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If you have sold all your shares and/or warrants in S E A Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy 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

爪哇控股有限公司 #

(Incorporated in Bermuda with limited liability)

(Stock Code: 251)

**PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE OF EXISTING SHARES AND WARRANTS,
ADOPTION OF CHINESE NAME AND
AMENDMENTS TO THE BYE-LAWS OF THE COMPANY**

A notice convening a special general meeting of the Company to be held at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong at 12:00 noon (or as soon thereafter as the annual general meeting of the Company convened for that day and place shall have been concluded or adjourned) on 12th May, 2004 is set out on pages 8 to 19 of this circular. Whether you are able to attend or not, please complete and return the form of proxy accompanying this circular to the principal office of the Company in Hong Kong as soon as possible and, in any event, not later than 12:00 noon on 10th May, 2004. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting if you wish.

LETTER FROM THE BOARD



SEA HOLDINGS LIMITED

爪哇控股有限公司 #

(Incorporated in Bermuda with limited liability)

(Stock Code: 251)

Directors:

Lu Wing Chi (*Chairman and Managing Director*)

Lu Yong Lee*

Lu Wing Yuk, Andrew

Lu Wing Lin

Lincoln Lu

Lambert Lu

Walujo Santoso, Wally**

Leung Hok Lim**

* *Non-executive director*

** *Independent non-executive directors*

Registered Office:

Clarendon House

Church Street

Hamilton, HM11

Bermuda

Principal office:

26th Floor

Dah Sing Financial Centre

108 Gloucester Road

Wanchai, Hong Kong

19th April, 2004

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,

**PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE OF EXISTING SHARES AND WARRANTS,
ADOPTION OF CHINESE NAME AND
AMENDMENTS TO THE BYE-LAWS OF THE COMPANY**

INTRODUCTION

The purpose of this circular is to provide shareholders with more information relating to the grant of general mandates to the directors of the Company (the "Directors") to issue new shares in the Company ("Shares") and to repurchase existing Shares and warrants issued by the Company ("Warrants") (collectively, the "General Mandates"), the adoption of a Chinese name for the Company and the amendments to the Bye-laws of the Company.

for identification purposes only

LETTER FROM THE BOARD

GENERAL MANDATES

At the Special General Meeting to be held on 12th May, 2004, ordinary resolutions will be proposed to grant to the Directors general mandates (i) to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing such resolution; (ii) to repurchase existing Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue and Warrants carrying not exceeding 10% of the aggregate subscription rights attaching to the Warrants outstanding, respectively, at the date of passing such resolution (the “Repurchase Mandate”); and (iii) to add to the mandate granted under (i) above, any Shares repurchased by the Company under the mandate granted under (ii) above.

The explanatory statement, required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to be given to shareholders concerning the Repurchase Mandate, is set out in the Appendix to this circular and contains all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

PROPOSED ADOPTION OF CHINESE NAME

As an overseas company is now allowed to register a Chinese name in Hong Kong notwithstanding the fact that only the English name appears in its certificate of incorporation, the Directors propose to seek Shareholders’ approval on the adoption of “爪哇控股有限公司” as the Company’s Chinese name for the purpose of registration in Hong Kong and for identification purposes only. Adoption of the Chinese name is subject to the passing of a special resolution by the Shareholders at the Special General Meeting and the approval of the Registrar of Companies in Hong Kong. A further announcement will be made in this connection upon the adoption of the Chinese name becoming effective.

The proposed adoption of the Chinese name will not affect any of the rights of the Shareholders and Warrantholders and all existing share certificates and warrant certificates in issue bearing only the English name will, after the adoption of the Chinese name, continue to be effective as documents of title of the Shares and Warrants and be valid for trading, settlement and registration purposes.

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO BYE-LAWS

With the coming into effect of the Securities and Futures Ordinance on 1st April, 2003, the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong) was repealed. Accordingly, the Directors consider that the Bye-laws should be amended so as to delete the reference to the repealed ordinance.

On 30th January, 2004, the Stock Exchange announced that subject to certain transitional arrangements, amendments to the Listing Rules relating to corporate governance issues took effect on 31st March, 2004. In order to bring the Bye-laws in line with the changes brought upon by the amendment to Appendix 3 to the Listing Rules, the Directors consider that the Bye-laws should be amended.

In addition, the Directors wish to take this opportunity to review the other parts of the Bye-laws of the Company to reflect other recent changes in the Listing Rules and market practices, including the addition of new provisions in the Bye-laws in relation to electronic communication. The full text of the proposed amendments to the Bye-laws is set out in Resolution No. 3 of the notice of the Special General Meeting set out on pages 8 to 19 of this circular.

