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DISCLOSEABLE TRANSACTION
ACQUISITION OF 80% INTEREST IN A COMPANY FOR
PROPERTY DEVELOPMENT IN WENZHOU CITY, THE PRC

A letter from the board of directors of S E A Holdings Limited is set out on pages 5 to 12 of this circular.

7th November, 2007

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DEFINITIONS

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

“AGP”	Asian Growth Properties Limited, an international business company incorporated and re-registered as a business company in the BVI with limited liability and the shares of which are admitted to trading on AIM;
“AGP Board”	the board of directors of AGP;
“AIM”	the AIM market of London Stock Exchange Plc;
“Acquisition”	the acquisition by the Purchaser from the Seller of 80% of the entire issued share capital and shareholder’s loan of the Target Company;
“Agreement”	the conditional sale and purchase agreement dated 8th October, 2007 entered into between the Purchaser, the Seller and the Guarantor in relation to the Acquisition;
“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“BVI”	the British Virgin Islands;
“Board”	the board of Directors;
“Company”	S E A Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares and warrants of which are listed and traded on the main board of HKSE;
“Completion”	completion of the Acquisition;
“connected person”	a director, chief executive or substantial shareholder of the Company or any of its subsidiaries, or any associate of any of them;
“Directors”	the directors of the Company and a “director” is construed accordingly;
“Group”	the Company and its subsidiaries;
“Guarantor”	Mr. Cheung Wai Wing;

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSE”	The Stock Exchange of Hong Kong Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Land Use Rights Certificate”	the land use rights certificate issued by the relevant authority in respect of the Reclaimed Land to be applied for by WFOE for a term of not less than 40 years;
“Latest Practicable Date”	1st November, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion herein;
“Listing Rules”	The Rules Governing the Listing of Securities on HKSE;
“Macau”	the Macau Special Administrative Region of the PRC;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules;
“mu”	a Chinese measurement for area (市畝), one unit of which is equivalent to approximately 666.7 sq.m.;
“PRC”	the People’s Republic of China and for the purpose of this circular excludes Hong Kong and Macau;
“Pre-completion Restructuring”	the restructuring prior to completion of the Acquisition, which involves the injection of WFOE by the Guarantor into a wholly-owned subsidiary of the Target Company (which is in turn wholly-owned by the Seller);
“Purchaser”	Elite State International Limited, a business company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of AGP;
“RMB”	Renminbi, the lawful currency of the PRC;
“Reclaimed Land”	the land area of 400 mu (266,680 sq.m.) to be reclaimed in the Sea Area;

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“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Sea Area”	the sea area of 2,160 mu (1,440,000 sq.m.) situated in 中國浙江省溫州市龍灣區永興圍墾(北片) (Long Wan Qu, Yong Xing Wei Ken (Bei Pian), Wenzhou City, Zhejiang Province, the PRC);
“Sea Use Rights Certificate”	the valid sea use rights certificate issued by the relevant authority to WFOE to use the Sea Area;
“Seller”	Great Concept Enterprises Limited, a business company incorporated in the BVI with limited liability and 100% beneficially owned by the Guarantor;
“Share(s)”	Share(s) with a par value of HK\$0.1 each in the capital of the Company;
“Shareholders”	holders of Shares;
“sq.m.”	square metres;
“subsidiary”	has the meaning ascribed to it in section 2(4) of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Target Company”	Famous City Enterprises Limited, a business company incorporated in the BVI with limited liability;
“Target Group”	following completion of the Pre-completion Restructuring, the Target Company and its subsidiaries (including WFOE);
“US\$”	United States dollars, the lawful currency of the United States;
“WFOE”	溫州遠達海洋娛樂有限公司 (Wenzhou Yuan Da Ocean Amusement Co., Ltd.), a wholly foreign owned enterprise established in the PRC;

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“Warrantholders” holders of the existing warrants of the Company carrying subscription rights to subscribe for Shares at a subscription price of HK\$1.38 per Share (subject to adjustment) until 3rd December, 2008; and

“%” per cent. or percentage (as the case may be).

