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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 or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in S E A Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**PROPOSALS IN RELATION TO  
RE-ELECTION OF RETIRING DIRECTORS  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
ADOPTION OF A NEW SHARE OPTION SCHEME  
AND  
NOTICE OF 2015 ANNUAL GENERAL MEETING**

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The notice convening the Annual General Meeting of S E A Holdings Limited to be held at the principal office of the Company at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong on Friday, 29 May 2015 at 11:30 a.m. is set out on pages 31 to 35 of this circular.

Whether or not you are able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal office of the Company at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong 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 so wish.

28 April 2015

\* For identification purpose only

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## DEFINITIONS

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

“Affiliate”	means any company which is: <ul style="list-style-type: none"><li>(a) a Holding Company of the Company; or</li><li>(b) a Subsidiary of a Holding Company of the Company; or</li><li>(c) a Subsidiary of the Company; or</li><li>(d) a Controlling Shareholder of the Company; or</li><li>(e) a company controlled by a Controlling Shareholder of the Company; or</li><li>(f) a company controlled by the Company; or</li><li>(g) an associated company of a Holding Company of the Company; or</li><li>(h) an associated company of the Company;</li></ul>
“AGP”	Asian Growth Properties Limited, a company incorporated in the British Virgin Islands with limited liability and is a subsidiary of the Company, whose shares are admitted for trading on the AIM Market of London Stock Exchange plc;
“Annual General Meeting”	the forthcoming 2015 annual general meeting of the Company to be held on Friday, 29 May 2015 at 11:30 a.m., notice of which is set out on pages 31 to 35 of this circular;
“Associate”	has the same meaning of “associate” as defined in the Listing Rules;
“Board”	the board of Directors; and for the purpose of the New Share Option Scheme means the board of Directors or a committee thereof duly formed to administer matters in relation to the New Share Option Scheme;

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## DEFINITIONS

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“Bye-laws”	the Bye-laws of the Company as amended, supplemented or otherwise modified from time to time;
“Close Associate”	has the same meaning of “close associate” as defined in the Listing Rules;
“Company”	S E A Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 251);
“Connected Person”	has the same meaning of “connected person” as defined in the Listing Rules;
“Controlling Shareholder”	has the same meaning of “controlling shareholder” as defined in the Listing Rules;
“Core Connected Person”	has the same meaning of “core connected person” as defined in the Listing Rules;
“Directors(s)”	the director(s) of the Company;
“Eligible Participant”	any person who satisfies the eligibility criteria for participating in the New Share Option Scheme as set out in such scheme;
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 25 August 2005;
“Grantee”	any Eligible Participant who accepts the offer of Options in accordance with the terms of the New Share Option Scheme or (where the context so permits) his personal representative(s) entitled to any such Options in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries;
“HK\$” or “Hong Kong Dollars”	the lawful currency of Hong Kong for the time being;
“Holding Company”	has the same meaning of “holding company” as defined in the Listing Rules;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

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## DEFINITIONS

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“JCS”	JCS Limited, an exempted company incorporated in Bermuda with limited liability, is the ultimate holding company of the Company;
“Latest Practicable Date”	17 April 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“New Share Option Scheme”	the new share option scheme of the Company proposed to be approved and adopted by the Shareholders at the Annual General Meeting, a summary of the principal terms of which is set out in Appendix III of this circular;
“NLI”	Nan Luen International Limited, an exempted company incorporated in Bermuda with limited liability, is the controlling shareholder of the Company;
“Option”	an option to subscribe for new Shares granted pursuant to the New Share Option Scheme;
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the total number of issued Shares of the Company at the date of passing the relevant ordinary resolution;
“Retiring Directors”	Messrs. Lambert Lu, Lam Sing Tai and Walujo Santoso, Wally;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of nominal amount of HK\$0.10 each in the share capital of the Company;
“Share Buy-backs Code”	Code on Share Buy-backs issued by the Securities and Futures Commission in Hong Kong as amended, supplemented or otherwise modified from time to time;

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## DEFINITIONS

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“Shareholders”	duly registered holders of the Shares;
“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 pursuant to the New Share Option Scheme;
“Subsidiary”	<p>(a) in respect of the Company, 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 (Chapter 622 of the Laws of Hong Kong) and/or the Companies Act 1981 of Bermuda (as amended, supplemented or otherwise modified from time to time)); or</p> <p>(b) in respect of any other company, a company which is for the time being and from time to time a subsidiary of that other company (within the meaning of the local companies law, act and/or ordinance where the subject company was incorporated),</p> <p>whether incorporated in Hong Kong or elsewhere, and “Subsidiaries” shall be construed accordingly;</p>
“Supplementary Guidance”	the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the Stock Exchange relating to share option schemes;
“Takeovers Code”	Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong as amended, supplemented or otherwise modified from time to time;
“£”	British Pound, the lawful currency of the United Kingdom for the time being; and
“%”	per cent.

