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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)

**DISCLOSEABLE TRANSACTION
RELATING TO THE TRANSFER OF CERTAIN
PROPERTIES TO A NON-WHOLLY OWNED SUBSIDIARY**

A letter from the board of directors of S E A Holdings Limited is set out on pages 4 to 13 of this circular.

10th October, 2006

* For identification purpose only

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DEFINITIONS

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

“AGP”	Asian Growth Properties Limited (AIM stock code: AGP), an international business company incorporated and registered in the BVI and a 96.43% owned subsidiary of the Company immediately after Completion;
“AGP Group”	AGP and its subsidiaries;
“AGP Share(s)”	ordinary share(s) of US\$0.05 each in the capital of AGP;
“AIM”	AIM, the market of that name operated by London Stock Exchange plc;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“BVI”	British Virgin Islands;
“China” or “PRC”	the People’s Republic of China (and for the purposes of this circular excludes Hong Kong, Macau and Taiwan);
“Company”	S E A Holdings Limited, an exempted company incorporated in Bermuda and the shares and warrants of which are listed and traded on the Main Board of HKSE;
“Completion”	the completion of the Transfer on 5th October, 2006 in accordance with the Share Transfer Agreement;
“Directors”	the directors of the Company (including independent non-executive directors);
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSE”	The Stock Exchange of Hong Kong Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Latest Practicable Date”	5th October, 2006 being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on HKSE;
“Management Agreement”	the management agreement for, among other matters, the management of the property assets of AGP Group dated 18th September, 2006 between (1) SEAI and (2) AGP;
“Panmure Gordon”	Panmure Gordon (Broking) Limited, the nominated adviser of AGP;
“SEAI”	South-East Asia Investment and Agency Company, Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Transfer Agreement”	the sale and purchase agreement for the entire issued share capital of the Target Company dated 18th September, 2006 between (1) the Company and (2) AGP;
“Target Company”	Giant Well Enterprises Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company;
“Target Group”	the Target Company and its subsidiaries;
“Transactions”	the transactions contemplated by the Share Transfer Agreement and the Management Agreement;
“Transfer”	the transfer of the entire issued share capital of the Target Company by the Company to AGP pursuant to the Share Transfer Agreement;
“sq.ft.”	square feet;
“sq.m.”	square metres;

DEFINITIONS

“TTP”	Trans Tasman Properties Limited, a company incorporated in New Zealand and listed on New Zealand Exchange Limited and a 79.51% indirectly owned subsidiary of the Company;
“US\$”	United States dollars, the lawful currency of the United States of America;
“£”	British pounds, the lawful currency of England and Wales; and
“%”	per cent.

Note: For the purposes of the Company’s announcement dated 18th September, 2006 and in this circular, unless stated otherwise, an exchange rate of £1.00 = HK\$14.693 has been used.

The exchange rate as at the Latest Practicable Date was £1.00 = HK\$14.7.

LETTER FROM THE BOARD



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*)

Lu Wing Yuk, Andrew

Tse Man Bun

Lincoln Lu

Lambert Lu

Non-Executive Director:

Lam Sing Tai

Independent Non-Executive Directors:

Walujo 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

To the Shareholders, Warrantholders and the holder of share options granted under the Company's employees share option scheme adopted on 23rd June, 2000

10th October, 2006

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION RELATING TO THE TRANSFER OF CERTAIN PROPERTIES TO A NON-WHOLLY OWNED SUBSIDIARY

1. INTRODUCTION

On 18th September, 2006, the Board announced that the Company had entered into the Share Transfer Agreement with AGP on 18th September, 2006 pursuant to which the Company would transfer the Target Company to AGP for a total consideration of approximately HK\$4,430 million (subject to adjustments). The consideration would be satisfied by AGP issuing new AGP Shares to the Company and paying the Company approximately HK\$500 million in cash. The Board announces that Completion of the Transfer took place on 5th October, 2006.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information in relation to the Transactions.

