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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 and/or warrants in the Company, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer 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)*

(Stock Code: 251)

**PROPOSED RE-ELECTION OF DIRECTORS AT THE  
ANNUAL GENERAL MEETING,  
PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND  
REPURCHASE EXISTING SHARES AND WARRANTS,  
PROPOSED AMENDMENTS TO THE BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at the principal office of the Company at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong on Thursday, 18th May, 2006 at 11:30 a.m. is set out on pages 13 to 18 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 annual 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 annual general meeting or any adjournment thereof if you wish.

26th April, 2006

\* *for identification purposes only*

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## DEFINITIONS

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*Unless the context otherwise requires, terms used in this circular shall have the following meanings:*

“AGM”	the forthcoming annual general meeting of the Company to be held on 18th May, 2006 at 11:30 a.m.;
“Board”	the board of Directors;
“Bye-laws”	the Bye-laws of the Company;
“CGP Code”	Code on Corporate Governance Practices as contained in Appendix 14 of the Listing Rules;
“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 (stock code: 251);
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“JCS”	JCS Limited, a substantial shareholder of the Company;
“Latest Practicable Date”	20th April, 2006, being the latest practicable date prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Nan Luen”	Nan Luen International Limited, a substantial shareholder of the Company;
“Repurchase Mandate”	the general mandate proposed to grant to the Directors at the AGM 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;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shares”	shares of HK\$0.10 each in the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

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## DEFINITIONS

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“Takeovers Code”	Hong Kong Code on Takeovers and Mergers; and
“Warrants”	warrants issued by the Company.



**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*)  
Lincoln Lu  
Lambert Lu  
Lu Wing Yuk, Andrew  
Tse Man Bun

*Registered Office:*

Clarendon House  
Church Street  
Hamilton, HM 11  
Bermuda

*Non-Executive Director:*

Lam Sing Tai

*Principal Office:*

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

*Independent Non-Executive Directors:*

Walujo Santoso, Wally  
Leung Hok Lim  
Chung Pui Lam

26th April, 2006

*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 23rd June, 2000*

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF DIRECTORS AT THE ANNUAL GENERAL  
MEETING, PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND  
REPURCHASE EXISTING SHARES AND WARRANTS,  
PROPOSED AMENDMENTS TO THE BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide shareholders with more information regarding the resolutions to be proposed at the forthcoming AGM to be held on 18th May, 2006 at 11:30 a.m. These include (i) ordinary resolutions proposing re-election of Directors who are due to retire at the AGM; (ii)

\* for identification purposes only

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## LETTER FROM THE BOARD

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ordinary resolutions relating to the grant of general mandates to the Directors to issue new Shares and to repurchase existing Shares and Warrants; and (iii) a special resolution proposing amendments to the Bye-laws.

### 2. PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to the Bye-laws, Messrs. Lincoln Lu, Leung Hok Lim and Lam Sing Tai will retire from office as Directors at the AGM and being eligible will offer themselves for re-election. Details of the above Directors who are required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

### 3. GENERAL MANDATES

At the AGM, 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; and (iii) to add to the mandate granted under (i) above, any Shares repurchased by the Company under the Repurchase Mandate.

An explanatory statement, as required by the Listing Rules to be given to shareholders concerning the Repurchase Mandate, is set out in Appendix II 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.

### 4. PROPOSED AMENDMENTS TO THE BYE-LAWS

The Listing Rules have been amended by the Stock Exchange by replacing the Code of Best Practice in Appendix 14 by a new CGP Code. Following a review of the Company's corporate governance practices with reference to the CGP Code, the Directors proposed to amend the Bye-laws at the AGM to ensure compliance with the CGP Code.

Pursuant to code provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Accordingly, the Bye-laws will be amended to specify that every Director shall be subject to retirement at least once every three years.

Code provision A.4.2 also provides that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Accordingly, the Bye-laws will be amended to specify that any Director appointed by the Board to fill a casual vacancy shall hold office until the next following general meeting.

Code provision E.2.1 provides that the chairman of a general meeting and/or directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at a particular meeting shall demand a poll in certain circumstances where, on a show of hands, a meeting votes in the opposite manner to that instructed in those proxies. Accordingly, the Bye-laws will be amended to reflect the provisions of code provision E.2.1.