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LETTER FROM THE BOARD

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 爪哇集團  
SEA Group  
S E A 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  
Lincoln Lu  
Lambert Lu

*Registered Office:*

Clarendon House  
2 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

28 April 2015

*To the Shareholders and for information only,  
the holders of the outstanding share options  
of the Company*

Dear Sir or Madam,

**PROPOSALS IN RELATION TO  
RE-ELECTION OF RETIRING DIRECTORS  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
ADOPTION OF A NEW SHARE OPTION SCHEME  
AND  
NOTICE OF 2015 ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information on the resolutions to be proposed at the Annual General Meeting relating to, among other matters, (i) the re-election of the Retiring Directors; (ii) the granting of general mandates to the Directors to issue Shares and to repurchase Shares; and (iii) the adoption of a new share option scheme.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-laws 88(A), 88(B) and 89 of the Bye-laws, Messrs. Lambert Lu (Executive Director), Lam Sing Tai (Non-executive Director) and Walujo Santoso, Wally (Independent Non-executive Director) will retire by rotation from office and being eligible, offer themselves for re-election as Directors at the Annual General Meeting.

Mr. Santoso has served the Company as Independent Non-executive Director for more than 20 years. After taking into consideration that (i) he is independent from the management and free from any business or other relationships or circumstances which could materially interfere with the exercise of his independent judgement; and (ii) the Company has received an annual confirmation from him on satisfying all the criteria for independence set out in Rule 3.13 of the Listing Rules, the Board considers Mr. Santoso continues to be independent under the Listing Rules.

After considering the Retiring Directors' business/management experience, qualifications, knowledge, skills as well as duties and responsibilities in the Group, the Board has resolved that separate resolution will be proposed for re-election of each of the Retiring Directors at the Annual General Meeting for Shareholders' approval.

Particulars of the Retiring Directors required to be disclosed pursuant to Rule 13.74 of the Listing Rules are set out in Appendix I to this circular.

### 3. GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 30 May 2014, Shareholders' approval was given for, amongst other matters, the grant to the Directors of general mandates to (i) allot, issue and otherwise deal with additional Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the same date of passing the relevant ordinary resolution; (ii) repurchase Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the same date of passing the relevant ordinary resolution; and (iii) add to the general mandate granted under (i) above the aggregate nominal value of the Shares repurchased by the Company under the Repurchase Mandate.

In accordance with the terms of the above approval, these general mandates will expire on 29 May 2015 upon the conclusion of the Annual General Meeting. To keep in line with the current corporate practice, the grant of fresh general mandates for the same purposes is being sought from the Shareholders and the ordinary resolutions to grant these mandates to the Directors will be proposed at the Annual General Meeting. Subject to the passing of the proposed ordinary resolutions at the Annual General Meeting for the approval of the relevant general mandates and on the basis that there will be no change to the issued share capital of the Company between the Latest Practicable Date and the date of the Annual General Meeting, the Directors will be allowed to (i) allot, issue and otherwise deal with 138,435,545 additional Shares (which will not exceed 20% of the total number of Shares of the Company in issue as at the date of the Annual General Meeting); and (ii) repurchase a maximum of 69,217,772 Shares (which will not exceed 10% of the total number of Shares of the Company in issue as at the date of the Annual General Meeting).



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## LETTER FROM THE BOARD

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An explanatory statement, as required by the Listing Rules to be given to the Shareholders concerning the Repurchase Mandate, is set out in Appendix II to this circular and contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution relating to the Repurchase Mandate.

#### **4. ADOPTION OF A NEW SHARE OPTION SCHEME**

##### **(i) General**

The Existing Share Option Scheme was adopted by the Company on 25 August 2005 and would remain in force for a period of 10 years from the date of its adoption. The Existing Share Option Scheme will expire on 24 August 2015.

The Company had no other subsisting share option scheme other than the Existing Share Option Scheme as at the Latest Practicable Date. Since the adoption of the Existing Share Option Scheme, the Company, as at the Latest Practicable Date, has granted options to subscribe for a total of 94,080,137 Shares, of which (a) no options to subscribe for Shares were cancelled; (b) options to subscribe for 6,296,928 Shares were lapsed; and (c) options to subscribe for 23,248,000 Shares remained outstanding.

Upon expiry of the Existing Share Option Scheme, no further options shall be offered thereunder but in all other respects the provisions of the Existing Share Option Scheme shall remain in force and effect. The options granted prior to and remaining outstanding at expiry, if any, shall continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme.

At the Annual General Meeting, an ordinary resolution will be proposed for the Company to approve the adoption of the New Share Option Scheme as the new share option scheme of the Company.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the New Share Option Scheme is available for inspection during the normal business hours at the Company's head office at 26/F., Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong during the 14-day period immediately preceding the Annual General Meeting and at the Annual General Meeting.

The New Share Option Scheme is conditional upon the passing of an ordinary resolution by the Shareholders at the Annual General Meeting approving the adoption of the New Share Option Scheme and authorising the Board to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme.

The grant of Options under the New Share Option Scheme is conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of subscription rights attaching to the Options to be granted under the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### **(ii) Reasons for the adoption of the New Share Option Scheme**

The Board considers that in order to enable the Group to motivate the Eligible Participants to utilize their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain an ongoing relationship with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group, it is important that the Group should be permitted to provide them, where appropriate, with an incentive by offering them an opportunity to obtain an ownership interest in the Company and to reward them for contributing to the success of the business of the Group.