2. DETAILS OF THE TRANSACTIONS

The Share Transfer Agreement

The following sets out a summary of the terms of the Share Transfer Agreement.

Date of Agreement: 18th September, 2006

Parties: AGP and the Company

Asset being acquired/sold: Prior to the Completion, the Target Company was indirectly wholly-owned by the Company. The Target Company holds, via its subsidiaries, a portfolio of two investment properties and two development properties in Hong Kong and one investment property and one development property in China. The Target Group's interest in the properties in the portfolio has been independently valued at a total of approximately HK\$6,425 million as at 30th June, 2006.

Consideration for the Transfer: The consideration payable by AGP under the terms of Share Transfer Agreement is the sum of:—

- (i) the unaudited consolidated net asset value of the Target Group as at 30th June, 2006, adjusted for the property revaluation as at 30th June, 2006; and
- (ii) a post-completion adjustment (the "Post-completion Adjustment") based on the difference between the unaudited consolidated net asset value of the Target Group as at 30th June, 2006 and the actual consolidated net asset value of the Target Group (adjusted for the property revaluation as at 30th June, 2006) as at the date of the Completion (the "Adjusted Actual Completion NAV").

The consideration paid under the Share Transfer Agreement as at the date of the Completion was approximately HK\$4,430 million, which is the unaudited consolidated net asset value of the Target Group as at 30th June, 2006. This was paid to the Company as follows:—

- (i) the issue of 668,653,817 new AGP Shares at £0.40 (HK\$5.8772) per AGP Share, which represents 75.44% of the enlarged issued share capital of AGP after the new AGP Shares are issued; and
- (ii) the payment of HK\$500 million in cash.

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Following the determination of Adjusted Actual Completion NAV, the Post-completion Adjustment will be settled in cash.

Conditions precedent: The transactions are subject to, among others, (i) the approval of the AGP shareholders at an extraordinary general meeting, and (ii) the new AGP Shares issued to the Company being admitted to trading on AIM. As at the Latest Practicable Date, all the conditions precedent have been satisfied.

Completion date: Unless otherwise agreed between the parties and subject to the approval of the AGP shareholders, Completion would be expected to take place on the day after the extraordinary general meeting of AGP convened to approve the Transfer. Completion took place on 5th October, 2006.

The consideration for the Transfer of the Target Company was arrived at based on the unaudited consolidated net asset value of the Target Group on Completion as adjusted to reflect property revaluations as at 30th June, 2006. The issue price of the new AGP Shares of £0.40 (HK\$5.8772) per AGP Share was determined following arm's length negotiations between the Company and AGP. The issue price per AGP Share of £0.40 (HK\$5.8772) represents:

- (a) a premium of 14.29% over the average trading price of AGP Shares on AIM over the 3 months ended 5th October, 2006 of £0.35 (HK\$5.1426) per AGP Share;
- (b) a premium of 8.11% over the closing price of AGP shares on AIM as at 5th October, 2006 (being the Latest Practicable Date) of £0.37 (HK\$5.4364) per AGP Share; and
- (c) a discount of 18.37% to the net asset value per AGP Share as at 30th June, 2006 of £0.49 (HK\$7.1996).

The Company has entered into a 12-month orderly market agreement with Panmure Gordon pursuant to which the Company has undertaken not to dispose of the AGP Shares acquired pursuant to the Share Transfer Agreement except through a managed sale by Panmure Gordon.

Results of Extraordinary General Meeting of AGP

At the extraordinary general meeting of AGP held on 4th October, 2006, the resolution in relation to the approval of, among others, the Transfer and the issue of 668,653,817 new AGP Shares to the Company was duly passed by the AGP shareholders. All the other conditions precedent have also been satisfied and Completion took place on 5th October, 2006.