SPECIAL GENERAL MEETING

Notice of the Special General Meeting is set out on pages 8 to 19 of this circular and a form of proxy in beige for use at the Special General Meeting is enclosed for your attention. If you are not able to attend the Special General Meeting, you are requested to complete and return the form of proxy accompanying this circular to the principal office of the Company in Hong Kong at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong as soon as possible and, in any event, so as to be received at least 48 hours before the time fixed for holding of the Special General Meeting.

PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to Bye-law 58 of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by (a) the chairman of the meeting; or (b) not less than three shareholders of the Company present in person or by proxy; or (c) a shareholder or shareholders of the Company present in person or by proxy and holding shares in the Company conferring a right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right. For these purposes, a demand by a person as proxy for a shareholder or in the case of a shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a shareholder.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the proposals referred to above are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend shareholders to vote in favour of the relevant resolutions to be proposed at the Special General Meeting.

Yours faithfully

For and on behalf of the Board of

S E A HOLDINGS LIMITED

Lu Wing Chi

Chairman and Managing Director

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules to be given to shareholders to enable them to make an informed decision on whether to vote for or against the resolutions relating to the Repurchase Mandate.

EXERCISE OF THE REPURCHASE MANDATE

As at 13th April, 2004 being the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”), the issued share capital of the Company comprised 511,246,868 Shares and there were outstanding Warrants carrying rights to subscribe approximately in aggregate for 121,019,850 Shares, each at a subscription price of HK\$1.38 per Share.

Assuming that no further shares or warrants will be issued or repurchased prior to the date of the forthcoming Annual General Meeting, exercise in full of the Repurchase Mandate would result in up to a maximum of 51,124,686 Shares and Warrants carrying rights to subscribe for 12,101,985 Shares being repurchased by the Company during the Relevant Period.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares and Warrants of the Company. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or the earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company, its shareholders and warrant holders.

FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, the Company may only apply funds legally available for repurchases in accordance with the laws of Bermuda and the Memorandum of Association and the Bye-laws of the Company.

Funds for a repurchase of Shares, to the extent of the nominal value attributable to the repurchased Shares, may be paid out of the capital paid up thereon or out of the proceeds of a new issue of shares made for the purpose or from the funds of the Company otherwise available for dividend or distribution. The premium over the nominal value of the repurchased Shares may be paid out of the share premium account before the shares are repurchased or the funds of the Company otherwise available for dividend or distribution.

If the Repurchase Mandate were to be exercised in full, there might be a material adverse effect on the working capital or gearing position of the Company and its subsidiaries (the “Group”) which in the opinion of the Directors is from time to time appropriate for the Group (as compared with the position disclosed in the audited consolidated financial statements as at 31st December, 2003). The Directors do not currently envisage the exercise of the Repurchase Mandate to such an extent, unless the Directors are of the view that such repurchases will, taking into account of all the relevant factors, be in the best interests of the Group.

SHARE AND WARRANT PRICES

The highest and lowest prices at which Shares and Warrants of the Company have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:—

	Shares		Warrants	
	Highest HK\$	Lowest HK\$	Highest HK\$	Lowest HK\$
2003				
April	0.850	0.840	— *	— *
May	1.000	0.860	— *	— *
June	1.250	0.970	— *	— *
July	1.070	1.010	— *	— *
August	1.320	1.040	— *	— *
September	1.650	1.260	— *	— *
October	1.750	1.430	— *	— *
November	1.670	1.580	— *	— *
December	1.740	1.630	— *	— *
2004				
January	2.050	1.660	0.700	0.700
February	2.425	1.890	— *	— *
March	2.400	1.970	1.370	1.370

* There was no transaction during the month.

The Company has not made any purchase of Shares and Warrants (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

GENERAL

None of the Directors nor, to the best of their knowledge and belief and having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares or Warrants to the Company or its subsidiaries under the Repurchase Mandate if such Repurchase Mandate is approved by the shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

If as a result of a share repurchase by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder or a group of shareholders acting in concert could, depending on the level of increase in their shareholding interest(s), obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Nan Luen International Limited ("Nan Luen") was beneficially interested in approximately 50.20% of the issued share capital of the Company. In the preceding 12 months prior to the Latest Practicable Date, the lowest percentage holding of Nan Luen in the issued share capital of the Company was approximately 48.76%. In the event that the Company exercises the Repurchase Mandate in full, the beneficial interest of Nan Luen in the Company will increase to approximately 55.78%. Accordingly, the exercise of the Repurchase Mandate, depending on the timing and the extent of the repurchases, may give rise to an obligation on the part of Nan Luen to make a mandatory offer for all the issued securities of the Company pursuant to Rule 26 of the Takeovers Code. At present, the Company has no intention to exercise the Repurchase Mandate in such way and to such an extent that would cause a mandatory offer obligation for Nan Luen to arise.

