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**SEA HOLDINGS LIMITED**  
**爪哇控股有限公司\***

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

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

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

The Target Company is the holding company of a portfolio of two investment properties and two development properties in Hong Kong and one investment property and one development property in China. The portfolio of properties in the Target Group comprises the majority of the Group's real property investment and development assets in Hong Kong and China (other than those already held by the AGP Group).

AGP is a company whose shares are admitted to trading on AIM. The Company currently has an effective interest of 85.42% in AGP arising from (a) its indirect shareholding interest in 83.47% of AGP, held via certain wholly-owned subsidiaries of the Company; and (b) its 1.95% effective interest in AGP resulted from its indirect shareholding interest in 2.5% of AGP via TTP, a 77.91% owned subsidiary of the Company. The remaining 14.03% interest in AGP and the remaining 22.09% interest in TTP were held by public shareholders. Following the Completion, the Company's effective interest in AGP will increase to 96.42%. The Target Company will become a wholly-owned subsidiary of AGP.

The Transfer constitutes a discloseable transaction of the Company under the Listing Rules. The Company will send a circular setting out further details of the Transactions to each shareholder and warrant holder of the Company as soon as practicable.

## DETAILS OF THE TRANSACTIONS

### The Share Transfer Agreement

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

Date of Agreement: 18 September 2006

Parties: AGP and the Company

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

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

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

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

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

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

Conditions precedent: The transactions are subject to, among others, (i) the approval of the AGP shareholders at an extraordinary general meeting to be held on 4 October 2006, and (ii) the new AGP Shares to be issued to the Company being admitted to trading on AIM.

Completion date: Unless otherwise agreed between the parties and subject to the approval of the AGP shareholders, Completion is expected to take place on the day after the extraordinary general meeting of AGP convened to approve the Transfer.

The consideration for the Transfer of the Target Company was arrived at based on the unaudited consolidated net asset value of the Target Group on Completion as adjusted to reflect property revaluations as at 30 June 2006. The new AGP Shares will be issued to the Company at £0.40 (HK\$5.8772) per AGP Share, which was determined following arm's length negotiations between the Company and AGP. The issue price per AGP Share of £0.40 (HK\$5.8772) represents (a) a premium of 19.74% over the average trading price of AGP Shares on AIM over the 3 months ended 15 September 2006 of £0.33 (HK\$4.8487) per AGP Share; (b) a premium of 2.56% over the closing price of AGP shares on AIM as at 15 September 2006 (being the last trading day of AGP Shares on AIM immediately preceding the date of this announcement) of £0.39 (HK\$5.7303); and (c) a discount of 18.78% to the net asset value per AGP Share as at 30 June 2006 of £0.49 (HK\$7.1996).

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

### **The Management Agreement**

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

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

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

## **REASONS FOR THE TRANSACTIONS**

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

The Company is the major shareholder of AGP holding approximately 85.42% of the existing issued AGP Shares. The AGP Group currently has a property portfolio consisting of three development properties and one investment property, all located in Hong Kong. The portfolio of properties in the Target Group comprises the majority of the Group's real property investment and development assets in Hong Kong and China (other than those already owned by the AGP Group).

Following the Completion, the Group will hold all its material real property assets in Hong Kong and China through a single entity – AGP. The AGP Group will have a portfolio of ten real property investment and development assets, which should enhance AGP's position in the investment market and enable it to seek a broader institutional shareholder base.

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

## **EFFECTS OF THE TRANSACTIONS**

The Company currently has an effective interest of 85.42% in AGP arising from (a) its indirect shareholding interest in 83.47% of AGP, held via certain wholly-owned subsidiaries of the Company; and (b) its 1.95% effective interest in AGP resulted from its indirect shareholding interest in 2.5% of AGP via TTP, a 77.91% owned subsidiary of the Company. The remaining 14.03% interest in AGP and the remaining 22.09% interest in TTP were held by public shareholders. The Target Company is currently a wholly-owned subsidiary of the Company.

Following Completion, the Company will have an effective interest of 96.42% in AGP arising from (a) its indirect shareholding interest in 95.94% of AGP, held via certain wholly-owned subsidiaries of the Company; and (b) its 0.48% effective interest in AGP resulted from its indirect shareholding interest in 0.61% of AGP via TTP, which is 77.91% owned by the Company. The Target Company will become a wholly-owned subsidiary of AGP.