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## LETTER FROM THE BOARD

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In addition, the Directors propose to amend the Bye-laws to clarify that any dividend declared by the Board or the Company in general meeting can be satisfied in whole or in part by way of a distribution in specie.

### 5. ANNUAL GENERAL MEETING

A notice convening the AGM to be held at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong on Thursday, 18th May, 2006 at 11:30 a.m. is set out in Appendix III to this circular.

A form of proxy for use at the AGM is enclosed with this circular for your attention. Whether you are able to attend or not, 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 holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you wish.

### 6. PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to Bye-law 58 of the Bye-laws, at any general meeting of the Company 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 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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### 7. 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 AGM.

Yours faithfully

**Lu Wing Chi**

*Chairman and Managing Director*



The following are the particulars of the three Directors proposed to be re-elected at the AGM. Save for the information set out below, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) (h) to (v) of the Listing Rules, nor are there any other matters that need to be brought to the attention of the shareholders of the Company in respect of the following Directors who stand for re-election at the forthcoming AGM.

1. **Mr. Lincoln Lu**, aged 31, joined the Group in 1998 and was appointed an Executive Director of the Company in 2003. Presently, he is also a director of various members of the Group and is primarily responsible for the Group's project management operations. Mr. Lu holds a Bachelor of Arts degree from the University of British Columbia.

Mr. Lu is a son of Mr. Lu Wing Chi, the Chairman and Managing Director of the Company and the elder brother of Mr. Lambert Lu, Director. He is also a director of Nan Luen and JCS. Saved as disclosed herein, Mr. Lu is not connected with any other Directors, senior management or substantial or controlling shareholders of the Company. In addition, Mr. Lu did not hold any directorship in other listed public companies in the last three years.

There is neither any service contract executed between the Company and Mr. Lu nor any specified length or proposed length of service with the Company in respect of his appointment (except that he is subject to retirement from office by rotation and re-election at an annual general meeting under the Bye-laws). The total amount of emoluments received by Mr. Lu for the year ended 31st December, 2005 was about HK\$4.87 million, which included a directors' fee of HK\$20,000. His emoluments are determined by reference to his qualifications, experience, duties and responsibilities with the Group, the Company's performance and profitability, the Company's remuneration policy and the market benchmark. He presently receives a monthly salary of HK\$120,000 and his other emoluments such as directors' fee, discretionary bonus and other benefits will be subject to determination and review of the Remuneration Committee of the Company.

As at the Latest Practicable Date, Mr. Lu: (a) was the beneficial owner of 618,000 Shares and 572,717 underlying Shares; (b) was deemed to be interested in 283,281,811 Shares and 55,189,116 underlying Shares; (c) was the beneficial owner of 5,500 shares of JCS and was deemed to be interested in 12,000 shares of JCS; and (d) was deemed to be interested in 99,480 shares of Nan Luen, as disclosed under Part XV of the SFO.

2. **Mr. Leung Hok Lim**, *FCPA (Aust.), CPA (Macau), FCPA (Practising)*, aged 70, has acted as an independent non-executive Director of the Company since 1999. He is currently the chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

Mr. Leung is the founding and senior partner of PKF, Certified Public Accountants. He obtained his fellowship with the Hong Kong Institute of Certified Public Accountants (formerly Hong Kong Society of Accountants) in 1973. He is a non-executive director of Beijing Hong Kong Exchange of Personnel Centre Limited and independent non-executive directors of a number of listed companies, namely Bright International Group Limited, Fujian Holdings Limited, High Fashion International Limited, Phoenix Satellite Television Holdings Limited, YangtzeKiang Garment Limited and YGM Trading Limited. Saved as disclosed herein, Mr. Leung did not hold any directorship in listed public companies in the last three years.

Mr. Leung is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. There is no service contract executed between the Company and Mr. Leung. Mr. Leung's appointment is for a maximum period of up to the expiry of the third annual general meeting of the Company. In addition, he is subject to retirement from office by rotation and re-election at an annual general meeting under the Bye-laws. His emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark. He was entitled to a directors' fee of HK\$150,000 for the year ended 31st December, 2005. The directors' fee payable to him for the year ending 31st December, 2006 will be determined by the Board upon the recommendation of the Remuneration Committee of the Company.