Nan Luen's shareholding in the Company crossed the 50% level on 3rd October, 2003. Under the Takeovers Code, assuming that Nan Luen's shareholding in the Company does not subsequently fall below 50%, Nan Luen will no longer be subject to any mandatory offer obligation as a result of repurchases or otherwise after 3rd October, 2004.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares and/or Warrants to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by shareholders.

NOTICE OF SPECIAL GENERAL MEETING



S E A HOLDINGS LIMITED

爪哇控股有限公司 #

(Incorporated in Bermuda with limited liability)

(Stock Code: 251)

NOTICE IS HEREBY GIVEN that a Special General Meeting (the “SGM”) of S E A Holdings Limited (the “Company”) will be held at the principal office of the Company at 26/F., Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong, on Wednesday, 12th May, 2004 at 12:00 noon (or as soon thereafter as the annual general meeting of the Company convened for that day and place shall have been concluded or adjourned) for the following purposes:

1. To consider and, if thought fit, pass with or without modification the following resolutions as Ordinary Resolutions:
 - (A) “**THAT** the granting of an unconditional general mandate to the directors of the Company (the “Directors”) to allot, issue and otherwise deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers, subject to the following conditions, be and is hereby generally and unconditionally approved:
 - (a) such mandate shall not extend beyond the Relevant Period (as defined below) save that the Directors may during the Relevant Period make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
 - (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company, or any securities which are convertible into ordinary shares of the Company; (iii) any employee share option scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; and (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall

for identification purposes only

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not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution, and the said approval shall be limited accordingly;

- (c) such mandate shall be additional to the authority given to the Directors at any time to allot and issue additional shares of the Company arising from the exercise of subscription rights under any warrants or the exercise of any options under any employee share option scheme of the Company; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; or
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors made to holders of shares and/or warrants, as the case may be, whose names appear on the Register of Members and the Register of Warrantholders of the Company on a fixed record date in proportion to their then holdings of such shares and/or warrants thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

- (B) **“THAT** the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company (the “Shares”) and to repurchase warrants (the “Warrants”) issued by the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognized for this purpose by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Repurchases, and that the exercise by the Directors of all powers of the Company to purchase the Shares and the Warrants

NOTICE OF SPECIAL GENERAL MEETING

subject to and in accordance with all applicable laws, rules and regulations, be and are hereby generally and unconditionally approved, subject to the following conditions:

- (a) such mandate shall not extend beyond the Relevant Period;
- (b) such mandate shall authorize the Directors to procure the Company to repurchase the Shares and the Warrants at such prices as the Directors may at their discretion determine;
- (c) the aggregate nominal amount of the Shares and the subscription rights attaching to the Warrants to be repurchased by the Company pursuant to this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital in issue and 10% of the aggregate subscription rights attaching to the Warrants outstanding, respectively, as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution, “Relevant Period” means the period from the date of passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; or
 - (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** conditional upon the passing of Resolutions nos. 1(A) and 1(B) as set out in the Notice convening this meeting, the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and in accordance with Resolution no. 1(B) shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with Resolution no. 1(A).”

2. To consider and, if thought fit, pass the following resolution as a **Special Resolution**:

“**THAT** “爪哇控股有限公司” be adopted as the Chinese name of the Company and THAT such Chinese name be filed and/or registered with the Registrar of Companies in Hong Kong under Part XI of the Companies Ordinance (Chapter 32 of the Laws of

NOTICE OF SPECIAL GENERAL MEETING

Hong Kong) and the directors of the Company be and are hereby authorised to do all such acts, deeds and things as they may, in their absolute discretion, deem fit, to effect and implement such adoption of Chinese name by the Company.”

3. To consider and, if thought fit, pass the following resolution as a **Special Resolution**:

“**THAT** the Bye-laws of the Company be and are hereby amended in the following manners:

Bye-law 1

1. By deleting the existing definition of “clearing house” and adding the following new definitions in Bye-law 1:

“associate the meaning attributed to it in the rules of the designated stock exchange.

clearing house a clearing house recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.

designated stock exchange The Stock Exchange of Hong Kong Limited or such other appointed stock exchange for the purposes of the Act if the issued ordinary share capital of the Company is listed on such stock exchange.

electronic communication a communication sent by electronic transmission in any form through any medium.”