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

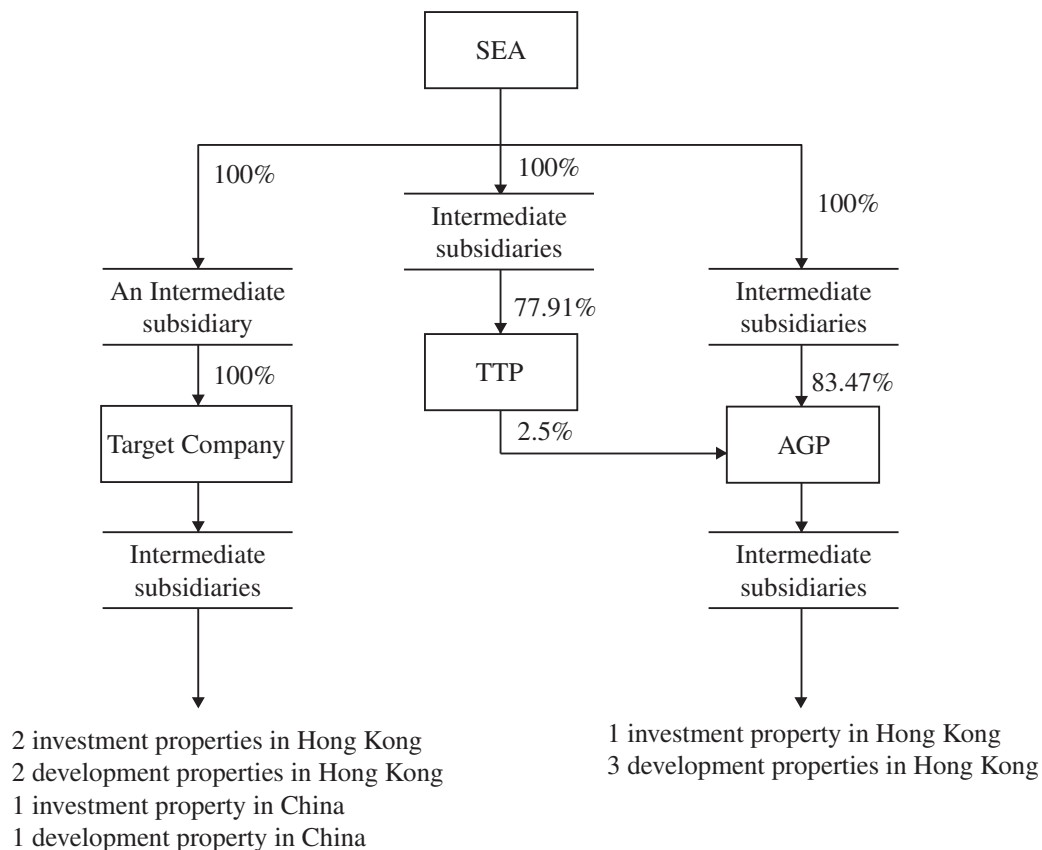
It was estimated by the Company that the Transfer will not give rise to any significant gain or loss in the accounts of the Group on a consolidated basis.

