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**THIS CIRCULAR IS SOLELY FOR YOUR INFORMATION AND YOU ARE ADVISED TO READ AND NOTE THE CONTENTS OF THIS CIRCULAR**

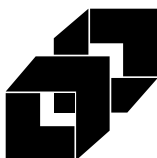
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**If you are in any doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares or warrants in S E A Holdings 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 was effected for transmission to the purchaser or transferee.

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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)*

**MAJOR TRANSACTION**  
**RELATING TO THE DISPOSAL OF**  
**PROPERTIES BY**  
**AUSTRALIAN GROWTH PROPERTIES LIMITED**

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A letter from the board of directors of S E A Holdings Limited is set out on pages 3 to 10 of this circular.

23rd June, 2003

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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the SEA Board</b>	
1. Introduction .....	3
2. Background to the sale .....	4
3. Details of the sale .....	4
4. Satisfaction of the conditions relating to the sale .....	7
5. Financial effects of the disposal on the AGP Group .....	7
6. Financial effects of the disposal on the SEA Group .....	8
7. Reasons for the sale .....	9
8. Use of proceeds .....	9
9. Information about the Company and AGP .....	9
10. Major Shareholders' consent .....	10
11. General .....	10
<b>Appendix I – Written consents of the Major Shareholders</b> .....	11
<b>Appendix II – Financial information relating to the SEA Group</b> .....	12
<b>Appendix III – General information</b> .....	14

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## DEFINITIONS

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

“AGP”	Australian Growth Properties Limited, a company incorporated in Australia with limited liability;
“AGP Board”	The Board of Directors of AGP;
“ASX”	The Australian Stock Exchange Limited;
“AUD”	Australian dollars;
“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;
“HK\$”	Hong Kong dollars;
“Latest Practicable Date”	19th June, 2003 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;
“Major Shareholders”	Collectively:  (a) Nan Luen International Limited, a company incorporated in Bermuda with limited liability which beneficially owns 48.8% of the issued share capital of the Company; and  (b) Kian Nan Trading Company Limited, a company incorporated in Hong Kong with limited liability which beneficially owns 2.8% of the issued share capital of the Company;
“NZX”	The New Zealand Exchange Limited;
“NZ\$”	New Zealand dollars;
“Property”	Collectively, three properties owned by the Vendors known as (i) 363 George Street, Sydney, (ii) 345 George Street, Sydney, and (iii) 24 York Street, Sydney;

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## DEFINITIONS

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“Purchaser”	Deka Immobilien Investment GmbH;
“Sale and Purchase Agreements”	The two sale and purchase agreements for the sale and purchase of the Property dated 2nd June, 2003 entered into between the Vendors and the Purchaser;
“SEA Group”	The Company and its subsidiaries;
“SFO”	Securities and Futures Ordinance (Cap. 571 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;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TTP”	Trans Tasman Properties Limited, a company incorporated in New Zealand with limited liability;
“Vendors”	363 George Street Pty Limited (in respect of 363 George Street, Sydney and 24 York Street, Sydney) and Tasman Properties (345 George Street) Pty Limited (in respect of 345 George Street, Sydney). The Vendors are wholly-owned subsidiaries of AGP.

*Note: For the purposes of the Company’s announcement dated 2nd June, 2003 and in this circular, unless stated otherwise, an exchange rate of AUD1.00 = HK\$5.0895 has been used. The exchange rate as at the close of business on the Latest Practicable Date was AUD1.00 = HK\$5.2100, calculated by taking the average of the buy and sell rates quoted on the South China Morning Post.*



**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)*

*Directors:*

Lu Wing Chi (*Chairman and 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

23rd June, 2003

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

Dear Sir or Madam,

**MAJOR TRANSACTION  
RELATING TO THE DISPOSAL OF  
PROPERTIES BY  
AUSTRALIAN GROWTH PROPERTIES LIMITED**

**1. INTRODUCTION**

On 3rd June, 2003, the Directors announced that the Vendors, which are wholly-owned subsidiaries of AGP, had entered into the Sale and Purchase Agreements for the sale of the Property to the Purchaser. The Purchaser is an independent third party 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).