In view of the above, the Board considers that the adoption of the New Share Option Scheme is in the best interests of the Company and the Shareholders as a whole. The Board therefore proposes to recommend to the Shareholders at the Annual General Meeting to approve the adoption of the New Share Option Scheme.

### **(iii) How the terms of the New Share Option Scheme will serve the purpose of the New Share Option Scheme**

The New Share Option Scheme sets out the basis of eligibility of the Eligible Participants, who include (a) a director (whether executive, non-executive, independent non-executive or alternate) or employee (whether full time, part time, seconded or otherwise) of the Company or any Affiliate; (b) a representative, manager, agent, contractor, advisor, consultant, distributor or supplier engaged by the Company or any Affiliate to provide service or goods to the Company or any Affiliate; (c) a customer, promoter, business ally or joint-venture partner of the Company or any Affiliate; or (d) a trustee of any trust established for the benefit of employees of the Company or any Affiliate.

The Board will assess the eligibility of the Eligible Participants based on their individual performance, time commitment, responsibilities and employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the profits of the Group during the financial year.

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 achieved before an Option can be exercised. However, the Board may, at its sole discretion, determine such terms and impose such other restrictions on the grant of an Option. The New Share Option Scheme also sets out the basis of determining the exercise price of an Option. Subject to the Listing Rules, the Board has the discretion in determining the exercise price in respect of any Option.

The Directors therefore consider that the aforesaid criteria and rules will enable the Directors to properly operate and regulate the New Share Option Scheme and thus help serve the purpose of the New Share Option Scheme and to preserve the value of the Company.

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## LETTER FROM THE BOARD

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### **(iv) Valuation of the 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 conditions 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 the Shareholders in the circumstances.

### **(v) Maximum number of Shares available for subscription**

Subject to the adoption of the New Share Option Scheme by the Shareholders, the total number of Shares which may be issued upon the exercise of all the 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 total issued Shares as at the date of adoption of the New Share Option Scheme.

Based on 692,177,726 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the Annual General Meeting, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the New Share Option Scheme is 69,217,772 Shares (“Scheme Mandate Limit”).

The Company may seek approval of the Shareholders in general meetings to refresh the Scheme Mandate Limit. Notwithstanding that the Scheme Mandate Limit may be refreshed, the Board shall not grant Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all the outstanding Options granted but yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company exceeding, in aggregate, 30% of the issued Shares of the Company from time to time. As at the Latest Practicable Date, such 30% limit represented 207,653,317 Shares.

### **(vi) Application for listing**

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

### **(vii) Compliance with the Listing Rules**

The provisions of the New Share Option Scheme will comply with the requirements of Chapter 17 of the Listing Rules.

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## LETTER FROM THE BOARD

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None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in such trustee.

As at the Latest Practicable Date, no Shareholders are required to abstain from voting in favour of the resolution to approve the adoption of the New Share Option Scheme.

### **5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice convening the Annual General Meeting to be held at the Company's principal office at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong on Friday, 29 May 2015 at 11:30 a.m. is set out in Appendix IV to this circular.

A form of proxy for use by the Shareholders in connection with the businesses of the Annual General Meeting is enclosed with this circular for your attention. Whether or not you are able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal office of the Company at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong 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 so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of poll. Accordingly, each of the resolutions to be considered and, if thought fit, passed at the Annual General Meeting will be put to vote by way of poll by the Shareholders. Bye-law 63 of the Bye-laws provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder.

### **6. RECOMMENDATION**

The Directors consider that the proposed re-election of the Retiring Directors, general mandate to issue Shares, the Repurchase Mandate and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

### **7. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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## LETTER FROM THE BOARD

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### 8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

In case of any inconsistency between the English and Chinese versions of this circular, the English version shall prevail.

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

The following are the biographical details of the Retiring Directors proposed to be re-elected at the Annual General Meeting.

1. **Mr. Lambert Lu**, aged 38, joined the Group in 1999 and was appointed as an Executive Director of the Company in December 2003. He is a member of both the Executive Committee and Remuneration Committee of the Company. Mr. Lu is an executive director of AGP and a director of various members of the Group. In addition, he is a director of NLI and JCS. Mr. Lu is a member of the Henan Committee of Chinese People's Political Consultative Conference and a vice chairman of The Chamber of Hong Kong Listed Companies. He holds a Bachelor's degree in Statistics and Economics from the University of British Columbia in Canada. He furthered his postgraduate business studies at the Tsinghua School of Economics and Management, Tsinghua University in China.

