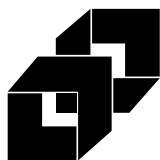

THIS CIRCULAR IS SOLELY FOR YOUR INFORMATION AND YOU ARE NOT REQUIRED TO TAKE ANY ACTION IN RESPONSE TO IT

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

If you have sold all your shares or warrants in S E A Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



S E A H O L D I N G S L I M I T E D
(Incorporated in Bermuda with limited liability)

**DISCLOSEABLE TRANSACTION
RELATING TO THE DISPOSAL OF
FOUR WELLINGTON PROPERTIES BY
TRANS TASMAN PROPERTIES LIMITED**

DEFINITIONS

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

“Agreement”	The agreement between the Vendors and the Purchaser dated 4th April 2002 for the sale of the Wellington Properties.
“Company” or “SEA”	S E A Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares and warrants are listed on the Stock Exchange.
“Directors”	Directors of the Company.
“Group”	The Company and its subsidiaries.
“HK\$”	Hong Kong dollars.
“Latest Practicable Date”	30th May 2002 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular.
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange.
“NZ\$”	New Zealand dollars.
“Purchaser”	Talavera Property Group Limited, the purchaser of the Wellington Properties.
“Sale”	The sale of the Wellington Properties.
“SDI Ordinance”	Securities (Disclosure of Interests) Ordinance (Cap. 396 of the Laws of Hong Kong).
“Share” or “Shares”	Ordinary share(s) of HK\$0.10 each in the issued share capital of the Company.
“SEANZ”	SEA Holdings New Zealand Limited, a wholly owned subsidiary of the Company.
“Settlement Date”	10th May 2002.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

DEFINITIONS

“TTP”	Trans Tasman Properties Limited , a company incorporated in New Zealand with limited liabilities whose shares are listed on the New Zealand Stock Exchange, owned as to 54.8% by the Company (via SEANZ) and as to 45.2% by independent third parties.
“TTP Shares”	Fully paid ordinary share(s) in the issued share capital of TTP.
“Vendors”	NZGP (Southern Region) Limited and Cassius Properties Limited, both of which are wholly owned subsidiaries of TTP.
“Vendor’s Loan”	An advance of NZ\$10 million (HK\$35.0 million) by the Vendors to the Purchaser on the Settlement Date.
“Wellington Properties”	<ol style="list-style-type: none">1. 110 Featherston St, Wellington, New Zealand.2. Telecom Tower at 27 Manners St, Wellington, New Zealand.3. Tourism & Travel House at 73-79 Boulcott St, Wellington, New Zealand.4. Ministry of Economic Development Building at 33 Bowen St, Wellington, New Zealand.

Note: For the purposes of the Company’s announcement dated 13th May 2002 and in this circular, unless stated otherwise, an exchange rate of NZ\$1.00 = HK\$3.50 has been used. The exchange rate as at the close of business on the Latest Practicable Date was NZ\$1.00 = HK\$3.7248, calculated by taking the average of the buy and sell rates quoted on the South China Morning Post.

DEFINITIONS

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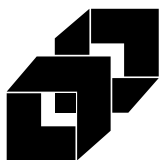
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LETTER FROM THE CHAIRMAN



SEA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Directors :

- ** Lu Ho (*Chairman*)
- Lu Wing Chi (*Managing Director*)
- ** Lu Yong Lee
- Lu Wing Yuk, Andrew
- Lu Wing Lin
- * Walujo Santoso, Wally
- * Leung Hok Lim

- * *Independent non-executive director*
- ** *Non executive director*

Registered Office:

Clarendon House
Church Street
Hamilton HM11
Bermuda

Principal Office:

26th Floor
Dah Sing Financial Centre
108 Gloucester Road
Wanchai
Hong Kong

4th June 2002

*To the shareholders, warrant holders and the
holders of share options granted under the
Company's employee share option schemes
adopted on 30th June 1990 and 23rd June 2000*

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

1. INTRODUCTION

On 18th April 2002, the Directors announced that TTP had entered into the Agreement for the sale of the Wellington Properties. Settlement of the Agreement was conditional upon, *inter alia*, the Purchaser having completed its due diligence on the value, conditions, soundness and structural quality of the Wellington Properties and being satisfied with the results of its due diligence on or before 17th May 2002. It was further announced on 13th May 2002 that the Agreement became unconditional on 10th May 2002 and the parties effected full settlement of the Agreement on the same day.

The purpose of this circular is to give you further information about the Sale.