# *For identification purpose only*

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## LETTER FROM THE SEA BOARD

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AGP is a 50.1% subsidiary of TTP which, in turn, is 55.2% owned by the Company.

Disposal of the Property by AGP constitutes a major transaction of the Company under the Listing Rules. Rule 14.13(2) of the Listing Rules provides that the Company must send to Shareholders, within 21 days of the publication of the announcement, a circular setting out information prescribed by the Listing Rules. The purpose of this circular is to give you further details of the sale and other information prescribed by the Listing Rules.

The Listing Rules also provide that a major transaction must be made conditional on approval by the Shareholders and that such approval may be obtained either by convening a general meeting or by means of the written approval of the transaction by one or more Shareholders holding in excess of 50% in nominal value of the securities giving the right to attend and vote at such general meeting. The Major Shareholders, consisting of a closely allied group of Shareholders, are beneficially entitled to approximately 51.6% of the issued share capital of the Company. The Major Shareholders have given their written approvals for the sale and the Company has applied for and the Stock Exchange has granted a waiver from the requirement of Rule 14.10. Accordingly, no Shareholders' meeting will be held to approve the disposal.

### 2. BACKGROUND TO THE SALE

On 5th May, 2003, following various discussions with CB Richard Ellis Pty Ltd and receipt of an offer from CB Richard Ellis Pty Ltd on behalf of their client, the Purchaser, AGP announced to the ASX that it had received a conditional offer to purchase the Property from an institutional investor and that the offer price was above the combined independent valuations, as at the year ended 31st December, 2002, of AUD385 million (HK\$1,959.5 million). On 6th May, 2003, the Company issued a similar announcement pursuant to Paragraph 2 of the Listing Agreement. In the announcement, the Company explained that the AGP Board had indicated that it was prepared to entertain the sale of the Property, but only after negotiation on appropriate terms and conditions. The offeror was allowed a short period to undertake due diligence and to confirm its proposal.

On 2nd June, 2003, the Sale and Purchase Agreements were signed. An announcement of the signing of the agreements was made by AGP to the ASX and trading of shares in both AGP and SEA were suspended on 2nd June, 2003 pending further announcements. On 3rd June, 2003, AGP, TTP and SEA formally announced the sale in Australia, New Zealand and Hong Kong respectively. Details of the sale are highlighted below.

### 3. DETAILS OF THE SALE

<b>Particulars of the assets being disposed:</b>	The three properties comprising the Property collectively form a commercial and office complex known as 363 and 345 George Street, Sydney, Australia.
<b>Aggregate Consideration:</b>	AUD397.0 million (HK\$2,020.5 million), payable on the Completion Date.
<b>Completion Date:</b>	The later of:  1. 1st July, 2003; or

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## LETTER FROM THE SEA BOARD

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2. 7 days after the date that the last of the conditions precedent referred to below has been satisfied.

### **Conditions Precedents:**

Completion is subject to and conditional upon:

1. The Treasurer of the Commonwealth of Australia giving to the Purchaser before the Completion Date:
  - 1.1. a notice that the proposed acquisition of the Property is not contrary to the national interest of Australia or that the Treasurer has no objection to the proposal in terms of the Australian Government's foreign investment policy; or
  - 1.2. a conditional or qualified notice that the proposed acquisition by the Purchaser of the Property is not contrary to the national interest of Australia or that the Treasurer has no objection to the proposal in terms of the Australian Government's foreign investment policy and the conditions or qualifications upon which the notice is given are acceptable to the Purchaser acting reasonably.
2. The Vendors obtaining the approval of the shareholders of AGP to the sale of the Property in accordance with Chapter 11 of the Listing Rules of the ASX and/or any other pre-sale requirements imposed by the ASX.
3. If required by the NZX, the approval of the shareholders of TTP to the sale of the Property being obtained in accordance with Rule 9.1.1 of the Listing Rules of the NZX and/or any other pre-sale requirements imposed by the NZX.
4. If required by the Stock Exchange, the approval of the shareholders of the Company to the sale of the Property being obtained in accordance with Chapter 14 of the Listing Rules and/or any other pre-sale requirements imposed by the Stock Exchange.