Mr. Lu is a son of Mr. Lu Wing Chi, the Chairman and Managing Director of the Company, the younger brother of Mr. Lincoln Lu, Executive Director of the Company, and a nephew of Mr. Lu Wing Yuk, Andrew, Executive Director of the Company. Save as disclosed herein, Mr. Lu does not have any other relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lu had personal interests of (a) 13,778,002 Shares and 2,230,000 underlying Shares in respect of the share options granted by the Company; (b) 5,021 shares in NLI; and (c) 11,730 shares in JCS within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Lu but an appointment letter has been executed between the Company and Mr. Lu with no specified length or proposed length of service with the Company in respect of his appointment as director. Mr. Lu is subject to retirement by rotation and re-election at the annual general meetings in accordance with the Bye-laws and the Listing Rules. He is entitled to a monthly salary of HK\$300,000, an annual director's fee of HK\$20,000 plus other emoluments such as discretionary bonus and other benefits, which will be reviewed and determined on an annual basis with reference to his duties and responsibilities with the Company, the Company's performance and profitability and the prevailing market conditions. In addition, he receives an annual director's fee of £20,000 from AGP.

Save as disclosed above, there are no other matters concerning Mr. Lu that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

2. **Mr. Lam Sing Tai**, aged 68, joined the Group in 1973 and was appointed as a Non-executive Director of the Company in April 2006. He has over 40 years of solid experience in property development and investment. He is currently the general manager of South-East Asia Investment And Agency Company, Limited, a principal wholly-owned subsidiary of the Company, a non-executive director of AGP and a director of various members of the Group. Mr. Lam is primarily responsible for the sales and marketing matters of the Group's properties in Hong Kong and Mainland China.

Mr. Lam does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lam had personal interests of 2,129,739 Shares and 3,122,000 underlying Shares in respect of the share options granted by the Company and deemed to be interested in 5,739 Shares, which were beneficially owned by his wife, within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Lam but an appointment letter has been executed between the Company and Mr. Lam with no specified length or proposed length of service with the Company in respect of his appointment as director. Mr. Lam is subject to retirement by rotation and re-election at the annual general meetings in accordance with the Bye-laws and the Listing Rules. He is entitled to a monthly salary of HK\$175,000, an annual director's fee of HK\$20,000 plus other emoluments such as discretionary bonus and other benefits, which will be reviewed and determined on an annual basis with reference to his duties and responsibilities with the Company, the Company's performance and profitability and the prevailing market conditions. In addition, he receives an annual director's fee of £20,000 from AGP.

Save as disclosed above, there are no other matters concerning Mr. Lam that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

3. **Mr. Walujo Santoso, Wally**, aged 61, has acted as an Independent Non-executive Director of the Company since December 1994 and is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He is also the managing director of Grand Ocean (International) Limited and has over 35 years of experience in international trading and manufacturing. Mr. Santoso also holds a Diploma in Accounting and did not hold any directorship in other listed public companies in the last three years.

Other than his capacity as a director of the Company, Mr. Santoso does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Santoso had personal interests of 556,000 Shares and 444,000 underlying Shares in respect of the share options granted by the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Santoso but an appointment letter has been executed between the Company and Mr. Santoso with no specified length or proposed length of service with the Company in respect of his appointment as director. Mr. Santoso is subject to retirement by rotation and re-election at the annual general meetings in accordance with the Bye-laws and the Listing Rules. He is entitled to an annual director's fee of HK\$200,000 as determined by the Board with reference to the prevailing market rate for independent non-executive directors of listed companies in Hong Kong.

Mr. Santoso has served the Board for more than 20 years and after taking into consideration that (i) he is independent from the management and free from any business or other relationships or circumstances which could materially interfere with the exercise of his independent judgement; and (ii) the Company has received an annual confirmation from him on satisfying all the criteria for independence set out in Rule 3.13 of the Listing Rules, the Board considers Mr. Santoso continues to be independent under the Listing Rules.

Save as disclosed above, there are no other matters concerning Mr. Santoso that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.



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

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 692,177,726 Shares and there were outstanding options granted under the Company's employee share option scheme to subscribe for 23,248,000 Shares.

Assuming that there will be no change to the issued share capital of the Company between the Latest Practicable Date and the date of the Annual General Meeting, exercise in full of the Repurchase Mandate would result in up to a maximum of 69,217,772 Shares being repurchased by the Company during the relevant period.

## **2. REASONS FOR REPURCHASES**

The Directors believe that the flexibility afforded by the Repurchase Mandate will be in the best interests of the Company and the Shareholders as a whole. 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 and the Shareholders.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and the laws of Bermuda. Pursuant to the Companies Act 1981 of Bermuda (as amended), any Share repurchased under the Repurchase Mandate may only be paid out of the capital paid up on the repurchased Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of proceeds of a fresh issue of Shares made for the purpose of the repurchase. The premium, if any, payable on the repurchase will be provided out of the funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company before the Shares are repurchased.

