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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**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 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 transferee or to the banker, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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 contained in this circular misleading.



### S E A HOLDINGS LIMITED 爪哇控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 251)

## PROPOSED TERMINATION OF THE OLD SHARE OPTION SCHEME AND THE ADOPTION OF NEW SHARE OPTION SCHEME

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A notice convening the special general meeting of the Company to be held at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong on 19 August 2005 at 11:30 a.m. is set out on pages 18 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 48 hours before the time appointed for holding the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof if you wish.

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## DEFINITIONS

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*In this circular (other than in the notice of the special general meeting), the following expressions have the meanings set out below unless the context otherwise requires:*

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|---------------------------|--|
| “Adoption Date”           | the date on which the resolution relating to the New Share Option Scheme of the Company is adopted;  |
| “Associate(s)”            | has the meaning ascribed to it under the Listing Rules;  |
| “Board”                   | board of Directors;  |
| “Business Day”            | any day on which the Stock Exchange is open for the business of dealing in securities;   |
| “Bye-laws”                | the bye-laws of the Company;   |
| “Companies Act”           | the Companies Act 1981 of Bermuda, as amended;   |
| “Companies Ordinance”     | the Companies Ordinance, Chapter 32, Laws of Hong Kong, as amended;  |
| “Company”                 | S E A Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares and warrants are listed on the Stock Exchange;   |
| “Date of Grant”           | means the date (which must be a Business Day) of the letter of offer for a grant of Option from the Company to the Eligible Participant pursuant to paragraph 7.6;   |
| “Director(s)”             | director(s) of the Company;  |
| “Eligible Participant(s)” | any person(s) who satisfies the eligibility criteria under the New Share Option Scheme;  |
| “Grantee”                 | any Eligible Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or, where the context so permits, a legal personal representative entitled to any such Options in consequence of the death of the original Grantee(s); |

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## DEFINITIONS

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|---------------------------|--|
| “Group”                   | the Company and its Subsidiaries from time to time;  |
| “HK\$”                    | Hong Kong dollars, the lawful currency of Hong Kong;   |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China;   |
| “Latest Practicable Date” | 28 July 2005, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange;   |
| “New Share Option Scheme” | the share option scheme to be adopted by the Company as referred to in the notice of SGM as set out on pages 18 to 19 of this circular;  |
| “Offer”                   | the offer of an Option made in accordance with the New Share Option Scheme;  |
| “Offer Date”              | the date on which an Offer is made to an Eligible Participant;   |
| “Option”                  | an option to subscribe for Shares granted pursuant to the New Share Option Scheme;   |
| “Option Period”           | in respect of any particular Option, a period to be notified by the Board to each Grantee during which an Option may be exercised, such period not exceeding a period of ten years commencing on the Offer Date and expiring on the last day of such period;   |
| “Old Share Option Scheme” | the employee share option scheme as adopted by the Company on 23 June 2000;  |
| “Share(s)”                | share(s) of HK\$0.10 each in the share capital of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction; |

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## DEFINITIONS

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| “Shareholder(s)”     | holder(s) for the time being of the Share(s);  |
| “SGM”                | the special general meeting of the Company to be convened for the purpose of considering the adoption of the New Share Option Scheme, notice of which is set out on pages 18 to 19 of this circular;   |
| “Stock Exchange”     | The Stock Exchange of Hong Kong Limited;   |
| “Subscription Price” | the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in the New Share Option Scheme;  |
| “Subsidiary”         | means a company which is for the time being and from time to time a subsidiary of the Company (within the meaning of the Companies Ordinance and/or Section 86 of the Companies Act), whether incorporated in Hong Kong or elsewhere, and “Subsidiaries” shall be construed accordingly; |
| “%”                  | per cent.  |

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## LETTER FROM THE BOARD

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# SEA HOLDINGS LIMITED 爪哇控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 251)

*Executive Directors:*

Lu Wing Chi (*Chairman and Managing Director*)

Tse Man Bun

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

Chung Pui Lam

*Registered Office:*

Clarendon House

Church Street

Hamilton, HM11

Bermuda

*Principal Office:*

26th Floor

Dah Sing Financial Centre

108 Gloucester Road

Wanchai

Hong Kong

1 August 2005

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

Dear Sir or Madam,

### INTRODUCTION

The Company's Old Share Option Scheme was adopted by ordinary resolution on 23 June 2000, which complies with the Listing Rules as existed prior to 1 September 2001. The rules governing share options were revised to the form currently set out in Chapter 17 of the Listing Rules on 1 September 2001. According to the transitional arrangement set out in the Listing Rules, the Company cannot grant further options under the Old Share Option Scheme unless the scheme is amended to comply with the new requirements set out in the Listing Rules. The Company has not granted any share options since 1 September 2001.