If the Sale and Purchase Agreements are rescinded because the shareholders of AGP do not approve the sale, the Vendors will pay the Purchaser a break fee of up to AUD0.5 million (HK\$2.5 million) representing approximately 0.13% of the purchase price.

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## LETTER FROM THE SEA BOARD

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**Guaranteed Income Support:** The Vendors and AGP have given a guarantee to the Purchaser that, for a maximum period of 36 months from the Completion Date, certain areas of the Property will receive an agreed minimum monthly rent until leased. A provision of AUD6.9 million (HK\$35.1 million) has been established by AGP against the consideration for the disposal to meet the associated costs of the guaranteed income support, and associated costs (see item 4 of the section “Other Relevant Conditions” below), in accordance with Australian generally accepted accounting principles.

**Other Relevant Conditions:**

1. The Property would be sold unencumbered subject to tenancies.
2. The sale of each property comprising the Property is conditional upon all properties being sold simultaneously.
3. AGP is responsible for payment of all incentives given to tenants in respect of existing leases.
4. AGP is required to meet certain post-sale incentives, marketing and support costs (see section “Guaranteed Income Support” above).
5. AGP is required to carry out certain post sale rectification and upgrade work in respect of the Property.

The gross consideration for the disposal of the Property is AUD397.0 million (HK\$2,020.5 million). After deducting provisions for Guaranteed Income Support and related costs, as mentioned in items 3, 4 and 5 of the section “Other Relevant Conditions” above, and estimated legal costs, in total deductions of AUD11.3 million (HK\$57.5 million), AGP expects to realise net proceeds from the disposal of AUD385.7 million (HK\$1,963.0 million).

AGP’s book value for the Property, based on combined independent valuations at 31st December, 2002 of AUD385.0 million (HK\$1,959.5 million) plus expenditure since that date, is AUD385.4 million (HK\$1,961.5 million). AGP therefore expects to realise a net gain of AUD0.3 million (HK\$1.5 million) from the sale.

The consideration for the sale was arrived at after arm’s length negotiation between AGP and the Purchaser. Apart from AGP’s legal fees incurred in connection with the sale, and fees incurred by the SEA Group in connection with complying with relevant stock exchange obligations, no other fees, whether to related parties or third parties, are payable by the Company or its subsidiaries in respect of the sale.

The current income yield to the AGP Group from the Property prior to the sale approximates 6.0% per annum based upon a current book value of AUD385.4 million (HK\$1,961.5 million).



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## LETTER FROM THE SEA BOARD

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### 4. SATISFACTION OF THE CONDITIONS RELATING TO THE SALE

The Company has been advised that the Treasurer of the Commonwealth of Australia has given to the Purchaser the approval referred to in item 1 of the section “Conditions Precedent” above.

A general meeting of the shareholders of AGP will be held on 25th July, 2003 to consider, and if thought fit, to approve the sale.

No meeting of the Company’s Shareholders will be held as written approval for the sale has been given by the Major Shareholders.

In addition, no meeting of TTP’s shareholders will be held as the NZX has granted TTP a waiver from the requirement to hold a shareholders’ meeting subject to, *inter alia*, AGP shareholders approving the sale of the Property and the Company giving a written confirmation to the NZX that, had a meeting been held to consider and approve the sale, it would vote in favour of the sale. The Company has given the written confirmation to the NZX. Other than the sale of the Property being approved by AGP shareholders, all other conditions specified by the NZX for the grant of the waiver have also been satisfied.

