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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF 80% INTEREST IN A COMPANY FOR PROPERTY DEVELOPMENT IN WENZHOU CITY, THE PRC

The Board wishes to announce that on 8 October 2007, it was advised by AGP that the Purchaser (an indirect wholly-owned subsidiary of AGP) entered into the Agreement with the Seller and the Guarantor for the acquisition of 80% of the entire issued share capital and shareholder's loan of the Target Company at RMB518,400,000 (HK\$534,400,000) (subject to adjustment). Completion of the Agreement is conditional upon, inter alia, satisfactory due diligence results and completion by the Seller of the Pre-completion Restructuring.

Upon completion of the Pre-completion Restructuring, the Target Group (through WFOE) shall hold valid sea use rights to use the Sea Area of 2,160 mu (1,440,000 sq.m.) situated in Wenzhou City, Zhejiang Province, the PRC. WFOE shall further apply for (a) a new sea use rights certificate for the Sea Area including a reclamation right for land with an area of 400 mu (266,680 sq.m.); and (b) the Land Use Rights Certificate for the Reclaimed Land.

AGP is an indirect 97.17% owned subsidiary of the Company. Immediately after the Completion, the Target Company will become an 80% owned subsidiary of AGP. The registered capital of WFOE is US\$20,000,000 (HK\$156,000,000), of which US\$6,000,000 (HK\$46,800,000) has been paid up as at the date of signing of the Agreement. Accordingly, AGP will be responsible for 80% of the balance of the registered capital of WFOE.

As the aggregate of the maximum consideration for the Acquisition and the Further Capital Contribution represents more than 5% but less than 25% of certain percentage ratios under Rule 14.07 of the Listing Rules applicable to the Company, the Acquisition and the transactions contemplated thereunder constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules. The Company will dispatch a circular setting out, amongst other matters, further details of the Acquisition to the shareholders and warrant-holders of the Company within 21 days after the publication of this announcement.

INTRODUCTION

The Board wishes to announce that on 8 October 2007, it was advised by AGP that the Purchaser (an indirect wholly-owned subsidiary of AGP) entered into a conditional sale and purchase agreement with the Seller and the Guarantor for the acquisition of 80% of the entire issued share capital and shareholder's loan of the Target Company at RMB518,400,000 (HK\$534,400,000) (subject to adjustment). Completion of the Agreement is conditional upon, inter alia, satisfactory due diligence results and completion by the Seller of the Pre-completion Restructuring.

** For identification purpose only*

PRINCIPAL TERMS OF THE AGREEMENT

Date of the Agreement:	8 October 20007
Purchaser:	Elite State International Limited
Seller:	Great Concept Enterprises Limited
Guarantor:	Mr. Cheung Wai Wing
Assets being acquired:	80% of the entire issued share capital and shareholder's loan of the Target Company, subject to completion of the Pre-completion Restructuring.
Pre-completion Restructuring:	<p>Prior to the Pre-completion Restructuring, both WFOE and the Seller are 100% beneficially owned by the Guarantor. The Pre-completion Restructuring involves the injection of WFOE by the Guarantor into a wholly-owned subsidiary of the Target Company (which is in turn wholly-owned by the Seller).</p> <p>Upon completion of the Pre-completion Restructuring, the Target Group (through WFOE) shall hold valid sea use rights to use the Sea Area of 2,160 mu (1,440,000 sq.m.) situated in Wenzhou City, Zhejiang Province, the PRC. WFOE shall further apply for (a) a new sea use rights certificate for the Sea Area including a reclamation right for land with an area of 400 mu (266,680 sq.m.); and (b) the Land Use Rights Certificate for the Reclaimed Land.</p>
Total consideration:	<p>A total consideration of RMB518,400,000 (HK\$534,400,000) (subject to adjustment) is payable by the Purchaser to the Seller in cash as described below:</p> <ul style="list-style-type: none">(i) RMB100,000,000 (HK\$103,100,000) (the "Deposit") has already been paid to an escrow agent (jointly appointed by the Purchaser and the Seller) as a deposit upon signing of the Agreement;(ii) RMB200,000,000 (HK\$206,200,000) is payable upon Completion (which should be partly satisfied by the release of the Deposit by the escrow agent);(iii) RMB120,000,000 (HK\$123,700,000) is payable within 7 days after the issue by the relevant authority of the approval documents permitting reclamation to be carried out in respect of the Reclaimed Land; and(iv) RMB198,400,000 (HK\$204,500,000) (the "Extra Consideration") is payable within 15 days after the issue of the Land Use Rights Certificate for the Reclaimed Land .