As at the Latest Practicable Date, Mr. Leung did not have any interest in the Shares within the meaning of Part XV of the SFO.

3. **Mr. Lam Sing Tai**, aged 59, was appointed as a Non-executive Director of the Company in early April 2006. He has over 30 years of solid experience in property development and investment. Mr. Lam joined South-East Asia Investment and Agency Company, Limited (“SEAI”), a subsidiary of the Company in 1973 and has been working for different positions of the members of the Group. He is currently a Director and the General Manager of SEAI and is primarily responsible for the sales and marketing matters of the Group’s properties in Hong Kong and China. He is also a director of various members of the Group. Mr. Lam did not hold any directorship in listed public companies in the last three years.

Mr. Lam is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. His letter of appointment with the Company stipulates that his appointment is for a period up to the next general meeting of the Company and immediately thereafter, subject to him being re-elected at the said meeting, for a period of up to the expiry of the third annual general meeting. Further, his appointment can be terminated by Mr. Lam or the Company by giving the other party one month’s notice. Mr. Lam is entitled to a directors’ fee of HK\$20,000 per annum. In addition, based on his experience, duties and responsibility with the Group, the Group’s performance and profitability, the Group’s remuneration policy and the market benchmark, he presently receives a monthly salary of HK\$100,000 and his other emoluments such as discretionary bonus and other benefits will be subject to determination and review of the Board.

As at the Latest Practicable Date, Mr. Lam was (a) the beneficial owner of 90,000 Shares and 5,739 underlying Shares; and (b) was deemed to be interested in 5,739 underlying Shares within the meaning of Part XV of the SFO.

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.

### **1. EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the issued share capital of the Company comprised 551,561,587 Shares and there were outstanding Warrants carrying rights to subscribe approximately in aggregate for 87,955,130 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 AGM, exercise in full of the Repurchase Mandate would result in up to a maximum of 55,156,158 Shares and Warrants carrying rights to subscribe for 8,795,513 Shares being repurchased by the Company during the relevant period.

### **2. 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. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company, its shareholders and warrant holders.

### **3. 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 By-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 was to be exercised in full, there might be a material adverse effect on the working capital or gearing position of 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, 2005). 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.

#### 4. SHARE AND WARRANT PRICES

The highest and lowest prices at which Shares and Warrants 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\$
2005				
April	3.000	2.825	3.550	3.550
May	3.275	2.900	3.550	3.550
June	3.200	2.975	3.900	3.800
July	3.125	2.950	—*	—*
August	3.175	2.900	—*	—*
September	3.300	3.000	3.800	3.800
October	3.325	2.700	—*	—*
November	3.000	2.800	—*	—*
December	3.025	2.800	—*	—*
2006				
January	3.125	2.800	3.700	3.675
February	3.550	3.125	5.200	4.225
March	4.350	3.425	—*	—*

\* *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.

## 5. GENERAL

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares or Warrants to the Company 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 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 was beneficially interested in approximately 51.36% 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 50.32%. In the event that the Company exercises the Repurchase Mandate in full, the beneficial shareholding interest of Nan Luen in the Company will be increased to approximately 57.07%. Assuming that Nan Luen's shareholding in the Company does not subsequently falls below 50%, Nan Luen is not subject to any mandatory offer obligation as a result of repurchases pursuant to Rule 26 of the Takeovers Code.

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.



## 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 an Annual General Meeting (the “AGM”) 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 Thursday, 18th May, 2006 at 11:30 a.m. for the following purposes:

1. To consider and receive the audited financial statements and the reports of the directors and auditors for the year ended 31st December, 2005.
2. To declare a final dividend of HK6 cents for the year ended 31st December, 2005.
3. To re-elect retiring directors.
4. To determine a maximum number of directors at 12 and to authorize the board of directors to appoint additional directors up to such maximum number.
5. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditors for the ensuing year and to authorize the board of directors to fix the auditors’ remuneration.