### 5. FINANCIAL EFFECTS OF THE DISPOSAL ON THE AGP GROUP

The Property represents approximately 80% of the assets of AGP. If the sale of the Property proceeds, approximately 78% of AGP’s assets will comprise cash or cash equivalent following repayment of the AUD200 million (HK\$1,017.9 million) revolving loan facility (currently drawn to AUD151 million (HK\$768.5 million)), which is secured against the Property.

If the sale of the Property proceeds, the principal remaining assets and liabilities of AGP based on book values as stated in the balance sheet dated 31st December, 2002 as adjusted by the sale and after allowing for repayment of the principal bank debt facility secured against the Property, will be:

	<i>AUD</i>	<i>HK\$</i>
<b>Principal Assets</b>		
Property and property related investment assets	\$74 million	\$376.6 million
Estimated cash (net of sundry assets and liabilities)	\$266 million	\$1,353.8 million
Total net cash and Investment Assets	\$340 million	\$1,730.4 million
<b>Principal Liabilities</b>	\$26 million	\$132.3 million
<b>Net Assets</b>	\$314 million	\$1,598.1 million

As at 31st December, 2002, the last formal assessment of the AGP Group’s tax loss position, the AGP Group had combined income tax and capital losses of AUD109.0 million (HK\$554.8 million), subject to continuation of conditions for deductibility imposed by the Australian tax legislation.

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## LETTER FROM THE SEA BOARD

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AGP has been advised that the AGP Group's carry forward tax losses will be reduced by capital gains totaling AUD72.0 million (HK\$366.4 million) arising on the disposal of the Property.

Accordingly, no taxation will be payable by AGP or the AGP Group in relation to the disposal of the Property.

### 6. FINANCIAL EFFECTS OF THE DISPOSAL ON THE SEA GROUP

If the sale of the Property proceeds, the SEA Group expects to record a modest profit on disposal of investment properties before and after minority interests of AUD34.5 million (HK\$175.6 million) and AUD9.5 million (HK\$48.4 million) respectively for the year ending 31st December, 2003.

On a pro-forma basis, assuming that the sale had taken place on 31st December, 2002, and therefore, reflected in the last audited consolidated balance sheet of the SEA Group as at 31st December, 2002, the assets and liabilities of the SEA Group will be:

	Balance Sheet as at 31st December, 2002	
	<i>Actual (HK\$m)</i>	<i>Proforma (HK\$m)</i>
Non-current assets	5,616.1	3,656.6
Current assets	1,633.9	2,875.7
Current liabilities	(741.4)	(741.4)
Minority interests	(1,446.7)	(1,446.7)
Non-current liabilities	<u>(2,598.9)</u>	<u>(1,881.2)</u>
<b>Shareholders' Funds</b>	<u>2,463.0</u>	<u>2,463.0</u>

The net operating profits after deducting operating expenses and finance costs derived from the Property were AUD8.9 million (HK\$45.3 million) and AUD13.5 million (HK\$68.7 million) for the two financial years ended 31st December, 2001 and 31st December, 2002 respectively. This represents 44.5% and 65.5% of the Company's audited consolidated profit before taxation for the two financial years ended 31st December, 2001 and 31st December, 2002 of HK\$101.7 million and HK\$104.9 million respectively, after excluding non-recurring items (being net loss on investments and properties, impairment loss recognised in respect of goodwill on acquisition of subsidiaries and release of negative goodwill).

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## LETTER FROM THE SEA BOARD

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### 7. REASONS FOR THE SALE

The AGP Board has formed a view to recommend the sale of the Property after taking into account property market and general economic indicators.

It is incumbent on a property development and investment company to time the sale and purchase of assets to maximise returns. AGP's directors believe it is appropriate to sell these assets at this time. AGP's directors do not believe total returns from the Property in the short to medium term will be adequate to meet profit expectations of AGP's shareholders.

No higher offer was received for the Property following AGP's 5th May, 2003 announcement of the conditional offer to purchase the Property.