In the event that WFOE is unable to obtain the Land Use Rights Certificate within 12 months after the date of Completion (or such later date as may be agreed by the parties), the Purchaser may terminate the Agreement and request for a refund of all sums already paid under the Agreement (with interest accruing from the date of payment up to the date of refund at the benchmark lending rate published by the People's Bank of

China on the date of refund). Alternatively, the Purchaser may continue to perform the Agreement, in which case the Purchaser does not have to pay the Extra Consideration and the Seller will not be entitled to the Special Distribution Arrangement as referred to in the section headed "Distribution of Profits" below, unless WFOE's failure to obtain the Land Use Rights Certificate is the result of the Purchaser's fault or force majeure.

Adjustment to consideration: The consideration is subject to adjustment (to be agreed by the parties) if any of the following conditions is inaccurate:

- (i) WFOE has paid all relevant costs and expenses (including without limitation any compensation paid to the occupants of the Sea Area) which it is required to pay to obtain the sea use right under the Sea Use Rights Certificate, such amount being approximately RMB48,000,000 (HK\$49,500,000);
- (ii) save for shareholder's loan, the total amount of all debts and liabilities of the Target Group (including other debts secured by assets of the Target Group) do not exceed RMB1,000,000 (HK\$1,000,000). All such debts and liabilities shall be borne by the Guarantor;
- (iii) save for in its ordinary course of business necessary for the development of the Sea Area, the Target Group has not engaged in any other businesses nor held any other assets; and
- (iv) the assets of the Target Group are free from charge, guarantee or third party rights.

Conditions precedent: Completion of the Agreement is conditional upon, inter alia, the followings:

- (i) the results of the financial and legal due diligence being reasonably satisfactory to the Purchaser;
- (ii) the Pre-completion Restructuring having been completed by the Seller;
- (iii) the Purchaser being satisfied that WFOE has lawfully obtained valid and subsisting Sea Use Rights Certificate from the relevant authorities and such certificate not being susceptible to revocation; and
- (iv) all necessary consents and approvals being obtained, including without limitation all third party consents, regulatory approvals and approvals required by the relevant stock exchanges.

The Purchaser shall inform the Seller of the results of such due diligence exercise before the later of (a) 30 days from the signing of the Agreement; or (b) 14 days from the completion of the Pre-completion Restructuring.

Date of Completion: Completion is expected to take place on the 7th business day after all the above conditions precedent are satisfied or waived. The long stop date for the satisfaction or waiver of the

conditions precedent is 31 December 2007 (or any other date as the parties may agree in writing).

Distribution of Profits:

It was agreed by the parties that the net profits after tax of the Target Company (the "**Profits**") shall be distributed in the following manner:

- (i) the Profits shall first be used to repay capital and shareholders' loan (if any) until the Purchaser has received its total investment amount;
- (ii) thereafter, the remaining Profits shall be distributed in the proportions of 80% (the Purchaser) and 20% (the Seller) until the Purchaser has achieved an internal rate of return of 25% on its total investment amount;
- (iii) thereafter, the remaining RMB1,152,000,000 (HK\$1,187,600,000) of the Profits shall be distributed in the proportions of 50% (the Purchaser) and 50% (the Seller) (the "**Special Distribution Arrangement**"); and
- (iv) thereafter, the balance of the Profits shall be distributed in the proportions of 80% (the Purchaser) and 20% (the Seller).