For the purposes of the announcement dated 17th October, 2007 and this circular,

- (1) amounts denominated in RMB and US\$ have been translated into HK\$ at the exchange rate of HK\$1.00 = RMB0.97 and US\$1.00 = HK\$7.80 for illustration purposes only, and such translation should not be construed as a representation that the relevant amounts have been, could have been or could be converted at those or any other rates or at all; and*
- (2) certain English translations of the Chinese names and words are included for information purpose only, and they should not be relied upon as the official translations of such Chinese names and words.*

LETTER FROM THE BOARD



SEA HOLDINGS LIMITED

爪哇控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 251)

Executive Directors:

Lu Wing Chi (*Chairman and Managing Director*)

Lu Wing Yuk, Andrew

David Hsu

Lincoln Lu

Lambert Lu

Registered Office:

Clarendon House

Church Street

Hamilton HM11

Bermuda

Principal Office:

26th Floor

Dah Sing Financial Centre

108 Gloucester Road

Wanchai

Hong Kong

Non-Executive Directors:

Lam Sing Tai

Tse Man Bun

Independent Non-Executive Directors:

Walujo Santoso, Wally

Leung Hok Lim

Chung Pui Lam

7th November, 2007

*To the Shareholders, and, for information only,
the Warranholders and the holder of share options
granted under the Company's employees share option
scheme adopted on 23rd June, 2000*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
ACQUISITION OF 80% INTEREST IN A COMPANY FOR
PROPERTY DEVELOPMENT IN WENZHOU CITY, THE PRC**

1. INTRODUCTION

On 17th October, 2007, the Board announced that on 8th October, 2007, it was advised by AGP that the Purchaser (an indirect wholly-owned subsidiary of AGP) entered into a conditional sale and purchase agreement with the Seller and the Guarantor for the acquisition of 80% of

* For identification purpose only

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the entire issued share capital and shareholder's loan of the Target Company at RMB518,400,000 (HK\$534,400,000) (subject to adjustment). Completion of the Agreement is conditional upon, *inter alia*, due diligence results being satisfactory to the Purchaser and completion by the Seller of the Pre-completion Restructuring.

The purpose of this circular is to provide you with further information in relation to the Acquisition and other information prescribed by the Listing Rules.

2. DETAILS OF THE ACQUISITION

Principal Terms of the Agreement

Date of the Agreement:	8th October, 20007
Purchaser:	Elite State International Limited
Seller:	Great Concept Enterprises Limited
Guarantor:	Mr. Cheung Wai Wing
Assets being acquired:	80% of the entire issued share capital and shareholder's loan of the Target Company subject to completion of the Pre-completion Restructuring.
Pre-completion Restructuring:	Prior to the Pre-completion Restructuring, both WFOE and the Seller are 100% beneficially owned by the Guarantor. The Pre-completion Restructuring involves the injection of WFOE by the Guarantor into a wholly-owned subsidiary of the Target Company (which is in turn wholly-owned by the Seller).

Upon completion of the Pre-completion Restructuring, the Target Group (through WFOE) shall hold valid sea use rights to use the Sea Area of 2,160 mu (1,440,000 sq.m.) situated in Wenzhou City, Zhejiang Province, the PRC. WFOE shall further apply for (a) a new sea use rights certificate for the Sea Area including a reclamation right for land with an area of 400 mu (266,680 sq.m.); and (b) the Land Use Rights Certificate for the Reclaimed Land.