The AGP Board unanimously recommends that AGP's shareholders approve the sale of the Property.

### 8. USE OF PROCEEDS

The AGP Board is still giving consideration to the use of the proceeds of the disposal. The AGP Board has retained the corporate advisory firm Caliburn Partnership to undertake a strategic review to assist it in its deliberations by considering all options for the optimal use of the proceeds. The AGP Board expects to consider Caliburn Partnership's advice together with legal and tax advice when it is finalized in due course.

The AGP Board recognises the importance of the decision to be made as to the use of the proceeds from the disposal of the Property.

The Company has been advised that the AGP Board will come to a decision in a prudent period of time after giving careful consideration to the options available and will advise AGP's shareholders accordingly if its current strategy is to be varied.

### 9. INFORMATION ABOUT THE COMPANY AND AGP

The Company is an investment holding company. The activities of its principal subsidiaries are investment holding, property and asset management, garment manufacturing and trading and property investment.

For the year ended 31st December, 2002, the consolidated turnover, net profit (loss) before taxation and net profit (loss) after taxation and minority interests of the Company were HK\$741.5 million, HK\$(316.2) million and HK\$(200.8) million respectively. The comparative figures for the year ended 31st December, 2001 were approximately HK\$602.4 million, HK\$74.4 million and HK\$35.9 million respectively. As at 31st December, 2002, the Company's equity attributable to shareholders were stated at HK\$2,463.0 million.

AGP is an Australian public listed investment holding company whose principal assets are investment properties in Australia. The Property represents approximately 80% of the assets of AGP.

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## LETTER FROM THE SEA BOARD

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For the year ended 31st December, 2002, the consolidated turnover, net profit before taxation and net profit after taxation and minority interests of AGP were AUD84.8 million (HK\$431.6 million), AUD18.2 (HK\$92.6 million) and AUD18.3 million (HK\$93.1 million) respectively. The comparative figures for the year ended 31st December, 2001 were AUD137.7 million (HK\$700.8 million), AUD13.7 million (HK\$69.7 million) and AUD13.7 million (HK\$69.7 million) respectively. As at 31st December, 2002, equity attributable to shareholders of AGP were stated at AUD311.7 million (HK\$1,586.4 million).

### **10. MAJOR SHAREHOLDERS' CONSENT**

As stated above, the Major Shareholders, beneficially entitled to approximately 51.6% of the issued share capital of the Company, have given their consents to the sale. Hence, no general meeting of the Shareholders will be held to approve the sale.

The Major Shareholders do not have any interest in the sale which is different to other Shareholders and, accordingly, had any general meeting been convened for the purposes of approving the disposal, the Major Shareholders would have been entitled to attend and vote.

### **11. GENERAL**

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

Yours faithfully  
For and on behalf of  
**S E A HOLDINGS LIMITED**  
**Lu Wing Chi**  
*Chairman*

To: S E A Holdings Limited (the “Company”)

We, the undersigned, holding beneficially in excess of 50% of the issued share capital of the Company NOTE as follows:–

1. That Australian Growth Properties Limited (“AGP”) is a subsidiary of Trans Tasman Properties Limited which, in turn, is a subsidiary of the Company.
2. That the directors of AGP have proposed to dispose to Deka Immobilien Investment GmbH certain properties owned by AGP known as 363 and 345 George Street, Sydney and 24 York Street, Sydney pursuant to the terms referred to in the press announcement attached to these written resolutions (the “Disposal”).
3. That, under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Disposal constitutes a major transaction of the Company and, as such, requires the consent of the shareholders of the Company.
4. That the Stock Exchange of Hong Kong Limited has consented to such consent of the shareholders of the Company being given by way of written approval of the Major Shareholders.

Accordingly, we hereby resolve that the Disposal be and is hereby approved and authorised.

Dated this 3rd day of June, 2003.