EFFECTS FOR THE ACQUISITION

Upon completion of the Pre-completion Restructuring, the only asset of the Target Group will be its 100% equity interest in WFOE. The registered capital of WFOE is US\$20,000,000 (HK\$156,000,000), of which US\$6,000,000 (HK\$46,800,000) has been paid up as at the date of signing of the Agreement. According to the approval letter issued by the relevant PRC authority in respect of the establishment of WFOE, the balance of the registered capital in the amount of US\$14,000,000 (HK\$109,200,000) shall be paid up within 24 months after the date of establishment (i.e. on or before 17 November 2007).

Immediately after the Completion, the Target Company will become an 80% owned subsidiary of AGP and the results, assets and liabilities of the Target Group will be consolidated into the financial statements of the Group. Accordingly, AGP will be responsible for 80% of the balance of the registered capital of WFOE, being in the amount of US\$11,200,000 (HK\$87,400,000) (the "**Further Capital Contribution**").

The maximum consideration payable by the Group for the Acquisition is RMB518,400,000 (HK\$534,400,000) (subject to adjustment). It is currently expected that the consideration for the Acquisition and the Further Capital Contribution will be funded from the Group's internal cash reserves but the Group may, if deemed appropriate, seek external bank borrowings to finance or refinance all or part of the consideration.

REASONS FOR THE ACQUISITION

The Group's core business strategy is to develop and invest in real estates in the Asia Pacific region and in particular Hong Kong and the PRC either by itself or in the form of joint venture and the Acquisition is consistent with this strategy.

The Directors are cautiously optimistic about the property market in the PRC and the Board believes that the acquisition of the interest in the rights to develop the Reclaimed Land through WFOE will not only enhance the Group's asset portfolio but also strengthen the Group's position in the property market in the PRC.

The consideration for the Acquisition was arrived at after arm's length negotiations between the Purchaser and the Seller, taking into consideration the size and location of the Sea Area and its development prospect.

The AGP Board considers that the consideration for the Acquisition is fair and reasonable and the Acquisition is in the interests of the shareholders of AGP. After considering the terms of the Acquisition and the development prospect of the Sea Area, and on a balance of the consideration for the Acquisition by reference to the market price of the land in the locality of the Sea Area and the risks associated with the development plan, the Board concurs with the views of the AGP Board and considers that the Acquisition is in the interests of the Group and the shareholders of the Company as a whole.

INFORMATION ABOUT THE PARTIES AND THE TARGET GROUP

The Company is an investment holding company with its shares and warrants being listed and traded on the main board of the HKSE. The activities of its principal subsidiaries are investment holding, property and asset management as well as property investment and development in Hong Kong, the PRC, Australia and New Zealand.

AGP is an indirect 97.17% owned subsidiary of the Company and is admitted to trading on AIM. The Purchaser is an indirect wholly-owned subsidiary of AGP.

According to the information made available to the Company, the Seller is a business company incorporated in the BVI. Its principal business is investment holding. The Guarantor is the sole registered shareholder of the Seller.

The Target Company is a business company incorporated in the BVI on 30 August 2007 with limited liability. Its principal business is investment holding. Upon completion of the Pre-completion Restructuring, the only asset of the Target Group will be its 100% equity interest in WFOE.

WFOE is a wholly foreign owned enterprise established in the PRC on 17 November 2005. Its principal activity is accommodation, catering, amusement and commercial tourism. WFOE has not commenced operation yet, and the only asset of WFOE is the sea use rights to use the Sea Area. No accounts has been prepared by WFOE yet.

To the best of the Directors' knowledge, information and belief having made due enquiries, the Seller, its ultimate beneficial owners and the Guarantor are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

INFORMATION ABOUT WENZHOU CITY

Lying in the middle of the coastal section of the PRC, Wenzhou City is an economic, cultural, trading and traffic centre located at the south-eastern part of Zhejiang Province.

With an annual average temperature of 18 degrees Celsius, Wenzhou City has a total population of about 7.8 million and covers a total land area of about 11,800 square kilometres. It is one of the densely-populated cities of the PRC and enjoys a comparatively high household consumption level.

Wenzhou City is one of the first batch of open coastal cities and pilot areas of rural reform of the PRC. Being a pioneer in developing market economy and having a strong manufacturing sector, Wenzhou City is famous for its handicraft and light industrial products such as shoes, cigar-lighters, locks and low-voltage electrical appliances.