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Total consideration: A total consideration of RMB518,400,000 (HK\$534,400,000) (subject to adjustment) is payable by the Purchaser to the Seller in cash as described below:

- (i) RMB100,000,000 (HK\$103,100,000) (the “**Deposit**”) has already been paid to an escrow agent (jointly appointed by the Purchaser and the Seller) as a deposit upon signing of the Agreement;
- (ii) RMB200,000,000 (HK\$206,200,000) is payable upon Completion (which should be partly satisfied by the release of the Deposit by the escrow agent);
- (iii) RMB120,000,000 (HK\$123,700,000) is payable within 7 days after the issue by the relevant authority of the approval documents permitting reclamation to be carried out in respect of the Reclaimed Land; and
- (iv) RMB198,400,000 (HK\$204,500,000) (the “**Extra Consideration**”) is payable within 15 days after the issue of the Land Use Rights Certificate for the Reclaimed Land.

In the event that WFOE is unable to obtain the Land Use Rights Certificate within 12 months after the date of Completion (or such later date as may be agreed by the parties), the Purchaser may terminate the Agreement and request for a refund of all sums already paid under the Agreement (with interest accruing from the date of payment up to the date of refund at the benchmark lending rate published by the People’s Bank of China on the date of refund). Alternatively, the Purchaser may continue to perform the Agreement, in which case the Purchaser does not have to pay the Extra Consideration and the Seller will not be entitled to the Special Distribution Arrangement as referred to in the section headed “Distribution of Profits” below, unless WFOE’s failure to obtain the Land Use Rights Certificate is the result of the Purchaser’s fault or force majeure.

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Adjustment to consideration:

The consideration is subject to adjustment (to be agreed by the parties) if any of the following conditions is inaccurate:

- (i) WFOE has paid all relevant costs and expenses (including without limitation any compensation paid to the occupants of the Sea Area) which it is required to pay to obtain the sea use rights under the Sea Use Rights Certificate, such amount being approximately RMB48,000,000 (HK\$49,500,000);
- (ii) save for shareholder's loan (80% of which shall be transferred to the Purchaser upon Completion), the total amount of all debts and liabilities of the Target Group (including other debts secured by assets of the Target Group) does not exceed RMB1,000,000 (HK\$1,000,000). All such debts and liabilities, whether in excess of RMB1,000,000 (HK\$1,000,000), shall be borne by the Guarantor;
- (iii) save for in its ordinary course of business necessary for the development of the Sea Area, the Target Group has not engaged in any other businesses nor held any other assets; and
- (iv) the assets of the Target Group are free from charge, guarantee or third party rights.

Conditions precedent:

Completion of the Agreement is conditional upon, inter alia, the following:

- (i) the results of the financial and legal due diligence being reasonably satisfactory to the Purchaser;
- (ii) the Pre-completion Restructuring having been completed by the Seller;
- (iii) the Purchaser being satisfied that WFOE has lawfully obtained valid and subsisting Sea Use Rights Certificate from the relevant authorities and such certificate not being susceptible to revocation; and
- (iv) all necessary consents and approvals being obtained, including without limitation all third party consents, regulatory approvals and approvals required by the relevant stock exchanges.

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The Purchaser shall inform the Seller of the results of such due diligence exercise before the later of (a) 30 days from the signing of the Agreement; or (b) 14 days from the completion of the Pre-completion Restructuring.

Date of Completion: Completion is expected to take place on the 7th business day after all the above conditions precedent are satisfied or waived. The long stop date for the satisfaction or waiver of the conditions precedent is 31st December, 2007 (or any other date as the parties may agree in writing).

Distribution of Profits: It was agreed by the parties that the consolidated net profits after tax of the Target Company (the “**Profits**”) shall be distributed in the following manner:

- (i) the Profits shall first be used to repay capital and shareholders’ loan (if any) until the Purchaser has received its total investment amount;
- (ii) thereafter, the remaining Profits shall be distributed in the proportions of 80% (the Purchaser) and 20% (the Seller) until the Purchaser has achieved an internal rate of return of 25% on its total investment amount;
- (iii) thereafter, the remaining RMB1,152,000,000 (HK\$1,187,600,000) of the Profits shall be distributed in the proportions of 50% (the Purchaser) and 50% (the Seller) (the “**Special Distribution Arrangement**”); and
- (iv) thereafter, the balance of the Profits shall be distributed in the proportions of 80% (the Purchaser) and 20% (the Seller).