The Directors consider that there might be a material adverse impact on the working capital or the gearing position of the Group as compared with the position disclosed in the published audited consolidated financial statements of the Company as at 31 December 2014 in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

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

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2014</b>		
April	4.50	4.22
May	4.50	4.35
June	4.60	4.40
July	4.88	4.51
August	4.85	4.65
September	4.90	4.36
October	5.04	4.62
November	5.04	4.93
December	5.21	4.96
<b>2015</b>		
January	5.32	5.02
February	7.00	5.12
March	6.74	5.68
From 1 April up to and including the Latest Practicable Date	6.30	5.55

#### 5. REPURCHASE BY THE COMPANY

The Company had repurchased a total of 842,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date. Details of which are as follows:

Date of repurchase	Number of Shares repurchased	Price paid per Share	
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2014</b>			
24 October	38,000	4.74	4.74
28 October	90,000	4.85	4.70
10 November	184,000	5.00	4.95
14 November	134,000	5.00	5.00
15 December	36,000	5.00	4.96
<b>2015</b>			
9 April	76,000	5.68	5.58
13 April	284,000	5.90	5.89
<b>Total</b>	<u>842,000</u>		

Save as disclosed herein, the Company had not made any purchase of Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

## 6. INTENTION AND UNDERTAKING

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their close associates have any present intention to sell any Shares held by them 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.

No core connected person of the Company has notified the Company that he has a present intention to sell the Shares held by him to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## 7. EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a repurchase of Shares by the Company, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code and Rule 6 of the Share Buy-backs 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 thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, NLI was beneficially interested in approximately 59.77% of the issued share capital of the Company. In the preceding 12 months prior to the Latest Practicable Date, the lowest percentage holding of NLI in the issued share capital of the Company was approximately 59.58%. In the event that the Company exercises the Repurchase Mandate in full and assume no further issue of new Shares by the Company pursuant to any general and unconditional mandate given by the Shareholders and any share option/share award schemes adopted by the Company, the beneficial shareholding interest of NLI in the Company will be increased to approximately 66.41%. Provided that NLI's shareholding in the Company does not fall below 50% subsequent to the Latest Practicable Date, NLI is not subject to any mandatory offer obligation pursuant to Rule 26 of the Takeovers Code as a result of the repurchases of Shares by the Company.

**NEW SHARE OPTION SCHEME**

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved at the Annual General Meeting.

**Purpose**

1. (a) The New Share Option Scheme is a share incentive scheme and is established to recognize and acknowledge the contributions which the Eligible Participants have made or will make to the Group and promote the long term success of the Company by aligning the interests of the Grantees with those of the Shareholders.
- (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 and development of the Group.

**Participants and basis for determining eligibility of participants**

2. The Board may at its discretion grant Options to any person who is (a) a director (whether executive, non-executive, independent non-executive or alternate) or employee (whether part-time, full-time, seconded or otherwise) of the Company or any Affiliate; (b) a representative, manager, agent, contractor, advisor, consultant, distributor or supplier engaged by the Company or any Affiliate to provide service or goods to the Company or any Affiliate; (c) a customer, promoter, business ally or joint-venture partner of the Company or any Affiliate; or (d) a trustee of any trust established for the benefit of employees of the Company or any Affiliate.

The basis of eligibility of any of the above classes of Eligible Participants to the grant of any Options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group.

**Maximum number of shares available for subscription**

3. 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 for the time being of the Company shall not, in aggregate, exceed such number of Shares as equals 30% of the Shares in issue from time to time, subject to the conditions set out below. No option may be granted under the New Share Option Scheme or any other share option schemes of the Company if it will result in the above-mentioned 30% limit being exceeded.

Within the 30% limit:

- (a) 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”), unless Shareholders’ approval has been obtained pursuant to paragraphs 3(b) or 3(c). Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) The Scheme Mandate Limit referred to under paragraph 3(a) may be refreshed by the Shareholders in general meeting from time to time but in any event, 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 under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders. Options previously granted under the New Share Option Scheme or any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the New Share Option Scheme or any other share option schemes of the Company or exercised options) will not be counted for the purpose of calculating the limit as refreshed.
- (c) Notwithstanding the foregoing, the Board may seek separate approval of the Shareholders in general meeting to grant Options beyond the Scheme Mandate Limit or the refreshed limit referred to in paragraph (b), provided that the Options in excess of the Scheme Mandate Limit or the refreshed limit shall be granted only to the Eligible Participants specifically identified by the Company 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.

**Maximum number of shares to any one individual**

4. (a) No Option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Options already granted or to be granted to such Eligible Participant (including both exercised and outstanding Options) in the 12-month period up to and including the date of such new grant exceeding 1% of the Shares in issue as at the date of such new grant. Any grant of further Options above this limit shall be subject to the following requirements:
- (i) approval of the Shareholders at a general meeting, with such Eligible Participant and his Close Associates (or his Associates if such Eligible Participant is a Connected Person) abstaining from voting;
  - (ii) a circular in relation to the proposal for such further grant having been sent by the Company to its Shareholders with such information from time to time required by the Listing Rules;
  - (iii) the number and terms of the Options (including the exercise price) to be granted to such proposed Grantee shall be fixed before the approval of the Shareholders as mentioned in paragraph (i).