**As Special Business**

6. 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;

\* for identification purposes only

- (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 the 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 directors, 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 arrangements 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 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 purpose of this Resolution:

“Relevant Period” means the period from the date of passing of this Resolution until whichever is the earliest 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 laws 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 (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 (the “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 of Hong Kong 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 subject to and in accordance with all applicable laws, rules and regulations, be and is 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 purpose of this Resolution, “Relevant Period” means the period from the date of passing of this Resolution until whichever is the earliest 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 laws 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. 6(A) and 6(B) as set out in the notice convening the annual general 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 the said Resolution no. 6(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 the said Resolution no. 6(A).”

7. To consider and, if thought fit, pass with or without modification the following resolution as a Special Resolution:–

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

(a) by deleting Bye-law 58 in its entirety and substituting therefor the following:

“58. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the designated stock exchange, or a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (a) the chairman of such meeting; or
- (b) not less than three Members present in person or by duly authorised corporate representative or by proxy for the time being entitled to vote at such meeting; or
- (c) a Member or Members present in person or by duly authorised corporate representative 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
- (d) a Member or Members present in person or by duly authorised corporate representative 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.

Notwithstanding any other provisions of these Bye-Laws, if the aggregate proxies held by (i) the chairman of such meeting, and (ii) the Directors, account for five per cent. or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies, the chairman of such meeting and/ or any Director holding proxies as aforesaid shall demand a poll, unless it is apparent from the total proxies held by those persons that a vote taken on a poll will not reverse the vote taken on a show of hands.”;

(b) by deleting Bye-law 88 in its entirety and substituting therefor the following:

“88. (A) Every Director shall retire from office no later than the third Annual General Meeting after he was last elected or re-elected.

(B) Provided such is permitted by the Statutes, at each Annual General Meeting, if the number of Directors retiring under Bye-Law 88(A) is less than one-third (or the number nearest to but not less than one-third if the total number of Directors is not three or a multiple of three) of the Directors for the time being, then additional Directors shall retire from office by rotation under this Bye-Law 88(B) to make up the shortfall.”;

(c) by deleting Bye-law 90 in its entirety and substituting therefor the following:

“90. The Company at the meeting at which a Director retires under any provision of these Bye-Laws may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for election. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:

(a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost; or

(b) where such Director is required to retire from office at such meeting by virtue of the provision of Bye-Law 88(A); or

(c) where such Director has given notice in writing to the Company that he is unwilling to be re-elected.”

(d) by deleting Bye-law 95 in its entirety and substituting therefor the following:

“The Board shall have power at any time, and from time to time, to appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Any person so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election, and (where such general meeting is an Annual General Meeting) shall not be taken into account in determining the number of Directors who are to retire by rotation under Bye-Law 88(B).”;

- (e) by deleting the first sentence of Bye-law 128 and substituting therefor the following sentence:

“Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied, in whole or in part, by the distribution of specific assets (including, but without limiting the generality of the foregoing, paid-up shares or debentures of any other company).”

and **THAT** any director of the Company be and is hereby authorised to take such further action as he may in his sole and absolute discretion think fit for and on behalf of the Company to implement the aforesaid amendments to the existing Bye-laws of the Company.”

By Order of the Board  
**Kwok Siu Man, Seaman**  
*Company Secretary*

Hong Kong, 26th April, 2006

*Notes:*

- (1) Any member of the Company entitled to attend and vote at the AGM 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. To be valid, a proxy form (together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority) 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 AGM or any adjournment thereof.
- (2) The Register of Members of the Company will be closed from Monday, 15th May, 2006 to Thursday, 18th May, 2006, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Standard Registrars Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 12th May, 2006. Warrantheolders who wish to be entitled to the proposed final dividend must exercise their subscription rights not later than 4:00 p.m. on Friday, 12th May, 2006.
- (3) Subject to the approval of the members at the AGM, the final dividend will be payable on or about Thursday, 25th May, 2006 to shareholders recorded on the Register of Members on Thursday, 18th May, 2006.
- (4) Pursuant to the Company's Bye-laws, Messrs. Lincoln Lu, Leung Hok Lim and Lam Sing Tai will retire from office as directors at the AGM and being eligible, offer themselves for re-election. Their particulars are contained in Appendix I to this circular.