrey together are referred to as the controlling shareholders.
- Mr Simon Murray has gifted 57,200 Shares to the Simon Murray Family 1985 Trust, a discretionary trust of which he is the settlor.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in 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 SFO) which were required to be: (a) 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) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTEREST

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 interests or short positions 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 as recorded in the register required to be kept under Section 336 of the SFO:

Name	Nature of Interest	Number of Shares Interested (in Long Position)	Percentage
Bermuda Trust Company Limited	Trustee	424,438,588 <i>(Note 1)</i>	67.82%
Shirley Shiao Ping Peng	Founder of a discretionary trust	326,627,577 <i>(Note 2)</i>	52.19%
Fortune Crest Inc.	Indirect	326,627,577 <i>(Note 2)</i>	52.19%
Winfield Investment Limited	Indirect	326,627,577 <i>(Notes 2&3)</i>	52.19%
Tung Holdings (Trustee) Inc.	Voting	326,627,577 <i>(Note 4)</i>	52.19%
Wharnclyff Limited	Direct	278,165,570 <i>(Notes 2&5)</i>	44.45%
Chee Hwa Tung	Indirect	97,836,242 <i>(Note 6)</i>	15.63%
Springfield Corporation	Direct and Indirect	97,811,011 <i>(Note 6)</i>	15.62%
Archduke Corporation	Beneficiary of a trust	97,811,011 <i>(Note 7)</i>	15.62%
Phoenix Corporation	Beneficiary of a trust	97,811,011 <i>(Note 7)</i>	15.62%
Archmore Limited	Beneficiary of a trust	97,811,011 <i>(Note 8)</i>	15.62%

Name	Nature of Interest	Number of Shares Interested (in Long Position)	Percentage
Edgemont Investment Limited	Indirect	97,811,011 (Note 9)	15.62%
Javier Associates Limited	Indirect	97,811,011 (Note 10)	15.62%
Gala Way Company Inc.	Direct	48,462,007 (Notes 2&5)	7.74%
Monterrey Limited	Direct	30,765,425 (Notes 6&11)	4.91%

Notes:

1. Bermuda Trust Company Limited has an indirect interest in the same Shares in which Fortune Crest and Springfield, wholly owned subsidiaries of Bermuda Trust Company Limited, have an interest.
2. Mrs Peng established the discretionary trust which, through Winfield, a wholly owned subsidiary of Fortune Crest, holds 326,627,577 Shares, 278,165,570 of which are owned by Wharnclyff, a wholly owned subsidiary of Winfield, and 48,462,007 of which are owned by Gala Way, a wholly owned subsidiary of Winfield.
3. Winfield has an indirect interest in the same Shares in which Wharnclyff and Gala Way have an interest.
4. THTI is a company wholly owned by Mr C C Tung.
5. Wharnclyff and Gala Way are wholly owned subsidiaries of Winfield.
6. Mr C H Tung has an interest in the trust which, through Springfield, holds 97,811,011 Shares. Of such Shares, Springfield has an indirect interest in the same 30,765,425 Shares in which Monterrey has a direct interest, and Springfield has a direct interest in 67,045,586 Shares. Mrs Betty Hung Ping Tung (spouse of Mr C H Tung, sister-in-law of Mr C C Tung, Mrs Peng and Mr King, and mother of Mr Alan Tung) owns 25,231 Shares.
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 97,811,011 Shares.
8. Archmore, a company which is wholly owned by Edgemont, has an interest in the trust which, through Springfield, holds 97,811,011 Shares.
9. Edgemont has an indirect interest in the same Shares in which Archmore, a wholly owned subsidiary of Edgemont, has an interest.
10. 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.
11. Monterrey is a wholly owned subsidiary of Springfield.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any person (other than a Director or chief executive of the Company) who had interests or short positions 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, or, who were, 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 or in any options in respect of such capital.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company was a director or an employee of a company which 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.

4. SERVICE CONTRACT

Mr Nicholas David Sims has a service contract with the Company which expires on 21 October 2007. 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, member of Hong Kong Institute of Certified Public Accountants.

6. LITIGATION

As at the Latest Practicable Date, 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) had 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.