**Grant of Options to Connected Persons**

5. (a) Any grant of Options to a Director, chief executive or substantial shareholder of the Company 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 of the relevant Options).
- (b) Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company or any of their respective Associates would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1% of the Shares in issue, and
  - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

then such further grant must be subject to the approval by Shareholders at a general meeting. The Grantee, his Associates and all Core Connected Persons of the Company must abstain from voting in favour of such resolution in such general meeting. The Company shall issue a circular to the Shareholders containing such information from time to time required by the Stock Exchange, including a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee of the relevant Options) on whether or not to vote in favour of the proposed grant.

The circular mentioned above must contain:

- (i) details of the number and terms (including the exercise price) of the Options to be granted to such Eligible Participant, which must be fixed before the Shareholders' meeting, and the date of board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price;
- (ii) a recommendation from the independent non-executive Directors (excluding independent non-executive Director who is the Grantee of the Options) to the independent Shareholders as to voting; and
- (iii) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4); and the information required under Rule 2.17 of the Listing Rules.

### **Exercise of Options**

- 6. (a) The period within which the Options must be exercised will be specified by the Company at the time of grant, but shall expire no later than 10 years from the relevant date of grant.
- (b) 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 none of the events for termination of employment or engagement under paragraph 13(c) then exists with respect to such Grantee, 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 (or such other period as the Board may determine) from the date of his death and any Option not so exercised shall lapse and determine at the expiry of such period.

- (c) In the event of the employing, appointing or engaging company of a Grantee who is a director, employee, representative, manager, agent, contractor, advisor, consultant, distributor, supplier, customer, promoter, business ally or joint venture partner of the Company or an Affiliate ceasing to be the Company or an Affiliate 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 which is not self-inflicted (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.
- (d) In the event of the Grantee (a) who is a director or employee of the Company or an Affiliate ceasing to be such a director or employee of the Company or an Affiliate by the reason of his retirement from office or employment (whether by agreement, upon reaching the applicable retirement age in accordance with the terms of the Grantee's appointment or employment contract or otherwise pursuant to any applicable laws, rules or regulations or the constitutional documents of the Company or the Affiliate) or by the reason of his being removed as a director, resignation or by the reason of termination of his employment or appointment by his employing or appointing company whether on notice or with pay in lieu of such notice; or (b) who is a representative, manager, agent, contractor, advisor, consultant, distributor, supplier, customer, promoter, business ally or joint venture partner of the Company or an Affiliate ceasing to be such a representative, manager, agent, contractor, advisor, consultant, distributor, supplier, customer, promoter, business ally or joint venture partner of the Company or an Affiliate by the reason of termination of his/its appointment or engagement, such Option (to the extent not already exercised) shall lapse on the date of cessation of office, employment, appointment or contract of engagement (as the case may be) and not be exercisable.

For the purpose of this paragraph 6(d), a Grantee who is a director will not be treated as ceasing to be a director if he retires and is re-elected as a director in a general meeting of the company concerned on the same day of his retirement.

- (e) In the event of the Grantee ceasing to be an Eligible Participant on one or more of the grounds specified in paragraph 13(c) or for any reason other than as described in paragraphs 6(b) to 6(d), then all his Options shall lapse and determine without compensation on the date he so ceases (to the extent not already exercised).



- (f) 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 prior to the expiry date of the relevant Option, then the Board shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee (or his personal representative) 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 without compensation upon the expiry of such period.
- (g) 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 (or his personal representative) 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 without compensation on the date of commencement of the winding up of the Company.
- (h) 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 (or his personal representative) 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 without compensation. The Board 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.

- (i) Upon the occurrence of any of the events referred to in paragraphs 6(f) to 6(h), the Company may at its discretion and notwithstanding the terms of the relevant Option, also give notice to the Grantee that his Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) notified by the Company. If the Company issues such notice, the balance of the Options shall lapse.
- (j) In any case where Options lapse pursuant to paragraphs 6(b) to 6(e), the Board may in its absolute discretion determine that all or any of such Options shall not so lapse (or shall lapse on a later date) subject to such conditions or limitations as the Board may decide.

### **Grant of Options**

- 7. At the time of grant of the Options, the Company may specify any minimum period(s) for which an Option must be held before it can be exercised. The New Share Option Scheme does not contain any such minimum period.
- 8. At the time of the grant of the Options, the Company may specify any performance target(s) which must be achieved before the Options can be exercised. The New Share Option Scheme does not contain any performance targets.

9. An offer of Options (“Offer”) shall be deemed to have been accepted by an Eligible Participant in respect of all Shares which are offered to such Eligible Participant (save when acceptance of a lesser number of Shares is clearly stated in the duplicate letter comprising acceptance of the Offer) when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$10.00 by way of consideration for the grant thereof is received by the secretary of the Company at its principal place of business in Hong Kong within 28 days from the date of offer (or such longer or shorter period as the Board may specify in the letter of Offer). Such remittance shall in no circumstances be refundable.
  
10. 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 or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “Allotment Date”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions (including distributions made upon the liquidation of the Company) paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date. 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.

#### **Subscription Price**

11. The subscription price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 14, be at the discretion of the Board, provided that it must be at least the highest of:
  - (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the relevant date of grant (which must be a business day) in respect of such Option;
  - (b) the average of the closing price of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the relevant date of grant in respect of such Option; and
  - (c) the nominal value of a Share.

