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S E A HOLDINGS LIMITED
爪哇控股有限公司*

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

CONNECTED TRANSACTION
IN RELATION TO
THE DISPOSAL OF 60% EQUITY INTEREST IN
UNIMILO'S KNITWEAR COMPANY LIMITED

On 8th August, 2007, Smethurst, a wholly-owned subsidiary of the Company, disposed of 60% of the issued shares in UniMilo owned by it to Link All at a cash consideration of HK\$2.76 million.

Immediately before the Completion, UniMilo was a 60% indirect subsidiary of the Company and Link All directly held 40% of the issued share capital of UniMilo and therefore Link All was a substantial shareholder of UniMilo. Accordingly, under the Listing Rules, Link All was a connected person of the Company and the Disposal constitutes a connected transaction for the Company. As the applicable percentage ratios set out in the Listing Rules exceed 0.1% but are less than 2.5%, the Disposal is subject to the reporting and announcement requirements under the Listing Rules.

The Board announces that the Agreement has been entered into and details of the Disposal are as follows:-

THE AGREEMENT

(i) Date

8th August, 2007

(ii) Parties

Smethurst as vendor and Link All as purchaser

(iii) Subject of the Transaction

Smethurst agreed to sell and Link All agreed to purchase the Sale Shares, representing 60% of the existing issued shares in UniMilo.

** For identification purpose only*

(iv) Consideration

The consideration for the Sale Shares was HK\$2.76 million and has been paid by Link All to Smethurst in cash on Completion. The Consideration was determined on commercial terms and after arm's length negotiations between Smethurst and Link All having made reference to (i) the Company's indirect 60% shareholding interest in UniMilo; and (ii) the unaudited net assets value of UniMilo of approximately HK\$6.42 million as at 31st July, 2007 with revised valuation thereof at HK\$4.60 million agreed by Smethurst and Link All after making provisions for plant and machinery, long-service payment to staff and contingencies of around HK\$1.80 million on the basis that the assets and liabilities as well as the business of UniMilo are sold on a liquidation basis.

COMPLETION

Completion took place upon signing of the Agreement on 8th August, 2007.

INFORMATION ON THE COMPANY

The Company is an investment holding company. The activities of its principal subsidiaries are investment holding, property and asset management as well as property investment and development. The Company indirectly holds the entire issued share capital of Smethurst.

INFORMATION ON LINK ALL

Link All is a company incorporated in Hong Kong with limited liability and its principal business is investment holding. Immediately before the Completion, Link All held 40% of the existing issued share capital of UniMilo. Immediately after the Completion, Link All holds the entire existing issued share capital of UniMilo.

INFORMATION ON UNIMILO

UniMilo is a company incorporated in Hong Kong with limited liability and engages principally in the manufacture of knitwear. During the year ended 31st December, 2006, UniMilo had an inactive wholly-owned subsidiary Noblescheme which was deregistered in January 2007. The audited consolidated net loss (both before and after taxation and extraordinary items) of UniMilo for the two financial years immediately preceding the Disposal, as extracted from its audited consolidated financial statements, are set out below:-

Year Ended 31st December	Loss Before Taxation and Extraordinary Items (HK\$'000)	Loss After Taxation and Extraordinary Items (HK\$'000)
2006	828	828
2005	904	904

REASONS FOR AND BENEFITS OF THE DISPOSAL

Over the past years, the manufacturing and trading of garments has been considered by the Directors as a non-core business of the Group. The garment business has become increasingly competitive in recent years as evidenced by UniMilo's reduced turnovers and continuing losses. Accordingly, the Directors are not optimistic about the prospects of UniMilo's business in the foreseeable future.

“Company”	S E A Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares and warrants of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 251);
“Completion”	completion of the Disposal;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Consideration”	consideration of HK\$2.76 million paid by Link All to Smethurst for the Disposal;
“Director(s)”	director(s) of the Company;
“Disposal”	disposal of the Sale Shares by Smethurst to Link All at the Consideration pursuant to the Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being;
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China;
“Link All”	Link All Industries Limited, a company incorporated in Hong Kong with limited liability;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“Noblescheme”	Noblescheme Trading Limited, a company incorporated in Hong Kong with limited liability and previously a direct wholly-owned subsidiary of UniMilo;
“Sale Shares”	6,000,000 ordinary shares of HK\$1.00 each in the issued and paid-up share capital of UniMilo registered in the name of, and beneficially owned by, Smethurst;
“Shareholders”	holders of the Shares;
“Share(s)”	share(s) with a par value of HK\$0.10 each in the issued share capital of the Company;
“Smethurst”	Smethurst Investments Ltd., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“UniMilo” UniMilo’s Knitwear Company Limited, a company incorporated in Hong Kong with limited liability and the equity interest of which was held as to 60% by Smethurst and 40% by Link All immediately before the Completion; and

“%” per cent.

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

Hong Kong, 8th August, 2007

As at the date of this Announcement, the Board comprises the following members:-

Executive Directors: Messrs. Lu Wing Chi (*Chairman and Managing Director*), Lu Wing Yuk, Andrew, Tse Man Bun, David Hsu, Lincoln Lu and Lambert Lu

Non-executive Director: Mr. Lam Sing Tai

Independent Non-executive Directors: Messrs. Walujo Santoso, Wally, Leung Hok Lim and Chung Pui Lam