2. By inserting the following paragraphs after the paragraph “Subject as aforesaid, any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these Bye-Laws” in Bye-law 1:

“Expressions referring to “writing” or “written” shall be construed as including printing, lithography, xerography, photography or other modes of representing or reproducing words or figures in a permanent visible form or, to the extent permitted by and in accordance with all applicable Statutes, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words or figures partly in one visible form and partly in another visible form.

NOTICE OF SPECIAL GENERAL MEETING

References to a document being executed include references to it being executed under hand or under seal or, to the extent permitted by and in accordance with all applicable Statutes, rules and regulations, by electronic signature or by any other method. References to a notice or document, to the extent permitted by and in accordance with all applicable Statutes, rules and regulations, include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.

For the purposes of these Bye-laws, a notice or document (including an electronic communication) purporting to come from a Member or any other person (including duly appointed attorneys or duly authorised representatives thereof) shall in the absence of express evidence to the contrary available to the Company at the relevant time be deemed to be a notice or document executed by such persons in the terms in which the notice or document is received.”

Bye-law 37

By deleting the words “in at least one leading English language daily newspaper and one leading Chinese language daily newspaper circulating in the Relevant Territory” and replacing them with the words “, where applicable, any other newspaper in accordance with the requirements of any designated stock exchange or by any means in such manner as may be accepted by the designated stock exchange to that effect” in Bye-law 37.

Bye-law 58

By renumbering the existing Bye-law 58(c) as Bye-law 58(d) and by inserting the following new Bye-law 58(c):

“(c) by a Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at such meeting; or”

Bye-law 66A

By inserting a new Bye-law 66A after the existing Bye-law 66:

“66A. Where any Member is, under the rules of the designated stock exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

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Bye-law 93

By deleting the words “not less than seven nor more than forty-two days (inclusive of the date on which the notice is given) before the date appointed for the meeting” and replacing with the words “during a period of not less than seven days commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting” in Bye-law 93.

Bye-law 101

1. By deleting the first sentence of Bye-law 101(A) and replacing it with the following sentence:

“101. (A) If a Director or any of his associates is in any way, whether directly or indirectly, interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (each being in paragraphs (A), (B) and (C) of this Bye-law referred to as a “transaction”), the Director shall declare the nature of his interest or that of his associates at a meeting of the Board in accordance with the Statutes.”

2. By deleting the words “a Director is to be regarded” in the 1st line of Bye-law 101(A)(i) and replacing them with “a Director or any of his associates is to be regarded” and by adding the words “or any of his associates” immediately before the words “has an interest in any such transaction of the nature and extent so specified” in Bye-law 101(A)(i).

3. By deleting Bye-law 101(B) in its entirety and replacing it with the following:

“(B) A Director shall not, as a Director, vote in respect of any transaction in which to his knowledge he or any of his associates has a material interest and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting, but (in the absence of some other material interest than is mentioned below) none of these prohibitions shall apply to:

- (i) the giving to any Director or any of his associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

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- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security; or
- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer; or
- (iv) any transaction concerning any other corporation in which the Director or any of his associates does not have a material interest (as defined below); or
- (v) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (1) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associates may benefit; or
 - (2) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, their associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
- (vi) any contract or arrangement in which the Director or his associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;

and so that the interest of a Director or of any of his associates shall not be treated as material in the case of any proposal concerning any company other than the Company in which the Director or any of his associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his associates is/are

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beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights.”

4. By adding the words “or any of his associates” immediately after the words “any transaction in which he” in Bye-law 101(C).
5. By deleting the words “he has no” in the 5th line of Bye-law 101(D) and replacing them with the words “neither he nor any of his associates has any”.
6. By deleting the words “a Director’s interest” in the 1st and 2nd lines of Bye-law 101(E) and replacing them with the words “the interest of a Director or that of his associates”, adding the words “or that of his associates” immediately after the words “interests of the Director concerned” in the 5th and 6th lines of Bye-law 101(E), and adding the words “or his associates” immediately after the words “any interest of the Chairman” in the 7th line of Bye-law 101(E).