3. EFFECTS FOR THE ACQUISITION

Upon completion of the Pre-completion Restructuring, the only asset of the Target Group will be its 100% equity interest in WFOE. The registered capital of WFOE is US\$20,000,000 (HK\$156,000,000), of which US\$6,000,000 (HK\$46,800,000) has been paid up as at the date of signing of the Agreement. According to the approval letter issued by the relevant PRC authority in respect of the establishment of WFOE, the balance of the registered capital in the amount of US\$14,000,000 (HK\$109,200,000) shall be paid up within 24 months after the date of establishment (i.e. on or before 17th November, 2007).

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Immediately after the Completion, the Target Company will become an 80% owned subsidiary of AGP and the results, assets and liabilities of the Target Group will be consolidated into the financial statements of the Group. Accordingly, AGP will be responsible for 80% of the balance of the unpaid registered capital of WFOE, being in the amount of US\$11,200,000 (HK\$87,400,000) (the “**Further Capital Contribution**”).

The maximum consideration payable by the Group for the Acquisition is RMB518,400,000 (HK\$534,400,000) (subject to adjustment). It is currently expected that the consideration for the Acquisition and the Further Capital Contribution will be funded from the Group’s internal cash reserves but the Group may, if deemed appropriate, seek external bank borrowings to finance or refinance all or part of the consideration. Such funding requirement will not have any significant effect on the earnings, assets and liabilities of the Group.

The Agreement has not specified that the Seller will be responsible for the reclamation of the Reclaimed Land. Pursuant to the Agreement, any further funding for the Target Group shall at the first instance be obtained from banks and other financial institutions. In the event that the Group and the other shareholder of the Target Company are required to provide further capital or shareholder’s loan to the Target Company, such provision shall be made on a pro rata basis based on their respective shareholding in the Target Company. Where the Group shall provide further capital or shareholder’s loan to the Target Company, the Company will comply with the Listing Rules. As at the Latest Practicable Date, the Group has not agreed to make any capital contribution to the Target Group.

4. REASONS FOR THE ACQUISITION

The Group’s core business strategy is to develop and invest in real estates in the Asia Pacific region and in particular Hong Kong and the PRC either by itself or in the form of joint venture and the Acquisition is consistent with this strategy.

The Directors are cautiously optimistic about the property market in the PRC and the Board believes that the acquisition of the interest in the rights to develop the Reclaimed Land through WFOE will not only enhance the Group’s asset portfolio but also strengthen the Group’s position in the property market in the PRC.

The consideration for the Acquisition was arrived at after arm’s length negotiations between the Purchaser and the Seller, taking into consideration the size and location of the Sea Area and its development prospect.

The AGP Board considers that the terms (including the consideration) for the Acquisition are fair and reasonable and the Acquisition is in the interests of the shareholders of AGP. After considering the terms of the Acquisition and the development prospect of the Sea Area, and on a balance of the consideration for the Acquisition by reference to the market price of the land in the locality of the Sea Area had the reclamation of the Reclaimed Land been completed and the risks associated with the development plan in the event that the permitted gross development area is less than what the Directors currently anticipate, the Board concurs with the views of the AGP Board and considers that the terms of the Acquisition are fair and reasonable and in the interests of the Group and the Shareholders as a whole. It is currently contemplated that the Reclaimed Land will be used for residential resort development.

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5. INFORMATION ABOUT THE PARTIES

The Company is an investment holding company with its shares and warrants being listed and traded on the main board of the HKSE. The activities of its principal subsidiaries are investment holding, property and asset management as well as property investment and development in Hong Kong, the PRC, Australia and New Zealand.

AGP is an indirect 97.17% owned subsidiary of the Company and has been admitted to trading on AIM since mid January 2006. The Purchaser is an indirect wholly-owned subsidiary of AGP.

According to the information made available to the Company, the Seller is a business company incorporated in the BVI. Its principal business is investment holding. The Guarantor is the sole registered shareholder of the Seller.