LETTER FROM THE CHAIRMAN

2. DETAILS OF THE SALE

The consideration for the Sale was NZ\$85.1 million (HK\$297.9 million), from which NZ\$4.5 million (HK\$15.8 million) was deducted to cover certain tenant incentives and capital cost taken up by the Vendors, resulting in the net proceeds of NZ\$80.6 million (HK\$282.1 million) paid as follows:—

- (a) cash amount (including a deposit of NZ\$10.0 million (HK\$35.0 million) paid on the date of the Agreement) of NZ\$70.6 million (HK\$247.1 million) was paid by the Purchaser by the Settlement Date; and
- (b) the balance was settled by the Vendors advancing the Vendor's Loan to the Purchaser. The Vendor's Loan has a term of four-years with quarterly principal reductions over the term of the loan. Interest is payable at normal commercial rates, currently 8.75% per annum.

All the four properties constituting the Wellington Properties were commercial properties. The properties were sold unencumbered subject to tenancies.

The Purchaser and its beneficial owners are not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them (as defined in the Listing Rules).

3. REASONS FOR THE DISPOSAL

TTP is one of the largest private owners of commercial properties in New Zealand. TTP previously announced that it wished to become more active in property development and investment in Australia and New Zealand. However, TTP's level of debt has restricted its ability to fulfill its planned strategy and, in turn, its ability to upgrade its property portfolio. The current buoyancy in the New Zealand property market has, for the first time in some years, attracted buyers seeking higher priced properties. TTP's directors believed that the Wellington Properties, which were sold with renewed leases, had already attained their maximum values and there would be little opportunity to add further value in the current market. TTP will continue its strategy to sell those properties in its portfolio which values could neither be maintained nor enhanced, as and when the opportunity arises.

TTP will use the net proceeds of the Sale, in the amount of NZ\$80.6 million (HK\$282.1 million), to reduce its bank borrowings. Together with the sale of some other properties during 2002, the net debt (including bonds) to assets ratio for the TTP group has improved from 50.1% as at 31st December 2001 to 41.3% as at 10th May 2002.

LETTER FROM THE CHAIRMAN

4. FINANCIAL EFFECTS OF THE SALE

The consideration for the Sale was arrived at after arm's length negotiations between TTP and the Purchaser. The aggregate investment cost of these properties was NZ\$143.8 million (HK\$503.2 million). The aggregate book value of these properties, as stated in TTP's audited accounts as at 31st December 2001, was NZ\$86.8 million (HK\$303.8 million). Comparing the Sale proceeds against the book value of these properties, TTP's directors, including the independent non-executive directors, believed that the consideration was fair and reasonable.

As a result of the Sale, the Group will record a loss on disposal of investment properties on the Settlement Date of HK\$232.1 million (before minority interests) and HK\$131.6 million (after deducting minority interests). The loss stated above includes the release, as a charge to the income statement of the Group, of provisions made prior to 1st January 2002 in the investment property revaluation reserve account and the translation reserve account of the Group amounting to HK\$209.9 million (before minority interests) and HK\$119.4 million (after deducting minority interests).

Accordingly, the net effect of the Sale on the shareholders' funds of the Group would be as follows:

	HK\$ million
Shareholders' funds as at 31st December 2001	2,624.9
Deduct:	
Loss on disposal after minority interests	(131.6)
Movements in reserves	119.4
	<u>(12.2)</u>
Pro-forma shareholders' funds after disposal	<u><u>2,612.7</u></u>

The estimated loss on disposal will be included in the results for the Group for the year ending 31st December 2002.

On a pro-forma basis, assuming that the Sale had taken place on 31st December 2001, and therefore, the Sale would be reflected in the last audited Consolidated Balance Sheet of the Group at 31st December 2001, investment properties of the Group would have decreased by 5.0 per cent and the aggregate borrowings of the Group would have decreased by 6.8 per cent.

For the year ended 31st December 2001, the Wellington Properties generated a net operating profit, after deducting operating expenses and finance costs, of NZ\$5.7 million (HK\$20.0 million). This represents 19.1% of the Company's audited profit before taxation for the year ended 31st December 2001 of HK\$104.5 million, after excluding the non-

LETTER FROM THE CHAIRMAN

recurring items (being net loss on investments and properties, impairment loss recognized in respect of goodwill on acquisition of subsidiaries and release of negative goodwill).

5. INFORMATION ABOUT TTP AND SEA

TTP is a New Zealand public listed investment holding company whose principal assets are investment properties in New Zealand and a 49.9% interest in Australian Growth Properties Limited, an Australian property holding company listed on the Australian Stock Exchange. At present, 54.8% of TTP Shares are held by SEA (through its wholly-owned subsidiary SEANZ), and the remaining 45.2% are held by independent third parties.