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## LETTER FROM THE BOARD

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Instead of amending the Old Share Option Scheme, the Company proposes to terminate the Old Share Option Scheme and adopt a New Share Option Scheme in compliance with the new requirements.

The purpose of this circular is to provide you with information regarding (i) a New Share Option Scheme proposed to be adopted by the Directors and to seek your approval for the adoption of the New Share Option Scheme, and (ii) the termination of the Old Share Option Scheme, at the SGM of the Company to be convened, notice of which is enclosed with this circular.

### **EFFECT OF TERMINATION OF THE OLD SHARE OPTION SCHEME**

As at the Latest Practicable Date, the total number of share options granted and exercised under the Old Share Option Scheme were 28,000,000 and 7,250,000 respectively. The remaining balance of share options granted under the Old Share Option Scheme remain outstanding and to be exercised is 20,750,000. Upon termination, no further options will be granted under the Old Share Option Scheme but in all other respects the provisions of the Old Share Option Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance with the Old Share Option Scheme.

### **PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME**

Adoption of the New Share Option Scheme is subject to:

- (i) passing of an ordinary resolution (as set out in the SGM Notice) by the Shareholders at the SGM, and
- (ii) the Listing Committee of the Stock Exchange approving the listing of, and permission to deal in, the new Shares upon exercise of the Options to be granted under the New Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for approval of listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of the Options granted under the New Share Option Scheme.

In compliance with Rule 17.03(3) of the Listing Rules, the total number of new Shares in respect of which share options may be granted under the New Share Option Scheme and any other schemes shall not exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme, unless the Company obtains approval from its Shareholders to refresh the 10% limit and on the basis that the maximum number of new Shares in respect of which Options may be granted and yet to be exercised under the New Share Option Scheme and any other schemes shall not exceed 30% of the Shares in issue from time to time. As at

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## LETTER FROM THE BOARD

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the Latest Practicable Date, there were 530,665,780 Shares in issue. Assuming that there is no change in the share capital of the Company from the Latest Practicable Date to the date the New Share Option Scheme is adopted, the total number of new Shares in the Company that may be issued under the New Share Option Scheme on the date of its adoption will be 53,066,578 new Shares, representing 10% of the Shares in issue on the date of adoption.

The New Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be satisfied or achieved before an Option can be exercised. However, the rules of the New Share Option Scheme provide that the Directors may determine, at their sole discretion, such terms on the grant of an Option. This determination may vary on a case by case basis but no such terms shall be imposed the result of which will be to the advantage of the Eligible Participants without the prior approval of Shareholders in general meeting. The basis for determination of the Subscription Price is also specified precisely in the rules of the New Share Option Scheme. The Directors consider that these criteria and rules will serve to preserve the value of the Company and encourage the Eligible Participants to acquire proprietary interests in the Company.

None of the Directors are appointed as trustees of the New Share Option Scheme or have a direct or indirect interest in the trustees of the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix to this circular.

### **VALUATION OF NEW SHARE OPTIONS**

The Board considers that it is inappropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date given that the variables which are critical for the calculation of the value of such Options, including the Subscription Price, the timing of the grant of such Options, the period during which the Options may be exercised and any other condition that the Board may impose on the Options and whether or not such Options if granted will be exercised by the Grantees, have not been determined. With a scheme life of 10 years it is too premature to state whether or not Options will be granted. On these premises, the Board is of the view that the value of the Options can only be ascertained subject to a number of theoretical bases and speculative assumptions. Accordingly, the Board believes that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.



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## LETTER FROM THE BOARD

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### **SPECIAL GENERAL MEETING**

Set out on pages 18 to 19 is a notice convening the SGM to be held at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong on 19 August 2005.

A form of proxy for use at the SGM is enclosed with this circular for your attention. Whether or not you are able to attend the SGM, please complete and return the form of proxy to the principal office of the Company in Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting should you so wish.

The Company will publish an announcement on the results of the SGM on the Business Day following the SGM with respect to whether or not the resolutions for the termination of the Old Share Option Scheme and adoption of the New Share Option Scheme have been passed by the Shareholders.

### **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 by proxy and representing not less than one-tenth of the total voting rights of all shareholders having the right to vote at such meeting; or (d) 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.