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The Management Agreement

In conjunction with the Completion, AGP has entered into the Management Agreement with SEAI pursuant to which SEAI shall provide AGP with property management and other related services. SEAI will be paid by AGP as follows:—

- a sourcing fee equivalent to 1% of the total acquisition value of the real property investments (excluding, for this purpose, the sourcing fee itself) in relation to any acquisition by the AGP Group of any real property investments arising from projects sourced and/or identified by SEAI;
- a project management fee equivalent to 5% of the development cost in relation to properties in the AGP Group which are held for development purposes; and
- a portfolio management fee at the rate of 1% per annum of the gross asset value of the portfolio (subject to a minimum of HK\$100 million per annum).

The term of the engagement is for 5 years as from 5th October, 2006 but can be terminated earlier under certain circumstances including (1) AGP ceasing to be at least 30% (directly or indirectly) owned by the Company; or (2) SEAI ceasing to be a subsidiary of the Company.

3. REASONS FOR THE TRANSACTIONS

The Transactions are intended to achieve a transparent and non-competitive investment strategy for both the Company and AGP in Asia.

Immediately before Completion,

- 1) the Company was the major shareholder of AGP holding approximately 85.46% of the then issued AGP Shares;
- 2) the AGP Group had a property portfolio consisting of three development properties and one investment property, all located in Hong Kong; and
- 3) the portfolio of properties in the Target Group comprised the majority of the Group's real property investment and development assets in Hong Kong and China (other than those already owned by the AGP Group).

Immediately following Completion,

- 1) the Group holds all its material real property assets in Hong Kong and China through a single entity — AGP; and
- 2) the AGP Group has a portfolio of ten real property investment and development assets, which should enhance AGP's position in the investment market and enable it to seek a broader institutional shareholder base.

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The Board believes that the terms of the Transactions are fair and reasonable and in the interest of the shareholders of the Company as a whole.

4. EFFECTS OF THE TRANSACTIONS

Immediately before Completion, the Target Company was a wholly-owned subsidiary of the Company and the Company had an effective interest of 85.46% in AGP arising from (a) its indirect shareholding interest in 83.47% of AGP, held via certain wholly-owned subsidiaries of the Company; and (b) its 1.99% effective interest in AGP resulted from its indirect shareholding interest in 2.5% of AGP via TTP, a 79.51% owned subsidiary of the Company. The remaining 14.03% interest in AGP and the remaining 20.49% interest in TTP were held by public shareholders.

Immediately following Completion, the Target Company has become a wholly-owned subsidiary of AGP and the Company has an effective interest of 96.43% in AGP arising from (a) its indirect shareholding interest in 95.94% of AGP, held via certain wholly-owned subsidiaries of the Company; and (b) its 0.49% effective interest in AGP resulted from its indirect shareholding interest in 0.61% of AGP via TTP, which is 79.51% owned by the Company.

From a Group perspective, both AGP and the Target Company remain as indirect subsidiaries of the Company.

It has been estimated by the Company that the Transfer will not give rise to any significant gain or loss in the accounts of the Group on a consolidated basis. As the consideration payable by AGP under the terms of the Share Transfer Agreement will represent the actual consolidated net asset value of the Target Group (adjusted for the relevant property revaluation as at 30th June, 2006) as at the date of the Completion, there will be no excess or deficit of the consideration over or under the consolidated net asset value of the Target Group.