#### **Term of the New Share Option Scheme**

12. The New Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption of the New Share Option Scheme. No further Options shall be offered or granted under the New Share Option Scheme on or after the date of the tenth anniversary of the adoption of the New Share Option Scheme.

**Early termination of Option period**

13. The Option period referred in paragraph 6(a) in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:
- (a) the expiry of the Option period (subject to the provisions of the New Share Option Scheme);
  - (b) any expiry date or the expiry of any of the periods referred to in paragraphs 6(b) to 6(i);
  - (c) the date on which the Grantee ceases to be an Eligible Participant by reason of a termination of his employment on the grounds that:
    - (i) he has been guilty of persistent or serious misconduct; or
    - (ii) he appears either to be unable to pay or to have no reasonable prospect of being able to pay debts; or
    - (iii) he has committed any act of bankruptcy or has become bankrupt or insolvent or has made any arrangement or composition with his creditors generally; or
    - (iv) he has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Grantee or the Group into disrepute);
  - (d) the date of commencement of the winding up of the Company;
  - (e) the date on which the Grantee commits a breach of paragraph 17;
  - (f) the date on which any of the following events, unless otherwise waived by the Board, happen:
    - (i) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee (being a corporation);
    - (ii) the Grantee (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts (within the meaning of Section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong or any similar laws or regulations) or otherwise become insolvent;
    - (iii) there is unsatisfied judgement, order or award outstanding against the Grantee (being a corporation);

- (iv) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-paragraphs (i), (ii) and (iii) above;
- (v) a bankruptcy order has been made against any director of the Grantee (being a corporation) in any jurisdiction; or
- (vi) a petition for bankruptcy has been presented against any director of the Grantee (being a corporation) in any jurisdiction;
- (g) the date on which the Grantee commits a breach of any terms and conditions attached to the grant of its Option, if the Board shall exercise the Company's right to cancel the Option without compensation; or
- (h) the date on which the Board considers that the Grantee fails to meet the continuing eligibility criteria as provided in the New Share Option Scheme, if the Board shall exercise the Company's right to cancel the Option without compensation; or
- (i) the date on which the Board resolves to cancel any Option pursuant to paragraph 15.

If any of the events set out in paragraph 13(f) happen or the Grantee commits a breach of any terms and conditions of the New Share Option Scheme or the grant of his Option, the Board shall have the right to cancel his Option without compensation. If an Option lapses under paragraph 13, the Grantee shall not be entitled to any compensation from the Company.

#### **Reorganisation of capital structure**

- 14. (a) In the event of any alteration in the capital structure of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party) whilst any Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, bonus issue, rights issue, open offer, consolidation or sub-division of Shares or reduction of share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange, then, in any such case 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 and/or the relevant maximum limits determined under paragraph 3 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 (as interpreted in accordance with the Supplementary Guidance);
  - (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) any adjustments as a result of a rights issue, open offer or capitalisation issue shall be made in accordance with the acceptable adjustments set forth in the Supplementary Guidance and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.
- (b) If any adjustments occur pursuant to paragraph 14(a) above (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 complies with Rule 17.03(13) of the Listing Rules (as amended from time to time) and the note thereto and the Supplementary Guidance.
- (c) If there has been any alteration in the capital structure of the Company as referred to in paragraph 14(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 14(b).

- (d) In giving any certificate under this paragraph 14, 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.

### **Cancellation of Options**

15. (a) 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 and/or the refreshed limit(s) as referred to in paragraph 3(b) (as the case may be).
- (b) Any Options granted but subsequently renounced by the Grantee may be cancelled by the Board without compensation.

### **Termination of the New Share Option Scheme**

16. The Company by an ordinary resolution of the Shareholders 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.

**Rights of the Options**

17. An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or part thereof granted to such Grantee without compensation to the extent not already exercised without incurring any liability on the part of the Company.

**Alteration of the New Share Option Scheme**

18. (a) The New Share Option Scheme may be altered in any respect by a resolution of the Board except that the provisions of the New Share Option Scheme relating to matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of any Grantees or prospective Grantees except with the prior sanction of a resolution of the Company in a general meeting with the Eligible Participants and their Associates abstaining from voting. 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 the Options granted prior to such alteration shall 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.
- (b) The Board shall be entitled to amend the terms of the New Share Option Scheme so as to comply with the Listing Rules and any Supplementary Guidance or any future guidance or interpretation of the Listing Rules from time to time applicable to the New Share Option Scheme, provided that such amendments are allowed by the Listing Rules and any Supplementary Guidance. 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.