Pursuant to the Listing Rules, the chairman of the meeting and/or Directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at the meeting shall demand a poll in circumstances where, on a show of hands, the meeting votes in the opposite manner to that instructed in those proxies.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board considers that in order to attract, retain and motivate employees, including directors of the Group to strive for the future development of the Group, it is important that the Group should continue to provide them with an additional incentive and encouragement by offering them an opportunity to obtain an ownership interest in the Company and to enjoy the results of the Company attained through their efforts and contributions.

In view of the above, the Board considers that (i) the termination of the Old Share Option Scheme, and (ii) the adoption of the New Share Option Scheme, are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders at the SGM to vote in favour of the ordinary resolution to be proposed at the SGM.

### DOCUMENT FOR INSPECTION

A copy of the New Share Option Scheme is available for inspection at the office of Stephenson Harwood & Lo at 18th Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including 19 August 2005.

Yours faithfully  
For and on behalf of  
**S E A Holdings Limited**  
**Lu Wing Chi**  
*Chairman and Managing Director*

*The following is a summary of the principal terms of the New Share Option Scheme:—*

**1. PURPOSE OF THE NEW SHARE OPTION SCHEME**

- (a) The New Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions which the Eligible Participants (as defined in paragraph 2) have made or may make to the Group.
- (b) The New Share Option Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to motivating the Eligible Participants to utilise their performance and efficiency for the benefit of the Group and attracting and retaining or otherwise maintaining an ongoing relationship with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

**2. WHO MAY JOIN**

The Board may at its discretion grant Options to any director (whether executive or independent non-executive director) or full-time employee of any member of the Group.

**3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION UNDER THE NEW SHARE OPTION SCHEME****(a) 30% limit**

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the Shares in issue from time to time (the “Scheme Limit”).

**(b) 10% limit**

In addition to the Scheme Limit, and subject to the following paragraph, the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme by the Shareholders (the “Scheme Mandate Limit”). Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

The Company may, from time to time, refresh the Scheme Mandate Limit by obtaining the approval of the Shareholders in general meeting. Once refreshed, the total number of securities which may be issued upon exercise of all options to be granted under the New Share Option Scheme and all other share option schemes of the Company under the limit, as refreshed, must not exceed 10% of the Shares in issue as at the date of approval of the refreshment by the Shareholders. Options previously granted under the New Share Option Scheme and any other share option schemes, including without limitation any options which are outstanding, cancelled, lapsed or exercised, will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.

The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit or the refreshed Scheme Mandate Limit provided the Options in excess of such limit are granted only to the Eligible Participants specifically identified before such approval is sought. A circular containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and other information required under the Listing Rules must be sent to the Shareholders.

#### **4. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue as at the date of such new grant. Where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his Associates abstaining from voting.

#### **5. PERFORMANCE TARGET**

Unless otherwise determined by the Board at its sole discretion, there is no performance target which must be satisfied or achieved before the Options can be exercised.

**6. MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD**

Unless otherwise determined by the Board at its sole discretion, there is no requirement of a minimum period for which an Option must be held before such an Option can be exercised under the terms of the New Share Option Scheme.

**7. SUBSCRIPTION PRICE OF SHARES**

The Subscription Price must be at least the highest of: (a) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the Date of Grant which must be a Business Day; and (b) the average of the closing price of the Shares as shown on the daily quotations sheets of the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and (c) the nominal value of a Share.

**8. AMOUNT PAYABLE UPON ACCEPTANCE OF OPTION**

HK\$10 is payable by each Eligible Participant to the Company on acceptance of an Offer of an Option, which shall be paid within 28 days from the Offer Date.

**9. TERM OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall commence on the date it becomes unconditional and shall continue in force until the tenth anniversary of such date.

**10. RIGHTS PERSONAL TO THE OPTION HOLDER**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option.

**11. TIME OF EXERCISE OF OPTION**

An Option shall be exercisable at any time during an Option Period to be notified by the Board to each Grantee, provided that no Option shall be exercisable later than ten years after its Date of Grant.

**12. GRANT OF AN OPTION TO CONNECTED PERSONS**

- (a) Any grant of Options to a Director, chief executive or substantial shareholder (as defined in the Listing Rules) (the “**Substantial Shareholder**”) of the Company or its Subsidiaries or any of their respective Associates must be approved by the independent non-executive directors (excluding any independent non-executive director who is a Grantee).

