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S E A H O L D I N G S L I M I T E D

爪哇控股有限公司*

(Incorporated in Bermuda with limited liability)

CLARIFICATION OF MAGAZINE ARTICLE

This announcement is made pursuant to Paragraph 2 of the Listing Agreement.

Reference is made to the magazine article (the “Article”) which appeared in the “Eastweek” Magazine dated 17th September 2003. The Article contains allegations which are incorrect.

In the Article, it was alleged that, in July 2003, the Group had transferred a property owned by the Group situated at 14-20 Leighton Road, Hong Kong (the “Leighton Road Property”) to the private company of the Group’s chairman and managing director, Mr. Lu Wing Chi (“Mr. Jesse Lu”) for a consideration of HK\$105 million. The allegation is incorrect. In June 2003, pursuant to an internal reorganisation, the Leighton Road Property was transferred from an indirect wholly-owned subsidiary of the Company, SEA Group Treasury Limited (“SEAGT”), to another indirect wholly-owned subsidiary of the Company, Sky Trend Investments Limited (“STIL”) at market value. Mr. Jesse Lu is a director of both SEAGT and STIL but otherwise has no interest in SEAGT or STIL. The Leighton Road Property remains a wholly-owned property of the Group. Hence, the transaction does not constitute a connected transaction. The Group is still considering a number of options available for the Leighton Road Property and no definite plan has yet been decided.

The Article also alleged that all the directors of the Company are associated with Mr. Jesse Lu’s family. The allegation is also incorrect. In accordance with the current Listing Rules, the Company has two independent non-executive directors, Mr. Walujo Santoso (“Mr. Santoso”) and Mr. Leung Hok Lim (“Mr. Leung”). Mr. Santoso, who has been an independent non-executive director of the Company since 1994, is the managing director of Grand Ocean (International) Limited and has over 26 years of experience in international trading and manufacturing. Mr. Leung, who has been an independent non-executive director of the Company since 1999, is the founding and senior partner of PKF, Certified Public Accountants, a reputable accountancy firm in Hong Kong. Both Mr. Santoso and Mr. Leung are not associated with Mr. Jesse Lu’s family.

The Article also alleged that the Group lost HK\$58 million in 2002 due to speculative activities undertaken by the directors. The Company wishes to clarify that it is an investment holding company and the activities of its principal subsidiaries are investment holding, property and asset management, garment manufacturing and trading and property investment. The Group does not engage in speculation in securities. As part of the Group’s treasury policy, the Group has invested an average of approximately less than 1% of the total assets in securities for the past 5 years. The “loss” in relation to investment in securities

should be HK\$68 million as cited in the Company's 2002 Annual Report which represents a revaluation write-down of long-term securities as required by the SSAP. The alleged gains made by the Group from speculation in securities in the year ended 1999 and 2000 are incorrect. The Company does not know the source of that information.

The Company is not aware of the source of information on which the Article is based. The journalists involved in the Article have not checked the truth or accuracy of the allegations referred to in the Article with the Company.

DEFINITIONS

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

“Company”	S E A Holdings Limited, a company incorporated in Bermuda with limited liability;
“Group”	The Company and its subsidiaries;
“Listing Agreement”	The listing agreement between the Company and the Stock Exchange;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“SSAP”	Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants.

By Order of the Board
Jenifer Sin
Company Secretary

Hong Kong, 19th September 2003

* *For identification purpose only*

Please also refer to the published version of this announcement in the The Standard and South China Morning Post.