To the best of the Directors' knowledge, information and belief having made reasonable enquiries, the Seller, its ultimate beneficial owners and the Guarantor are third parties independent of the Company and its connected persons.

6. OTHER FINANCIAL INFORMATION ABOUT THE TARGET GROUP

The Target Company is a business company incorporated in the BVI on 30th August, 2007 with limited liability. Its principal business is investment holding. Upon completion of the Pre-completion Restructuring, the only asset of the Target Group will be its 100% equity interest in WFOE.

WFOE is a wholly-foreign owned enterprise established in the PRC on 17th November, 2005. Its principal activity is accommodation, catering, amusement and commercial tourism. WFOE has not commenced operation and the only asset of WFOE is the sea use rights to use the Sea Area. As far as AGP is aware, there has been no profit attributable to the Sea Use Rights, which was obtained on 22nd November, 2005. No accounts have been prepared by WFOE yet.

According to the Seller's representations, (i) WFOE has paid all relevant costs and expenses (including without limitation any compensation paid to the occupants of the Sea Area) which it is required to pay to obtain the sea use rights under the Sea Use Rights Certificate, such amount being approximately RMB48,000,000 (HK\$49,500,000); (ii) save for shareholder's loan (80% of which shall be transferred to the Purchaser upon Completion), the total amount of all debts and liabilities of the Target Group (including other debts secured by assets of the Target Group) does not exceed RMB1,000,000 (HK\$1,000,000). All such debts and liabilities, whether in excess of RMB1,000,000 (HK\$1,000,000), shall be borne by the Guarantor; (iii) save for in its ordinary course of business necessary for the development of the Sea Area, the Target Group has not engaged in any other businesses nor held any other assets; and (iv) the assets of the Target Group are free from charge, guarantee or third party rights. Where any of the aforesaid conditions is inaccurate, the consideration of the Agreement will be adjusted accordingly.

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7. INFORMATION ABOUT WENZHOU CITY

Lying in the middle of the coastal section of the PRC, Wenzhou City is an economic, cultural, trading and traffic centre located at the south-eastern part of Zhejiang Province.

With an annual average temperature of 18 degrees Celsius, Wenzhou City has a total population of about 7.8 million and covers a total land area of about 11,800 square kilometres. It is one of the densely-populated cities of the PRC and enjoys a comparatively high household consumption level.

Wenzhou City is one of the first batch of open coastal cities and pilot areas of rural reform of the PRC. Being a pioneer in developing market economy and having a strong manufacturing sector, Wenzhou City is famous for its handicraft and light industrial products such as shoes, cigar-lighters, locks and low-voltage electrical appliances.

8. DISCLOSEABLE TRANSACTION

As the aggregate of the maximum consideration for the Acquisition and the Further Capital Contribution represents more than 5% but less than 25% of certain percentage ratios under Rule 14.07 of the Listing Rules applicable to the Company, the Acquisition and the transactions contemplated thereunder constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

9. ADDITIONAL INFORMATION

Your attention is drawn to the Appendix to this circular which contains certain additional information in relation to the Company.

Yours faithfully
For and on behalf of the Board of
S E A HOLDINGS LIMITED
Lu Wing Chi
Chairman and Managing Director

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' 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, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO as required to be notified to the Company and HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO), as required to be entered in the register kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and HKSE pursuant to the Model Code, were as follows:–

2.1 Long positions in shares and underlying shares of the Company

Name of Directors	Number of shares of HK\$0.1 each		Number of underlying shares (warrants) (share options)			Approximate % of shares in issue	
	Beneficial interests	Interests held by controlled corporation	Beneficial interests	Interests held by controlled corporation	Beneficial interests		
Lu Wing Yuk, Andrew	–	–	–	–	3,000,000	3,000,000 ^A	0.50
Lincoln Lu	1,772,717	311,715,749	–	51,325,190	–	364,813,656 [*]	60.52
Lambert Lu	1,200,000	311,715,749	572,717	51,325,190	–	364,813,656 [*]	60.52
Lam Sing Tai	90,000	–	11,478 [#]	–	–	101,478	0.02
Tse Man Bun	100,000	–	–	–	–	100,000	0.02

Notes: ^Δ The options were granted on 4th December, 2000, the exercise price is HK\$1.44 per share and the exercisable period is from 4th December, 2000 to 3rd December, 2010.