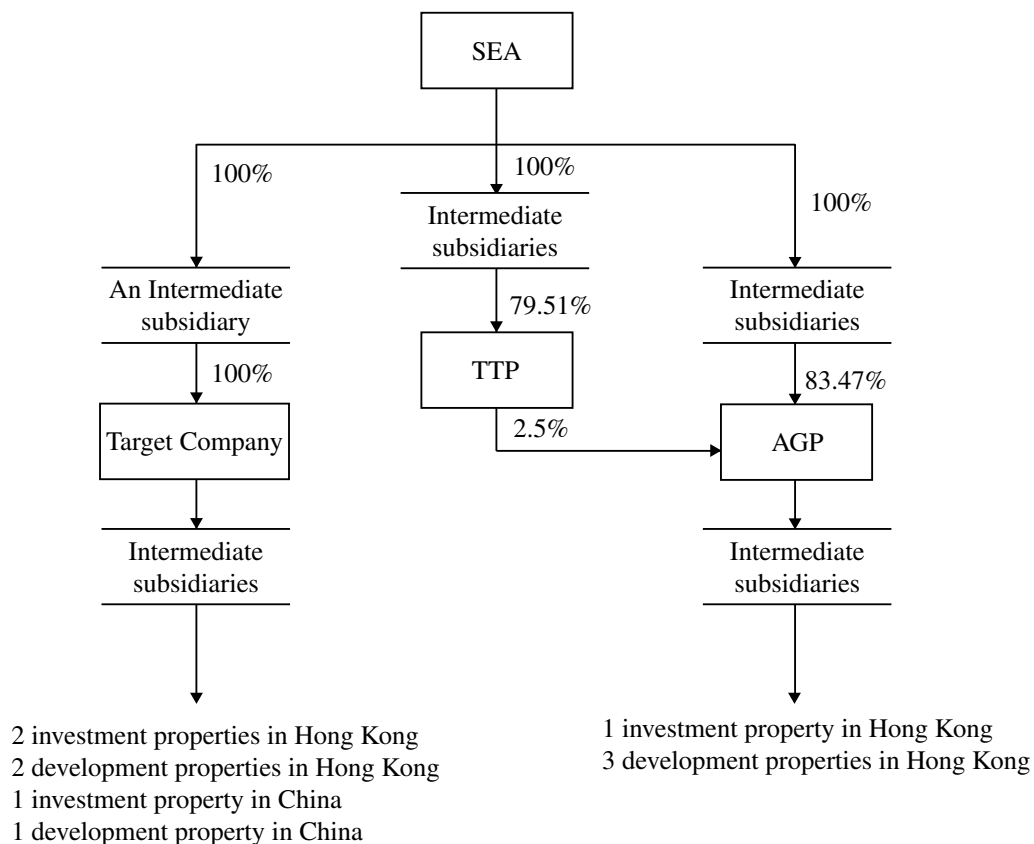
The Company has received from AGP a cash consideration of HK\$500 million. The Company intends to use the proceeds for its general working capital purposes.

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5. SHAREHOLDING STRUCTURE BEFORE AND AFTER THE TRANSFER

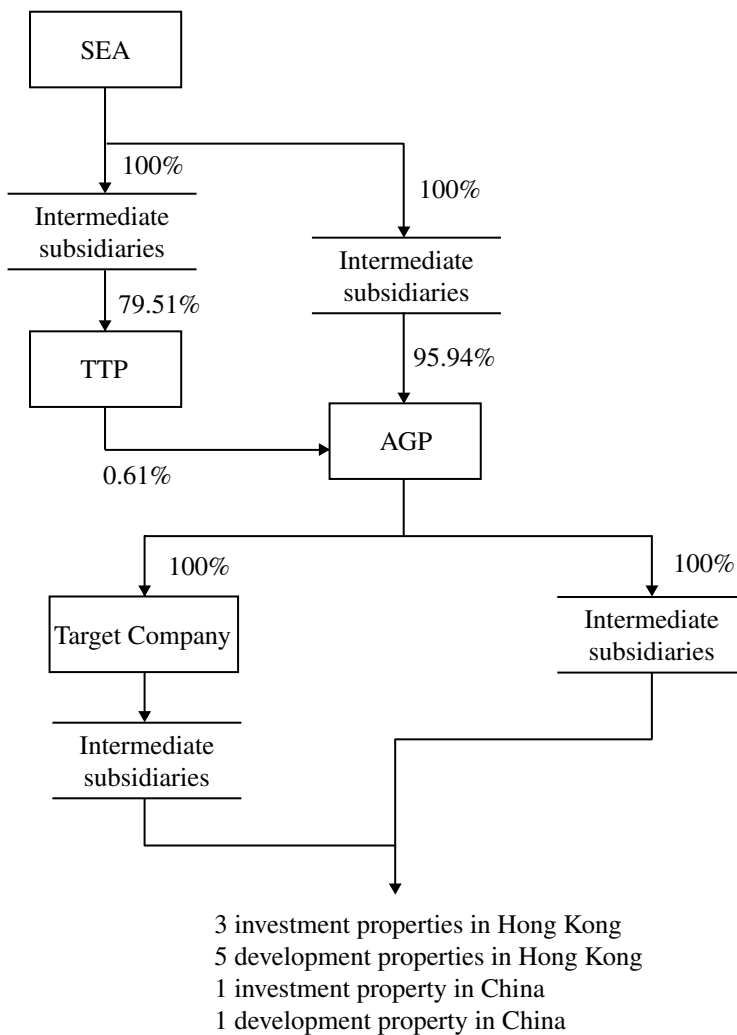
The diagrams below set out the structure of the Group and the AGP Group immediately before and immediately after the Transfer.