For the year ended 31st December 2001, the consolidated revenue, net profit before taxation and net (deficit)/profit after taxation and minority interests of TTP were NZ\$106.3 million (HK\$372.1 million), NZ\$3.9 (HK\$13.7 million) and NZ\$(3.9) million (HK\$(13.7) million) respectively. The comparative figures for the year ended 31st December 2000 were NZ\$102.3 million (HK\$358.1 million), NZ\$29.4 million (HK\$102.9 million) and NZ\$23.5 million (HK\$82.3 million) respectively. As at 31st December 2001, the audited shareholders' fund of TTP were stated at NZ\$351.5 million (HK\$1,230.3 million).

The principal activities of SEA are investment holding and those of its subsidiaries are property development, investment holding, garment manufacturing and trading of garments.

For the year ended 31st December 2001, the consolidated turnover, net profit before taxation and net profit after taxation and minority interests of SEA were HK\$656.5 million, HK\$74.4 million and HK\$35.9 million respectively. The comparative figures for the year ended 31st December 2000 were approximately HK\$775.7 million, HK\$107.3 million (as restated) and HK\$50.8 million (as restated) respectively. As at 31st December 2001, SEA's audited shareholders' fund were stated at HK\$2,624.9 million.

6. GENERAL INFORMATION

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

Yours faithfully
For and on behalf of
S E A Holdings Limited
Lu Ho
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. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the equity or debt securities of the Company and its associated corporations (within the meaning of the SDI Ordinance) which require notification pursuant to Section 28 of the SDI Ordinance (including interests which any such Director is taken or deemed to have under Section 31 of, or Part I of the Schedule to, the SDI Ordinance) or which are required to be entered into the register maintained by the Company under Section 29 of the SDI Ordinance or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange, were as follows:

(i) Shares

Name of Director	Personal Interests	Corporate Interests	Family and other Interests	Total
Lu Wing Lin	94,000	—	—	94,000

(ii) Options

Name of Director	Option Price	Exercise Period	Number of Shares which can be subscribed for under Share Option Scheme
Lu Wing Chi	\$1.85	11.8.1992 — 10.8.2002	10,000,000
	\$4.40	21.2.1994 — 20.2.2004	2,200,000
	\$1.44	4.12.2000 — 3.12.2010	12,500,000
Lu Wing Yuk, Andrew	\$1.85	11.8.1992 — 10.8.2002	3,000,000
	\$1.44	4.12.2000 — 3.12.2010	3,000,000
Lu Wing Lin	\$1.85	11.8.1992 — 10.8.2002	8,000,000
	\$2.78	18.11.1993 — 17.11.2003	3,500,000
	\$1.44	4.12.2000 — 3.12.2010	12,500,000

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had or were deemed to have any interests in the equity or debt securities of the Company and its associated corporations (within the meaning of the SDI Ordinance) which require notification pursuant to Section 28 of the SDI Ordinance (including interests which any such Director is taken or deemed to have under Section 31 of, or Part I of the Schedule to, the SDI Ordinance) or which are required to be entered into the register maintained by the Company under Section 29 of the SDI Ordinance or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 16(1) of the SDI Ordinance, and so far as is known to the Directors, the persons or corporations who were, directly or indirectly, interested in 10% or more of the issued share capital of the Company were as follows:

Substantial Shareholders	Number of Shares		%
	Direct Interests	Indirect Interests	
Nan Luen International Limited	244,523,811	—	47.83
JCS Limited	—	244,523,811 (<i>Note</i>)	47.83

Note: JCS Limited is deemed to have an interest in 244,523,811 shares under Section 8 of the SDI Ordinance by virtue of its direct controlling interest in Nan Luen International Limited.

Save as disclosed herein, as at the Latest Practicable Date, no other person was recorded in the register as having an interest in 10% or more of the issued share capital of the Company.

4. LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration or claim of material importance and, so far as the Directors are aware, no litigation or arbitration or claim of material importance is pending or threatened by or against the Company or any of its subsidiaries.

5. SERVICE CONTRACTS

None of the Directors has any existing or proposed service agreement with any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. MISCELLANEOUS

- (a) The Secretary of the Company is Mr. Wong Leung Wai, AHKSA, CPA, FCCA.
- (b) The Company's Hong Kong branch share registrar and transfer office is Standard Registrars Limited, which is situated at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (c) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.