爪哇集團  
SEA Group  
S E A HOLDINGS LIMITED  
爪哇控股有限公司\*

*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 251)

**NOTICE OF 2015 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of S E A Holdings Limited (the “Company”) will be held at the Board Room, 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong on Friday, 29 May 2015 at 11:30 a.m. for the following purposes:

1. To consider, receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and the independent auditor for the year ended 31 December 2014.
2. To approve a final dividend of HK6 cents per share for the year ended 31 December 2014.
3. (A) To re-elect Mr. Lambert Lu as Executive Director.  
(B) To re-elect Mr. Lam Sing Tai as Non-executive Director.  
(C) To re-elect Mr. Walujo Santoso, Wally as Independent Non-executive Director.
4. To fix a maximum number of directors at 12 and authorise the board of directors of the Company to appoint additional directors up to such maximum number.
5. To re-appoint Deloitte Touche Tohmatsu as independent auditor for the ensuing year and authorise the board of directors of the Company to fix their remuneration.
6. As special business, to consider and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions of the Company:
  - (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 of the Company (the “Shares”) and to make or grant offers, agreements, options, warrants and similar rights or securities carrying rights to subscribe for or convertible or exchangeable into Shares 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

\* For identification purpose only

grant offers, agreements, options, warrants and similar rights or securities carrying rights to subscribe for or convertible or exchangeable into Shares which would or might require the exercise of such powers after the end of the Relevant Period;

(b) the total number of any class of the Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to this Resolution during the Relevant Period otherwise than pursuant to:

(i) a Rights Issue (as defined below);

(ii) the exercise of any rights of subscription, conversion or exchange under the terms of any warrants, notes, bonds, debentures or any securities which carry rights to subscribe for or are convertible or exchangeable into the Shares and issued by the Company;

(iii) any share option/share award schemes or similar arrangements for the time being or to be adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its affiliated companies (including subsidiaries) and/or any other participants of the Shares or rights to acquire the Shares; and

(iv) any scrip dividend or similar arrangements providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares in accordance with the Bye-laws of the Company,

shall not exceed 20% of the total number of that class of the Shares in issue as 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, issue and otherwise deal with additional Shares arising from (i) the exercise of any rights of subscription, conversion or exchange under any warrants, notes, bonds, debentures or any securities carrying rights to subscribe for or convertible or exchangeable into the Shares; or (ii) the exercise of any options under any share option scheme of the Company; or (iii) the vesting of any awards under any share award 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; and
  - (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors made to holders of shares or any class thereof whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised 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 any class of the shares (the “Shares”) 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 may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Buy-backs, 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 authorise the Directors to procure the Company to repurchase the Shares at such prices and on such terms as the Directors may at their discretion determine;
  - (c) the total number of the Shares to be repurchased by the Company pursuant to this Resolution during the Relevant Period shall not exceed 10% of the total number of that class of the Shares in issue 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; and
  - (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 the Resolution Nos. 6(A) and 6(B) as set out in the notice convening this meeting, the total number of any class of the Company’s shares which are repurchased by the Company pursuant to and in accordance with Resolution No. 6(B) as set out in the notice convening this meeting shall be added to the total number of that class of the Company’s shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with Resolution No. 6(A) as set out in the notice convening this meeting.”
- (D) “**THAT** the share option scheme (the “Share Option Scheme”), the terms of which are set out in the printed document marked “A” produced to this meeting and for the purpose of identification signed by the Chairman of this meeting, be and is hereby approved and adopted as the new share option scheme of the Company and that the directors of the Company be and are hereby authorised to grant options pursuant to the Share Option Scheme, and allot, issue and deal with the Company’s shares pursuant to the exercise of any options granted thereunder and to do on behalf of the Company all such acts and things as they may consider to be necessary or expedient in order to implement and give full effect to the Share Option Scheme.”

By Order of the Board  
**S E A HOLDINGS LIMITED**  
**Chow Siu Yin, Dora**  
*Company Secretary*

Hong Kong, 28 April 2015

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

*Principal Office:*  
26th Floor  
Dah Sing Financial Centre  
108 Gloucester Road, Wanchai  
Hong Kong

*Notes:*

- (1) Any shareholder of the Company entitled to attend and vote at the above meeting (or at any adjournment thereof) (the “AGM”) is entitled to appoint one proxy (or, if he holds two or more shares, more than one proxy) to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (2) To be valid, a completed and signed form of proxy (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. Completion and return of the form of proxy will not preclude a shareholder from attending the AGM or any adjournment thereof and voting in person if he so wishes.
- (3) In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the resolutions set out in this notice and other resolutions properly put to the AGM will be voted by way of poll.
- (4) For the purpose of ascertaining the shareholders’ entitlements to attend and vote at the AGM, the register of members of the Company will be closed from 27 May 2015 (Wednesday) to 29 May 2015 (Friday), both days inclusive, during which period no transfer of shares shall be effected. All duly completed and stamped transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Branch Share Registrar in Hong Kong, Tricor Standard Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on 26 May 2015 (Tuesday).
- (5) For the purpose of ascertaining the shareholders’ entitlements to the proposed final dividend, the register of members of the Company will be closed from 8 June 2015 (Monday) to 10 June 2015 (Wednesday), both days inclusive, during which period no transfer of shares shall be effected. All duly completed and stamped transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Branch Share Registrar in Hong Kong, Tricor Standard Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on 5 June 2015 (Friday). Subject to the passing of Resolution No. 2 at the AGM, the final dividend will be payable on 22 June 2015 (Monday).