Immediately before the Transfer:



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Immediately after the Transfer:



LETTER FROM THE BOARD

6. INFORMATION ABOUT THE COMPANY, SEAI, AGP AND THE TARGET COMPANY

The Company is an investment holding company. The activities of its principal subsidiaries are investment holding, property and asset management, garment manufacturing and property investment and development in Australia, China, Hong Kong and New Zealand.

SEAI is an investment holding company responsible for, among others, project and asset management of the Group. SEAI is an indirect wholly-owned subsidiary of the Company.

AGP is an investment holding company whose shares are admitted to trading on AIM. The AGP Group is involved in the business of property investment and development. Immediately before Completion, the AGP Group had a property portfolio consisting of three development properties and one investment property, all located in Hong Kong and there were 217,693,995 issued AGP Shares. Immediately after Completion, the AGP Group has a property portfolio consisting of three investment properties and five development properties in Hong Kong and one investment property and one development property in China and there are 886,347,812 issued AGP Shares.

The audited consolidated profits before and after taxation of AGP for the year ended 31st December, 2005 were HK\$16.3 million and HK\$14.4 million, respectively. The audited consolidated profits before and after taxation of AGP for the year ended 31st December, 2004 were HK\$12.2 million and HK\$10.0 million, respectively. Based on the unaudited consolidated interim accounts of AGP as at 30th June, 2006, AGP's total asset value and net asset value were, HK\$2,221 million and HK\$1,575 million, respectively.

The Target Company is the holding company of the Target Group. The Target Group currently owns six property assets in Hong Kong and China. The Target Group's interest in the properties in the portfolio has been independently valued at a total of approximately HK\$6,425 million as at 30th June, 2006. The properties are:—

1. Dah Sing Financial Centre — No. 108 Gloucester Road, Wanchai, Hong Kong (“DSFC”)

DSFC is a 39-storey Grade A commercial building located in Wanchai, Hong Kong with a total gross floor area of 400,113 sq.ft. The building is currently 88.3% let and generates a monthly rent of approximately HK\$6.9 million.

2. 28/F, No. 9 Queen's Road Central, Hong Kong (the “Queen's Road Unit”)

The Queen's Road Unit is the entire floor of a Grade A commercial building in Central, Hong Kong with a total gross floor area of 13,769 sq.ft. It is currently let and generates a monthly rent of approximately HK\$0.3 million.

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3. Nos. 6-20 Leighton Road, Hong Kong (the “Leighton Road Development”)

The Leighton Road Development comprises of two adjoining lots with guest rooms of a total gross floor area of 142,149 sq.ft. when completed. The site is currently being developed as a hotel and is expected to be completed by the end of 2008.

