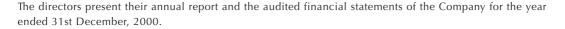
SEA HOLDINGS





PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 17 to the financial statements.

The Group's turnover and contribution to profit from operations for the year ended 31st December, 2000, analysed by geographical area and principal activity, are set out in note 3 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2000 are set out in the consolidated income statement on page 18.

An interim dividend of HK6 cents per share amounting to HK\$30,318,000 was paid to the shareholders during the year. Additional dividends amounting to HK\$39,000 were paid on the exercise of 2008 warrants by warrantholders subsequent to the issue of the 1999 annual report. The directors now recommend the payment of a final dividend of HK10 cents per share to the shareholders on the register of members on 22nd May, 2001, amounting to HK\$50,729,000. The retention of the remaining profit for the year amounting to HK\$21,639,000.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 32 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Particulars of option rights held by option holders and movements in the share capital of the Company during the year are set out in note 31 to the financial statements.

INVESTMENT PROPERTIES

All the investment properties of the Group were revalued at 31st December, 2000, as set out in note 14 to the financial statements. The resulting net surplus arising on revaluation (net of minority interests), which has been credited directly to the investment property revaluation reserve, amounting to HK\$9,237,000.

PROPERTY, PLANT AND EQUIPMENT

During the year, properties under development amounting to approximately HK\$1,103 million were completed and transferred to investment properties.

Details of this and other movements during the year in the property, plant and equipment of the Group are set out in note 15 to the financial statements.

MAJOR PROPERTIES

Details of the major properties of the Group at 31st December, 2000 are set out in Major Properties on page 3.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$555,000 (1999: HK\$86,000).





Directors' Report

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors

Mr. Lu Wing Chi (Managing Director)

Mr. Lu Wing Yuk, Andrew

Mr. Lu Wing Lin

Non-executive directors

Mr. Lu Ho (Chairman)

Mr. Lu Yong Lee

Mr. Lu Yeng John (resigned on 13th December, 2000)

Independent non-executive directors

Mr. Walujo Santoso, Wally

Mr. Leung Hok Lim

In accordance with Clause 88 of the Company's Bye-laws, Mr. Walujo Santoso, Wally, retires by rotation and, being eligible, offers himself for re-election.

The term of office of each non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

DIRECTORS' SERVICE CONTRACTS

No director of the Company proposed for re-election at the forthcoming Annual General Meeting has a service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Other than the interests of the directors in the Company's shares and employee share option scheme as more fully described below, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contract of significance concerning the management and administration of the whole or any substantial part of the business of the Company or any of its subsidiaries was entered into or subsisted during the year.



Directors' Report

Number of

DIRECTORS' INTERESTS IN SHARES, OPTIONS AND WARRANTS

At 31st December, 2000, the interests of the directors and their associates, within the meaning of the Securities (Disclosure of Interests) Ordinance ("SDI Ordinance"), in the shares and options of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the SDI Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

(i) Shares

		Number of ordinary shares		
	Name of director	Personal interest		
	Mr. Lu Wing Lin	94,000		
(ii)	Ontions			

Number of

Options

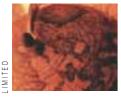
Name of directors	Date of grant	Option price HK\$	Exercisable period	shares to be issued upon exercise of remaining options at 1st January, 2000	Number of option shares granted during the year	shares to be issued upon exercise of remaining options at 31st December, 2000
Lu Wing Chi	11.8.1992	1.85	11.8.1992 – 10.8.2002	10,000,000	-	10,000,000
	21.2.1994	4.40	21.2.1994 – 20.2.2004	2,200,000	-	2,200,000
	4.12.2000	1.44	4.12.2000 – 3.12.2010	-	12,500,000	12,500,000
Lu Wing Yuk, Andrew	11.8.1992	1.85	11.8.1992 – 10.8.2002	3,000,000	-	3,000,000
	4.12.2000	1.44	4.12.2000 – 3.12.2010	-	3,000,000	3,000,000
Lu Wing Lin	11.8.1992	1.85	11.8.1992 – 10.8.2002	8,000,000	-	8,000,000
	18.11.1993	2.78	18.11.1993 – 17.11.2003	3,500,000	-	3,500,000
	4.12.2000	1.44	4.12.2000 – 3.13.2010	-	12,500,000	12,500,000

Consideration received by the Company for options granted during the year amounted to HK\$30.

Details of the Company's share option scheme are set out in note 31 to the financial statements.

Other than as disclosed above, none of the directors or chief executive, nor their associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and none of the directors or chief executives, nor their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.





Directors' Report

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2000, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance showed that the following shareholders had an interest of 10% or more in the share capital of the Company:

	Number of ordinary shares held			
Substantial shareholders	Direct interest	Indirect interest		
Nan Luen International Limited ("Nan Luen")	240,503,812	_		
JCS Limited ("JCS")	_	240,503,812		
		(Note)		

Note: JCS is deemed to have an interest in 240,503,812 shares under Section 8 of the SDI Ordinance by virtue of its direct controlling interest in Nan Luen.

Other than as disclosed above, the Company has not been notified of any other interests representing 10% or more of the Company's issued share capital as at 31st December, 2000.

DEALINGS IN THE COMPANY'S SHARES AND WARRANTS

During the year, there was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed shares or warrants.

MAJOR SUPPLIERS AND MAJOR CUSTOMERS

During the year, the aggregate amount of purchases attributable to the five largest suppliers of the Group accounted for 40% in aggregate of the Group's total purchases of which the largest supplier accounted for 21% of total purchases. The aggregate amount of sales attributable to the five largest customers of the Group accounted for less than 30% in aggregate of the Group's total sales.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st December, 2000 with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except that the non-executive directors are not appointed for a specific term.

An Audit Committee has been established by the Company since 1999 to act in an advisory capacity and make recommendations to the Board of Directors. The Committee currently comprises Messrs. Walujo Santoso, Wally and Leung Hok Lim, both of whom are independent non-executive directors of the Company. The Audit Committee met twice during the year. During these meetings, the committee members met with representatives from the management and/or external auditors of the Company to review the interim and annual reports of the Group as well as various auditing, financial reporting and internal control matters.

POST BALANCE SHEET EVENT

Details of a significant post balance sheet event are disclosed in note 42 to the financial statements.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years is set out in Financial Highlights on page 1.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Lu Ho Chairman

Hong Kong, 30th March, 2001