- (b) Where Options are proposed to be granted to a Substantial Shareholder or an independent non-executive director of the Company or its Subsidiaries or any of their respective Associates, and where the total number of Shares issued and to be issued upon exercise of all Options granted or to be granted to such person under the New Share Option Scheme (including Options exercised, cancelled and outstanding) in the 12-month period up to and including the date of such grant to such person:
- (i) represents in aggregate over 0.1% of the Shares in issue, and
  - (ii) at the date of such grant has an aggregate value in excess of HK\$5,000,000, based on the closing price of the Shares at the date of each grant,

then the proposed grant must be subject to the approval by the Shareholders at a general meeting taken on a poll. All connected persons of the Company must abstain from voting in favour of such resolution in general meeting. The Company shall issue a circular to the Shareholders explaining the proposed grant, disclosing the number and terms (including the Subscription Price) of the Options to be granted to each Grantee and containing a recommendation from the independent non-executive directors (excluding any independent non-executive director who is a Grantee) on whether or not to vote in favour of the proposed grant and including all the information required under the Listing Rules.

### **13. RIGHTS ON CEASING TO BE AN ELIGIBLE PARTICIPANT**

- (a) In the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of his death before exercising his Option in full and where the termination of employment or engagement is not made as a result of the Grantee being guilty of persistent or serious misconduct or having been convicted of a criminal offence, his personal representative(s) may exercise such Option (to the extent vested and not already exercised) in whole or in part within a period of 6 months from the date of his death and any Option not so exercised shall lapse and determine at the expiry of such period.
- (b) In the event of the employing company of a Grantee who is a director or an employee ceasing to be a member of the Group or in the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of his ill-health, injury or disability (in each case evidenced to the satisfaction of the Board), then the Grantee may exercise his Option (to the extent vested and not already exercised) in whole or in part at any time within a period of 3 months commencing on the date of the cessation and any Option not so exercised shall lapse and determine at the end of such period.

- (c) In the event of the Grantee who is a director or an employee of the Group ceasing to be such a director or employee of the Group by reason of his resignation or by termination of his employment by his employing company whether on notice or with pay in lieu of such notice, such Option (to the extent not already exercised) shall lapse on the date of the cessation of employment and not be exercisable.
- (d) In the event of the Grantee ceasing to be an Eligible Participant by reasons of termination of employment or engagement on the grounds of being guilty of persistent or serious misconduct or having been convicted of any criminal offence or for any reason other than as described in sub-paragraphs (a) to (c) of this paragraph 13, then all his Options shall lapse and determine without compensation on the date he so ceases (to the extent not already exercised).

#### **14. EFFECT ON TAKEOVER**

If, in consequence of any general offer made to all the Shareholders (or all such Shareholders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) (including an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, and such offer becomes or is declared unconditional, then the Directors shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee shall be entitled at any time within the period of 21 days after such offer becomes or is declared unconditional, to exercise all or any of his outstanding Options (to the extent that such Options have been vested and have not lapsed or been cancelled), and such Options shall, to the extent not having been exercised, lapse and determine upon the expiry of such period.

#### **15. EFFECT ON WINDING UP**

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution for the voluntary winding up of the Company, the Company shall forthwith give notice thereof to every Grantee and the Grantee shall be entitled by notice in writing to the Company (such notice to be received by the Company not later than two Business Days prior to the proposed general meeting) to exercise all or any of his Option (to the extent that such Options have been vested and have not lapsed or been cancelled) and the Company shall as soon as possible and in any event not later than the day immediately prior to the date of the proposed general meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise and all Options shall, to the extent not having been exercised, lapse and determine on the date of commencement of the winding up of the Company.

**16. EFFECT ON RECONSTRUCTION**

If a compromise or arrangement between the Company and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to every Grantee on the same day as it despatches to each Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled by notice in writing to the Company accompanied by the remittance for the Subscription Price in respect of his Option (such notice to be received by the Company not later than two Business Days prior to the proposed meeting) to exercise all or any of his Option (to the extent that such Options have been vested and have not lapsed or been cancelled). With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent not having been exercised, thereupon lapse and determine. The Directors shall endeavour to procure that the Shares issued as a result of the exercise of Options under this paragraph shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court having jurisdiction (the “**Court**”) (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any grantee as a result of the aforesaid suspension.

**17. RANKING OF SHARES**

Shares allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date of allotment. A Share allotted and issued upon the exercise of an Option shall not carry voting rights nor rank for dividend or other distribution until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.