4. Royal Green, 18 Ching Hiu Road, Sheung Shui, Hong Kong (“Royal Green”)

Royal Green is a semi-luxury residential development with 922 residential units located in Sheung Shui, New Territories, Hong Kong. The Target Group has a 55% interest in the development which is divided into two phases comprising 640 units in Phase I and 282 units in Phase II. Phase I was completed in November 2005 and Phase II is expected to be completed in November 2006. As at 30th August, 2006, there were in aggregate 308 unsold units in both Phases.

5. Plaza Central — 8 Shunchengda Street, Yanshikou, Chengdu, Sichuan Province, China (“Plaza Central”)

Plaza Central is a recently completed mix development located in Chengdu, China. The development consists of 29,938 sq.m. of shops, 48,323 sq.m. of offices and 13,091 sq.m. of car-parking spaces. The Target Group has a 97% interest in the development. Leasing of the office has commenced and all the shop spaces have been leased.

6. Westmin Plaza Phase II, Nos 48 -58 Zhong Shan 7th Road, Li Wan District, Guangzhou, Guangdong Province, China (“Westmin Plaza”)

Westmin Plaza is located in Guangzhou, China. It is currently under construction and completion is expected in the first quarter of 2007. It is intended that Westmin Plaza will consist of 563,721 sq.ft. of residential units, 291,747 sq.ft. of commercial areas, 202,234 sq.ft. of offices and 218,412 sq.ft. of car-parking spaces. The majority of the residential units in Westmin Plaza have already been pre-sold.

Based on the unaudited management accounts of the Target Group as at 30th June, 2006, the total asset value and net asset value of the Target Group were, as at 30th June, 2006, HK\$7,742 million and HK\$4,430 million, respectively. These figures have already taken into account the revaluation of the six properties in the Target Company’s portfolio as at 30th June, 2006.

The audited net profits before and after taxation of the Target Group for the year ended 31st December, 2005 were HK\$1,321.1 million and HK\$1,045.4 million, respectively. The audited net profits before and after taxation of the Target Group for the year ended 31st December, 2004 were HK\$336.9 million and HK\$307.8 million, respectively.

LETTER FROM THE BOARD

7. DISCLOSEABLE TRANSACTION

Upon Completion, the Transfer has resulted in (a) an increase of 10.97% in the Group's effective interest in AGP from 85.46% to 96.43%; and (b) a decrease of 3.57% of the Group's shareholding interest in the Target Company from 100% to 96.43%. As the applicable percentage ratio of the relevant size tests represent more than 5% but less than 25%, the Transfer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Company will make a further announcement after determination of the Post-completion Adjustment and will ensure compliance with the Listing Rules if the actual consideration for the Transfer (as adjusted by the Post-completion Adjustment) would have an impact on the categorization of the transactions contemplated by the Share Transfer Agreement under the Listing Rules.

8. ADDITIONAL INFORMATION

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

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

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this circular misleading.

2. DIRECTORS' DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO as required to be notified to the Company and HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO), as required to be entered in the register kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the "Model Code"), were as follows:—

2.1 Long positions in shares and underlying shares of the Company

Name of Directors	Number of shares		Number of underlying shares			Total	% of shares in issue
	Beneficial interests	Interests held by controlled corporation	(warrants)	Interests held by controlled corporation	(share options)		
Lu Wing Yuk, Andrew	—	—	—	—	3,000,000	3,000,000 ^Δ	0.51
Tse Man Bun	100,000	—	—	—	—	100,000	0.02
Lincoln Lu	618,000	304,090,506	572,717	51,325,190	—	356,606,413*	61.20
Lambert Lu	610,000	304,090,506	572,717	51,325,190	—	356,598,413*	61.20
Lam Sing Tai	90,000	—	11,478 [#]	—	—	101,478	0.02

Notes [△] The options were granted on 4th December, 2000, the exercise price is HK\$1.44 per share and the exercisable period is from 4th December, 2000 to 3rd December, 2010.