Bye-law 134

By inserting a new Bye-law 134(E) after the existing Bye-law 134(D):

- “(E) The requirement to send to a person referred to in Bye-law 134(D) the documents referred to in that provision shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations including without limitation the rules of the designated stock exchange, the Company publishes copies of such documents on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”

Bye-law 137

By deleting the words “fourteen days” appearing in the third and fourth line of Bye-law 137 and replacing them with the words “twenty-one days”, and by deleting the words “If after a notice of the intention to nominate an Auditor has been so given an Annual General Meeting is called for a date fourteen days or less after that notice has been given, the notice, though not given within the time required by this provision, shall be deemed to have been properly given for the purposes thereof, and the notice to be sent or given by the Company may instead of being sent or given within the time required by this provision be sent or given at the same time as the notice of the Annual General Meeting”.

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Bye-law 142

By deleting Bye-law 142 in its entirety and replacing it with the following:

“142. (A) Subject to Bye-law 142(B) any notice, document or other publication by the Company (including any “corporate communication” as defined in the rules of the designated stock exchange) may be given or issued by the Company through the following means:

- (i) by serving it personally on the relevant person;
- (ii) by sending it through the post in a prepaid envelope or wrapper addressed to a member at his registered address as appears in the Register of Members (or in the case of other person, to such address as he may provide). Where such address as aforesaid is outside the Relevant Territory, notice given by post shall be sent by prepaid airmail letter;
- (iii) by delivering or leaving it at such address as aforesaid;
- (iv) by placing an advertisement in appointed newspaper or in newspaper or publication in accordance with the requirements of the designated stock exchange for such period as the Board may think fit;
- (v) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (vi) by publishing it on the Company’s computer network to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the notice, document or publication is available on the Company’s computer network (a “Notice of Publication”); or
- (vii) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.

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- (B) Any Notice of Publication may be given or issued by any of the means mentioned in Bye-law 142(A), other than the means specified in paragraph (vi) thereof.
- (C) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register of Members, and notice so given shall be sufficient notice to all the joint holders.
- (D) Any notice, document or other publication by the Company may be given or issued by the Company either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

Bye-law 143

By deleting Bye-law 143 in its entirety and replacing it with the following:

“143. Any notice, document or other publication (including any “corporate communication” as defined in the rules of the designated stock exchange) given or issued by or on behalf of the Company:

- (A) if served by post, shall be deemed to have been served when the envelope containing the same is put into a post office situated within the Relevant Territory and in proving such service it shall be sufficient to prove that the letter containing the notice, document or publication was properly addressed, prepaid and put into such post office;
- (B) if sent or transmitted as an electronic communication, shall be deemed to have been served at the time when the notice, document or publication is transmitted electronically provided that no notification that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender’s control shall not invalidate the effectiveness of the notice, document or publication being served;
- (C) if published on the Company’s computer network, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company’s computer network to which the relevant person may have access or the day on which the Notice of Publication is deemed to have been served or delivered to such person under these Bye-laws, whichever is later;

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- (D) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery; or
- (E) if published as an advertisement in a newspaper or other publication permitted under Bye-law 142(A)(iv), shall be deemed to have been served on the day on which the advertisement first so appears,

and in proving the service or delivery of the notice, document or other publication in any of the means as aforesaid, a certificate in writing signed by the Secretary or other officer of the Company that the notice, document or publication was so served or delivered shall be conclusive evidence of the service or delivery. “

Bye-law 144

By deleting Bye-law 144 in its entirety and replacing it with the following:

“144. A person entitled to a share in consequence of the death or bankruptcy of a Member upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, and upon supplying also an address for the service of notices, shall be entitled to have served upon him in any of the means specified in Bye-law 142 any notice, document or publication to which the Member but for his death or bankruptcy would have been entitled, and such service shall for all purposes be deemed a sufficient service of such notice, document or publication on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice, document or publication given or issued by the Company to any Member in pursuance of these Bye-laws shall, notwithstanding that such Member be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or in liquidation, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or first-named joint holder. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the Register of Members shall have been duly given to the person from whom he derives his title to such share.”

By Order of the Board
Jenifer Sin
Company Secretary

Hong Kong, 16th April, 2004

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Notes:

- (1) Any member of the Company entitled to attend and vote at the SGM is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (2) To be valid, a proxy form, (together with a power of attorney or other authority, if any, under which the proxy form is signed or a notarially certified copy thereof) must be lodged at the principal office of the Company at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
- (3) Members are recommended to read the circular of the Company containing information concerning the resolutions proposed in this notice.

The directors of the Company as at the date of this notice are as follows:

Executive Directors:

Lu Wing Chi (*Chairman and Managing Director*); Lu Wing Yuk, Andrew; Lu Wing Lin; Lincoln Lu; Lambert Lu

Non-Executive Director:

Lu Yong Lee

Independent Non-Executive Directors:

Waluyo Santoso, Wally; Leung Hok Lim