For and on behalf of  
**NAN LUEN INTERNATIONAL LTD**  
*Authorised signatory*

For and on behalf of  
**KIAN NAN TRADING COMPANY LTD**  
*Authorised signatory*

### **1. INDEBTEDNESS**

As at the close of business on 31st May, 2003, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, TTP had issued and outstanding 41,425,100 bonds. The bonds have a principal amount of NZ\$1.00 and bear interest at the rate of 10% per annum, payable quarterly in arrears. They are secured by way of a floating charge over the assets of TTP and mature on 27th June, 2007.

As at 31st May, 2003, the SEA Group had outstanding other borrowings or indebtedness in the nature of borrowing (including bank overdrafts and liabilities under acceptances (other than normal trade bill) or acceptance credits or hire purchase commitments) of approximately HK\$2,873.2 million (of which approximately HK\$2,676.8 million was secured by investment properties, bank deposits and listed shares in subsidiaries).

As at 31st May, 2003, the SEA Group had pledged certain properties with a carrying value of approximately HK\$6,037.6 million and bank deposits of approximately HK\$133.0 million to secure banking facilities granted to the SEA Group.

As at 31st May, 2003, the SEA Group had contingent liabilities and guarantees of approximately HK\$55.8 million in respect of guarantees for repayment of a bank loan and facilities granted.

### **2. WORKING CAPITAL**

The net proceeds of the disposal, after taking account of provision relating to the disposal, is AUD385.7 million (HK\$1,963.0 million). The amount of loan outstanding which is subject to repayment is AUD151 million (HK\$768.5 million). After the repayment of bank loans from the sale proceeds, and taking account of AGP's other cash resources, AGP will still retain in excess of an estimated AUD250 million (HK\$1,272.4 million) in cash. Accordingly, the disposal has a positive effect on AGP's working capital position. Outside the AGP Group, the transaction should have a neutral effect on the TTP Group or the SEA Group.

The Directors of the Company are of the opinion that after taking into account the present banking facilities and proceeds received from the disposal of the Property, the Group has sufficient working capital for its present requirements.

**3. FINANCIAL AND TRADING PROSPECTS OF THE SEA GROUP**

The Directors believe that the business environment will continue to be challenging and the property market sentiment may vary quite significantly in different areas of the Asia-Pacific region. As a property development and investment company, the Group remains flexible and responsive to varying market conditions occurred in different geographical areas and strives to capture opportunities and tap on markets with high potential growth. Overall, the Group will adopt a prudent and cautious investment strategy.

The Group, anticipates, barring unforeseen circumstances, that it will achieve a positive earnings result for the 1st half of 2003.

**4. MATERIAL ADVERSE CHANGE**

Save as disclosed herein, the Directors are not aware of any material adverse changes in the financial or trading position of the SEA Group since 31st December, 2002, the date of the latest published audited accounts of the SEA Group.

## 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' DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives 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) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were 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:

### Interests in the Shares\* of Company

Name of Director	Number of Shares*				Total	% interests
	Personal Interests	Corporate Interests	Family Interests	Other Interests		
Lu Wing Chi	14,700,000	–	–	–	14,700,000	2.88
Lu Wing Yuk	3,000,000	–	–	–	3,000,000	0.59
Lu Wing Lin	16,094,000	–	–	–	16,094,000	3.15

\* As defined in the SFO (Section 311), a reference to interests in shares comprised in the relevant share capital of a listed corporation includes a reference to interests in shares so comprised, which are the underlying shares of equity derivatives.