- * (1) Of these shares and warrants of the Company, 304,090,506 shares and warrants carrying 51,325,190 underlying shares deemed to be interested by Messrs. Lincoln Lu and Lambert Lu represented the same interests and were, therefore, duplicated between these two directors for the purpose of the SFO. The said 304,090,506 shares and warrants carrying 51,325,190 underlying shares were held by Nan Luen International Limited (“NLI”), which was 63.58% owned by JCS Limited (“JCS”) and was 3.21% owned by each of Messrs. Lincoln Lu and Lambert Lu.
- (2) JCS was 26.09% owned by a discretionary trust, of which both directors are beneficiaries. In addition, Messrs. Lincoln Lu and Lambert Lu were each interested in 11.95% of the issued shares in JCS directly. JCS is deemed to be a controlled corporation of each of Messrs. Lincoln Lu and Lambert Lu by virtue of the SFO.

Of these shares, 5,739 shares were held by the spouse of Mr. Lam Sing Tai.

2.2 Long positions in shares and underlying shares of associated corporations

(a) JCS

Name of Directors	Number of shares			% of shares in issue
	Beneficial interests	Interests as discretionary trust beneficiary	Total	
Lu Wing Chi	3,000	12,000 ¹	15,000	32.61
Lincoln Lu	5,500	12,000 ¹	17,500	38.04
Lambert Lu	5,500	12,000 ¹	17,500	38.04

(b) NLI

Name of Directors	Number of shares			% of shares in issue
	Beneficial interests	Interests held by controlled corporation	Total	
Lu Wing Chi	46,938	—	46,938	30.00
Lincoln Lu	5,021	99,480 ²	104,501	66.79
Lambert Lu	5,021	99,480 ²	104,501	66.79

Notes:

1. 12,000 shares in JCS deemed to be interested by Messrs. Lu Wing Chi, Lincoln Lu and Lambert Lu represented the same interests and were, therefore, duplicated amongst these three directors for the purpose of the SFO. Such shares were held by a discretionary trust, of which all three directors are beneficiaries.
2. 99,480 shares in NLI deemed to be interested by Messrs. Lincoln Lu and Lambert Lu represented the same interests and were, therefore, duplicated between these two directors for the purpose of the SFO. These shares were held by JCS, which is deemed to be a controlled corporation of each of Messrs. Lincoln Lu and Lambert Lu by virtue of the SFO.

Saved as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive nor their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as required to be notified to the Company and HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and HKSE pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' DISCLOSURE OF INTERESTS

Save as disclosed below, so far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, corporations or persons (other than a Director or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, were as follows:—

Long positions in shares and underlying shares of the Company

Name of shareholders	Capacity	Number of shares	Number of underlying shares (warrants)	Total	% of shares in issue
JCS ²	Held by controlled corporation	304,090,506	51,325,190	355,415,696 ¹	61.00
NLI ³	Beneficial interests	304,090,506	51,325,190	355,415,696 ¹	61.00
Pacific Rose Enterprises Limited	Beneficial interests	31,955,873	3,581,257	35,537,130	6.10

Notes:

1. 304,090,506 shares and warrants carrying 51,325,190 underlying shares held by NLI and deemed to be interested by JCS represented the same interests and were, therefore, duplicated between these two shareholders for the purpose of the SFO. JCS was interested in 63.58% of the shares in NLI.

2. Messrs. Lu Wing Chi, Lincoln Lu and Lambert Lu, all of whom are directors of the Company, are also directors of JCS.
3. Messrs. Lu Wing Chi, Lu Wing Yuk, Andrew, Lincoln Lu and Lambert Lu all of whom are directors of the Company, are also directors of NLI.