* (1) Of these shares and warrants of the Company, 311,715,749 shares and warrants carrying 51,325,190 underlying shares deemed to be interested by Messrs. Lincoln Lu and Lambert Lu represented the same interests and were, therefore, duplicated between these two directors for the purpose of the SFO. The said 311,715,749 shares and warrants carrying 51,325,190 underlying shares were held by Nan Luen International Limited (“NLI”), which was 63.58% owned by JCS Limited (“JCS”) and was 3.21% owned by each of Messrs. Lincoln Lu and Lambert Lu.

(2) JCS was 26.09% owned by a discretionary trust, of which both directors are beneficiaries. In addition, Messrs. Lincoln Lu and Lambert Lu each had a direct interest in 11.95% of the issued shares in JCS. JCS is deemed to be a controlled corporation of each of Messrs. Lincoln Lu and Lambert Lu by virtue of the SFO.

Of these shares, 5,739 shares were held by the spouse of Mr. Lam Sing Tai.

2.2 Long positions in shares and underlying shares of associated corporations

(a) *JCS – ultimate holding company of the Company*

Name of Directors	Number of shares of HK\$100.0 each			Approximate % of shares in issue
	Beneficial interests	Interests as discretionary trust beneficiary	Total	
Lu Wing Chi	3,000	12,000 ¹	15,000	32.61
Lincoln Lu	5,500	12,000 ¹	17,500	38.04
Lambert Lu	5,500	12,000 ¹	17,500	38.04

(b) *NLI – immediate holding company of the Company*

Name of Directors	Number of shares of HK\$100.0 each			Approximate % of shares in issue
	Beneficial interests	Interests held by controlled corporation	Total	
Lu Wing Chi	46,938	–	46,938	30.00
Lincoln Lu	5,021	99,480 ²	104,501	66.79
Lambert Lu	5,021	99,480 ²	104,501	66.79

Notes:

1. 12,000 shares in JCS deemed to be the interests of Messrs. Lu Wing Chi, Lincoln Lu and Lambert Lu represented the same interests and were, therefore, duplicated amongst these three directors for the purpose of the SFO. Such shares were held by a discretionary trust, of which all three directors are beneficiaries.
2. 99,480 shares in NLI deemed to be the interests of Messrs. Lincoln Lu and Lambert Lu represented the same interests and were, therefore, duplicated between these two directors for the purpose of the SFO. These shares were held by JCS, which is deemed to be a controlled corporation of each of Messrs. Lincoln Lu and Lambert Lu by virtue of the SFO.

Saved as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executive nor their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as required to be notified to the Company and HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and HKSE pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save as disclosed below, so far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, the particulars of corporations or persons (other than a Director or the chief executive of the Company) who had interests or short positions in the shares or underlying shares in the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, were as follows:–

Long positions in shares and underlying shares of the Company

Name of shareholders	Number of shares of HK\$0.1 each		Number of underlying shares (warrants)		Total	% of shares in issue
	Beneficial interests	Interests held by controlled corporation	Beneficial interests	Interests held by controlled corporation		
JCS ²	–	311,715,749	–	51,325,190	363,040,939 ¹	60.22
NLI ³	311,715,749	–	51,325,190	–	363,040,939 ¹	60.22
Pacific Rose Enterprises Limited	35,575,005	–	–	–	35,575,005	5.90

Notes:

1. 311,715,749 shares and warrants carrying 51,325,190 underlying shares held by NLI and deemed to be JCS' interest represented the same interests and were, therefore, duplicated between these two shareholders for the purpose of the SFO. JCS was interested in 63.58% of the issued shares in NLI.
2. Messrs. Lu Wing Chi, Lincoln Lu and Lambert Lu, all of whom are directors of the Company, are also directors of JCS.
3. Messrs. Lu Wing Chi, Lu Wing Yuk, Andrew, Lincoln Lu and Lambert Lu, all of whom are directors of the Company, are also directors of NLI.

4. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, each of the following Directors and his associates are considered by the Company to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group, other than those businesses where such Directors have been appointed to represent the interests of the Company and/or other members of the Group:–

Mr. Lu Wing Chi also has shareholdings (on behalf of himself and his associates) and holds directorships in a number of private companies controlled by, or owned in conjunction with, his close relatives and associates. From time to time, such companies are involved in real estate development and investment. In this regard, Mr. Lu is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Lu Wing Yuk, Andrew has shareholdings (on behalf of himself and his associates) and holds directorships in a number of private companies controlled by, or owned in conjunction with, his close relatives and associates. From time to time, such companies are involved in real estate development and investment. In this regard, Mr. Lu is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. David Hsu who holds directorships in a number of the members of the Group does not have any interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Messrs. Lincoln Lu and Lambert Lu are the sons of Mr. Lu Wing Chi. In this regard, Messrs. Lincoln Lu and Lambert Lu are considered to have interests in the competing businesses in which Mr. Lu Wing Chi is deemed interested. Messrs. Lincoln Lu and Lambert Lu also have shareholdings (on behalf of themselves and their associates) and hold directorships in a number of private companies controlled by, or owned in conjunction with, their close relatives and associates. From time to time, such companies are involved in real estate development and investment. In this regard, Messrs. Lincoln Lu and Lambert Lu are considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Lam Sing Tai who holds directorships in a number of the members of the Group does not have any interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Tse Man Bun is also an independent non-executive director of the listed Tysan Holdings Limited whose principal businesses include building construction, and property development, investment and management. In this regard, he is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group. In addition, Mr. Tse and his associates also invest from time to time in real estate investments. However, the scale and nature of such investments do not fit the investment profile of the Group. Hence, Mr. Tse is not considered by the Group to have interests in businesses which compete or might compete with the businesses of the Group as a result of such investments.

Mr. Walujo Santoso, Wally and his associates invest from time to time in real estate investment and development. In this regard, Mr. Santoso is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Leung Hok Lim is also a director of a number of private and listed companies. Some of these companies and their associates are involved in property development and investment. In addition, Mr. Leung and his associates invest from time to time in real estate investments and developments. In this regard, Mr. Leung is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Chung Pui Lam is also a director of the listed Chow Sang Sang Holdings International Limited and Datronix Holdings Limited. Mr. Chung and his associates invest from time to time in real estate investments and developments. In this regard, Mr. Chung is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

However, as the Board as a whole is independent of the above individuals and of the boards of directors of the above companies and all the Directors are fully aware of, and have been discharging, their fiduciary duty to the Company, the Group is capable of carrying on its businesses independently of, and at arm's length from, the said competing businesses.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into or has proposed to enter into any service contract with any member of the Group, which does not expire or is not terminable by such member of the Group within one year without payment of compensation, other than statutory compensation.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened against the Company or any of its subsidiaries.

7. MISCELLANEOUS

- (a) The Secretary of the Company is Mr. Kwok Siu Man, Seaman, *PgD (Laws)*, *BA (Acct.)*, *FCIS*, *FCS*, *FFA*, a fellow member of The Institute of Chartered Secretaries and Administrators and The Institute of Financial Accountants in England and The Hong Kong Institute of Chartered Secretaries.
- (b) The Qualified Accountant of the Company is Mr. Chan Ka Wing, *B. Comm.*, *CPA*, a member of the American Institute of Certified Public Accountants and an associate of the Hong Kong Institute of Certified Public Accountants.
- (c) The Hong Kong branch share registrar of the Company is Tricor Standard Limited and the transfer office of the Company is situated at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.