**Interests in equity derivatives (as defined in the SFO) of the Company**

As at the Latest Practicable Date, certain Directors have outstanding share options granted pursuant to the Company's Share Option Scheme, details of which were as follows:

Name of Director	Exercise Price (HK\$)	Exercise Period	Consideration (HK\$)	Number of Shares
				which can be subscribed for under Share Option Scheme
Lu Wing Chi	4.40	21.2.1994 – 20.2.2004	10.00	2,200,000
	1.44	4.12.2000 – 3.12.2010	10.00	12,500,000
Lu Wing Yuk, Andrew	1.44	4.12.2000 – 3.12.2010	10.00	3,000,000
Lu Wing Lin	2.78	18.11.1993 – 17.11.2003	10.00	3,500,000
	1.44	4.12.2000 – 3.12.2010	10.00	12,500,000

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executives of the Company or their respective associates had any interests or short position 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), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO) or which were required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

**3. SUBSTANTIAL SHAREHOLDERS' DISCLOSURE OF INTERESTS**

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, persons (other than a Director or chief executive of the Company) who had interest or short position in the shares or underlying shares of 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 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 SEA Group were as follows:

**Interests in the Company**

Substantial Shareholders	Number of Shares		% Interests
	Direct Interests	Indirect Interests	
JCS Limited	–	323,177,623	63.21
Eaver Company Limited	321,674,554	–	62.92
Nan Luen International Limited	321,066,554	–	62.80
Pacific Rose Enterprises Limited	35,537,130	–	6.95
Cypress Gold Limited	27,725,000	–	5.42

Save as disclosed, the Directors are not aware of any other person who, as at the Latest Practicable Date, had an interest or short position in the shares or underlying shares of 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, or who was, 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 SEA Group.

#### 4. MATERIAL CONTRACTS

No contract, not being contracts entered into in the ordinary course of business, has been entered into by any member of the SEA Group within the two years immediately preceding the date of this circular and is or may be material.

#### 5. LITIGATION

5.1 (a) GPG Nominees Pty Limited has filed proceedings in the Federal Court of Australia against AGP, TTP and Trans Tasman Properties (AGP) Pty Limited (“TTP (AGP)”).

(b) GPG seeks three separate orders:

(i) to restrain AGP from acting on any resolution by the board of AGP to remove AGP Management Limited (“AGPM”) as manager of AGP under the existing Management Agreement and/or to appoint a new manager in place of AGPM unless the resolution has been passed by the majority of the directors of AGP who are independent of TTP and TTP (AGP).

(ii) to require AGP, by resolution of its directors who are independent of TTP and TTP (AGP) to replace AGPM as manager of the AGP property portfolio with 90 days of the order or such other time as may be ordered by the Court.

(iii) to require AGP to terminate the appointment of AGPM as manager of the AGP property portfolio with 90 days (or such other period as the Court deems appropriate).

AGP, TTP and TTP (AGP) have all filed statements of defence and it is the intention of each to vigorously defend these proceedings.

5.2 In February, 2003, Latimer Holdings Limited (“Latimer”) filed a statement of claim against SEA Holdings New Zealand Limited (“SEANZ”), an indirect wholly-owned subsidiary of the Company, and TTP under Section 174 of the New Zealand Companies Act 1993 alleging that the affairs of TTP has been conducted in a manner which is oppressive, unfairly discriminatory or unfairly prejudicial to Latimer and other minority shareholders. Latimer sought an order for its shares in TTP to be bought out. The original claim was subsequently amended and the action against TTP has been discontinued. The Directors, based on the advice of its New Zealand legal advisers, believe that the claim is without merit. SEANZ has entered its defence in relation to the claim.

Save as disclosed herein, 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.

## **6. SERVICE CONTRACTS**

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

## **7. DIRECTORS' INTERESTS IN CONTRACTS**

So far as the Directors are aware and, save as disclosed herein, as at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have been, since 31st December, 2002 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the SEA Group; and
- (b) none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular which was significant in relation to the business of the SEA Group.

## **8. MISCELLANEOUS**

- (a) The Secretary of the Company is Mrs. Jenifer Sin, *MBA, LLB, FCIS*.
- (b) The Company's Hong Kong branch share registrar and transfer office is Standard Registrars Limited, which is situated at 28th Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (c) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the office of Stephenson Harwood & Lo, 18th Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong, up to and including 8th July, 2003:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the audited financial statements of the SEA Group for the two years ended 31st December, 2002.