**18. EFFECT OF ALTERATION TO CAPITAL**

- (a) In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from capitalisation of profits or reserves, rights issue, consolidation or sub-division of Shares or reduction of share capital of the Company, then, in any such case:
- (1) The number or nominal amount of Shares to which the New Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised) and/or the Subscription Price thereunder may be adjusted in such manner as the Board may deem appropriate provided always that (save where an adjustment arises by way of a capitalisation issue):
    - (i) any such adjustment shall be made on the basis that the proportion of the issued share capital of the Company for which any Grantee would have been entitled had he exercised all the Options held by him immediately prior to such adjustment shall equal to the proportion of the issued share capital of the Company for which he would have been entitled had he exercised all the Options held by him immediately after such adjustment;
    - (ii) any such adjustment shall be made on the basis that the aggregate Subscription Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
    - (iii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and
    - (iv) the issue of Shares as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.
  - (2) If any adjustments occur (save where an adjustment arises by way of a capitalisation issue) the Board shall instruct the auditors or an independent financial adviser to certify in writing that in their fair and reasonable opinion the adjustments proposed (if any) satisfy the requirements set out in subparagraphs (1)(i), (ii) (iii) and (iv) above.

- (b) If there has been any alteration in the capital structure of the Company as referred to in paragraph (a), the Company shall, upon receipt of a notice from a Grantee, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph (a).
- (c) In giving any certificate under this paragraph 18, the auditors and the independent financial adviser shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

## **19. CANCELLATION OF OPTION**

The Board may cancel any Option provided that: (i) the Company pays to the Grantee an amount equal to the cash value of the Option at the date of cancellation as determined by the Board by reference to the difference between the market value of a Share and the Subscription Price; or (ii) the Board offers to grant to the Grantee replacement Options of equivalent value of the Options being cancelled; or (iii) the Board makes such arrangements as the Grantee may agree to compensate him for the loss of the Option. Where the Company cancels Options and issue new Options to the same Grantee, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit.

## **20. TIME OF GRANT OF OPTIONS**

A grant of Option may not be made after a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of (a) the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement.

**21. TERMINATION AND ALTERATION OF SCHEME**

- (a) The Company by an ordinary resolution in a general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and any Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.
- (b) Any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in a general meeting, except that the terms of the Options granted can be changed by the Board if the alterations take effect automatically under the existing terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme and all Options shall continue to comply with the relevant requirements of the Listing Rules.
- (c) The New Share Option Scheme may be altered in any respect by a resolution of the Board save that the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Eligible Participants without the prior sanction of a resolution of the Company in a general meeting.
- (d) The Board shall be entitled to amend the terms of the New Share Option Scheme so as to comply with any future changes in the Listing Rules applicable to the New Share Option Scheme, provided that such amendments by the Board are allowed by the Listing Rules from time to time applicable.
- (e) Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in a general meeting.

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## NOTICE OF SPECIAL GENERAL MEETING

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### S E A HOLDINGS LIMITED 爪哇控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 251)

#### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting of S E A Holdings Limited (the “Company”) will be held at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong on 19 August 2005 at 11:30 a.m. for the purposes of considering and, if thought fit passing, the following resolution which will be proposed as an Ordinary Resolution:-

#### ORDINARY RESOLUTION

**“THAT**

- A. the Company’s existing share option scheme (the “**Old Scheme**”) adopted by ordinary resolution on 23 June 2000 be terminated, pursuant to which no further offer will be made to grant options under the Old Scheme but in all other respects the provisions of the Old Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance with the Old Scheme;
- B. conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of and permission to deal in the new shares of the Company which may be issued upon the exercise of share options to be granted under the new share option scheme of the Company (the “**New Scheme**”), the terms of which are set out in the printed document marked “A” now produced to this Meeting and for the purpose of identification signed by the Chairman hereof and subject to such amendments to the New Scheme as the Stock Exchange may request, the New Scheme be approved and adopted to be the new share option scheme of the Company; and

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## NOTICE OF SPECIAL GENERAL MEETING

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- C. the Board of Directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the New Scheme including but not limited to the offer or grant of options and the issue and allotment of shares in the Company upon the exercise of any options under the New Scheme, notwithstanding that they or any of them may be interested in the same.”

By Order of the Board  
**Jenifer Sin**  
*Company Secretary*

Hong Kong, 1 August 2005

*Notes:*

- (1) Any member of the Company entitled to attend and vote at the above meeting 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) A form of proxy for use at the above meeting is enclosed herewith.
- (3) Where there are joint holders of any shares, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such shares as if they are solely entitled thereto, provided that if more than one of such joint holders be present at the meeting personally or by proxy, the person whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof.
- (4) To be valid, a form of proxy (together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be deposited at the principal office of the Company in Hong Kong 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 meeting or any adjournment thereof.