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

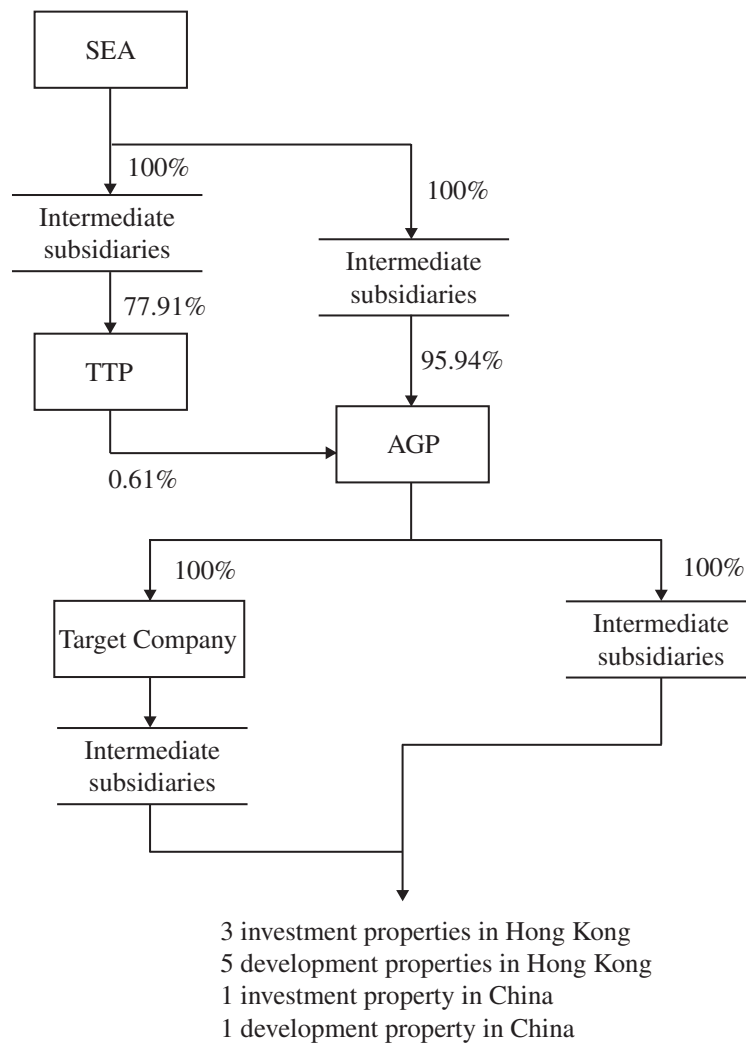
## SHAREHOLDING STRUCTURE BEFORE AND AFTER THE TRANSFER

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

*Before the Transfer:*



After the Transfer:



## INFORMATION ABOUT THE COMPANY, SEAI, AGP AND THE TARGET COMPANY

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

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

AGP is an investment holding company whose shares are admitted to trading on AIM. The AGP Group is involved in the business of property investment and development. The AGP Group currently has a property portfolio consisting of three development properties and one investment property, all located in Hong Kong. There are 217,693,995 issued AGP Shares as at the date of this announcement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## GENERAL

The Transfer will result in (a) an increase of 11.00% in the Group's effective interest in AGP from 85.42% to 96.42%; and (b) a decrease of 3.58% of the Group's shareholding interest in the Target Company from 100% to 96.42%. As the respective percentage ratios of the relevant size tests represent more than 5% but less than 25%, the Transfer constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Company will send a circular setting out further details of the Transactions to each shareholder and warrant holder of the Company as soon as practicable. The Company will also make a further announcement after the Completion and will ensure compliance with the Listing Rules if the actual consideration for the Transfer (as adjusted by the Post-completion Adjustment) would have an impact on the categorization of the transactions contemplated by the Share Transfer Agreement under the Listing Rules.

## DEFINITIONS

In this announcement, unless otherwise stated, the following expressions mean:—

“AGP”	Asian Growth Properties Limited (AIM stock code: AGP), an international business company incorporated and registered in the British Virgin Islands and a 85.42% owned subsidiary of the Company;
“AGP Group”	AGP and its subsidiaries;
“AGP Share(s)”	ordinary share(s) of US\$0.05 each in the capital of AGP;
“AIM”	AIM, the market of that name operated by London Stock Exchange plc;
“Board”	the board of directors of the Company;
“Company”	S E A Holdings Limited, an exempted company incorporated in Bermuda and the shares and warrants of which are listed and traded on the Main Board of HKSE;
“Completion”	the completion of the Transfer in accordance with the Share Transfer Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars;
“HKSE”	The Stock Exchange of Hong Kong Limited;



“Listing Rules”	The Rules Governing the Listing of Securities on HKSE;
“Management Agreement”	the management agreement for, inter alia, the management of the property assets of AGP Group dated 18 September 2006 between (1) SEAI and (2) AGP;
“Panmure Gordon”	Panmure Gordon (Broking) Limited, the nominated adviser of AGP;
“SEAI”	South-East Asia Investment and Agency Company, Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company;
“Share Transfer Agreement”	the share sale and purchase agreement for the entire issued share capital of the Target Company dated 18 September 2006 between (1) the Company and (2) AGP;
“Target Company”	Giant Well Enterprises Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company;
“Target Group”	the Target Company and its subsidiaries;
“Transactions”	the transactions contemplated by the Share Transfer Agreement and the Management Agreement;
“Transfer”	the transfer of the entire issued share capital of the Target Company by the Company to AGP pursuant to the Share Transfer Agreement;
“sq.ft.”	square feet;
“sq.m.”	square metres;
“TTP”	Trans Tasman Properties Limited, a company incorporated in New Zealand and listed on New Zealand Exchange Limited, a 77.91% indirectly owned subsidiary of the Company;
“US\$”	United States dollars;
“£”	British pounds; and
“%”	per cent.

*Note: For the purpose of this announcement, unless stated otherwise, an exchange rate of £1.00 = HK\$14.693 has been used.*

As at the date of this announcement, the directors of the Company are as follows:–

*Executive Directors:*

Mr. Lu Wing Chi, Mr. Lincoln Lu, Mr. Lambert Lu, Mr. Lu Wing Yuk, Andrew and Mr. Tse Man Bun

*Non-executive Director:*

Mr. Lam Sing Tai

*Independent Non-Executive Directors:*

Mr. Walujo Santoso, Wally, Mr. Leung Hok Lim and Mr. Chung Pui Lam

By Order of the Board  
**Lu Wing Chi**  
*Chairman and Managing Director*

Hong Kong, 18 September 2006

*\* For identification purpose only*

Please also refer to the published version of this announcement in The Standard.