4. COMPETING INTERESTS

As at the Latest Practicable Date, each of the following Directors and his associates are considered by the Company to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group, other than those businesses where such Directors have been appointed to represent the interests of the Company and/or other members of the Group:—

Mr. Lu Wing Chi also has shareholdings (on behalf of himself and his associates) and holds directorships in a number of private companies controlled by, or owned in conjunction with, his close relatives and associates. From time to time, such companies are involved in real estate development and investment, and textile manufacturing and trading. In this regard, Mr. Lu is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Lu Wing Yuk, Andrew is also the managing director of Kian Nan Trading Company Limited whose businesses include textile manufacturing and trading and he has shareholdings (on behalf of himself and his associates) and holds directorships in a number of private companies controlled by, or owned in conjunction with, his close relatives and associates. From time to time, such companies are involved in real estate development and investment. In this regard, Mr. Lu is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Tse Man Bun is also an independent non-executive director of HSBC Insurance (Asia) Limited, China Fishery Group Limited, Tysan Holdings Limited and Crystal International Limited. The principal businesses of Tysan Holdings Limited include building construction, and property development, investment and management. In this regard, he is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group. The principal businesses of Crystal International Limited include garment trading and manufacturing. However, having considered the scale of garment business in which the Group is involved, Mr. Tse is not considered by the Group to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group in this regard. In addition, Mr. Tse and his associates also invest from time to time in real estate investments. Again, the scale and nature of such investments do not fit the investment profile of the Group. Hence, Mr. Tse is not considered by the Group to have interests in businesses which compete or might compete with the businesses of the Group as a result of such investments.

Messrs. Lincoln Lu and Lambert Lu are the sons of Mr. Lu Wing Chi. In this regard, Messrs. Lincoln Lu and Lambert Lu are considered to have interests in the competing businesses in which Mr. Lu Wing Chi is deemed interested. Messrs. Lincoln Lu and Lambert Lu also have shareholdings (on behalf of themselves and their associates) and hold directorships in a number of private companies controlled by, or owned in conjunction with, their close relatives and associates. From time to time, such companies are involved in real estate development and investment, and textile manufacturing and trading. In this regard, Messrs. Lincoln Lu and Lambert Lu are considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Lam Sing Tai who holds directorships in a number of the members of the Group does not have any interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Walujo Santoso, Wally and his associates invest from time to time in real estate investment and development. In this regard, Mr. Santoso is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Leung Hok Lim is also a director of a number of private and listed companies. Some of these companies and their associates are involved in property development and investment. In addition, Mr. Leung and his associates invest from time to time in real estate investments and developments. In this regard, Mr. Leung is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

Mr. Chung Pui Lam is also a director of the listed Chow Sang Sang Holdings International Limited and Datronix Holdings Limited. Mr. Chung and his associates invest from time to time in real estate investments and developments. In this regard, Mr. Chung is considered to have interests in businesses which compete or might compete, either directly or indirectly, with the businesses of the Group.

However, as the Board as a whole is independent of the above individuals and of the boards of directors of the above companies, the Group is capable of carrying on its businesses independently of, and at arm's length from, the said competing businesses.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into or has proposed to enter into any service contract with any member of the Group, which does not expire or is not terminable by such member of the Group within one year without payment of compensation, other than statutory compensation.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened against the Company or any of its subsidiaries.

7. MISCELLANEOUS

- (a) The Qualified Accountant of the Company is Mr. Chan Ka Wing, *B. Comm., CPA*, a member of the American Institute of Certified Public Accountants and an associate of the Hong Kong Institute of Certified Public Accountants.
- (b) The Secretary of the Company is Mr. Kwok Siu Man, Seaman, *PgD (Laws), BA (Acct.), FCIS, FCS, FFA*, a fellow member of The Institute of Chartered Secretaries and Administrators and The Institute of Financial Accountants in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.
- (c) The ultimate controlling shareholder of the Company is JCS.
- (d) The Hong Kong branch share registrar and transfer office of the Company is Standard Registrars Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.