GENERAL

As the aggregate of the maximum consideration for the Acquisition and the Further Capital Contribution represents more than 5% but less than 25% of certain percentage ratios under Rule 14.07 of the Listing Rules applicable to the Company, the Acquisition and the transactions contemplated thereunder constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

The Company will dispatch a circular setting out, amongst other matters, further details of the Acquisition as required by the Listing Rules to the shareholders and warrant-holders of the Company within 21 days after the publication of this announcement.

DEFINITIONS

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

"AGP"	Asian Growth Properties Limited, an international business company incorporated and re-registered as a business company in the BVI with limited liability and the shares of which are admitted to trading on AIM;
"AGP Board"	the board of directors of AGP;
"AIM"	the AIM market of London Stock Exchange Plc;
"Acquisition"	the acquisition by the Purchaser from the Seller of 80% of the entire issued share capital and shareholder's loan of the Target Company;
"Agreement"	the conditional sale and purchase agreement dated 8 October 2007 entered into between the Purchaser, the Seller and the Guarantor in relation to the Acquisition;
"BVI"	the British Virgin Islands;
"Board"	the board of Directors;
"Company"	S E A Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the shares and warrants of which are listed and traded on the main board of the HKSE;
"Completion"	completion of the Acquisition;
"Directors"	the directors of the Company;
"Group"	the Company and its subsidiaries;
"Guarantor"	Mr. Cheung Wai Wing;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"HKSE"	The Stock Exchange of Hong Kong Limited;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Land Use Rights Certificate"	the land use rights certificate issued by the relevant authority in respect of the Reclaimed Land to be applied for by WFOE for a term of not less than 40 years;
"Listing Rules"	the Rules Governing the Listing of Securities on the HKSE;
"Macau"	the Macau Special Administrative Region of the PRC;
"mu"	a Chinese measurement for area (市畝), one unit of which is equivalent to approximately 666.7 sq.m.;

"PRC"	the People's Republic of China and for the purpose of this announcement excludes Hong Kong and Macau;
"Pre-completion Restructuring"	the restructuring prior to completion of the Acquisition, which involves the injection of WFOE by the Guarantor into a wholly-owned subsidiary of the Target Company (which is in turn wholly-owned by the Seller);
"Purchaser"	Elite State International Limited, a business company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of AGP;
"RMB"	Renminbi, the lawful currency of the PRC;
"Reclaimed Land"	the land area of 400 mu (266,680 sq.m.) to be reclaimed in the Sea Area;
"Sea Area"	the sea area of 2,160 mu (1,440,000 sq.m.) situated in 中國浙江省溫州市龍灣區永興圍墾 (北片) (Long Wan Qu, Yong Xing Wei Ken (Bei Pian), Wenzhou City, Zhejiang Province, the PRC);
"Sea Use Rights Certificate"	the valid sea use rights certificate issued by the relevant authority to WFOE to use the Sea Area;
"Seller"	Great Concept Enterprises Limited, a company incorporated in the BVI with limited liability and 100% beneficially owned by the Guarantor;
"sq.m."	square metres;
"Target Company"	Famous City Enterprises Limited, a business company incorporated in the BVI with limited liability;
"Target Group"	following completion of the Pre-completion Restructuring, the Target Company and its subsidiaries (including WFOE);
"US\$"	United States dollars, the lawful currency of the United States;
"WFOE"	溫州遠達海洋娛樂有限公司 (Wenzhou Yuan Da Ocean Amusement Co., Ltd.), a wholly foreign owned enterprise established in the PRC; and
"%"	per cent.

For the purpose of this announcement,

- (1) *Amounts denominated in RMB and US\$ in this announcement have been translated into HK\$ at the exchange rate of HK\$1.00 = RMB0.97 and US\$1.00 = HK\$7.80 for illustration purposes only; and*
- (2) *certain English translations of the Chinese names and words are included for information purpose only, and should not be relied upon as the official translations of such Chinese names and words.*

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, David Hsu, Lincoln Lu and Lambert Lu

Non-executive Directors: Messrs. Lam Sing Tai and Tse Man Bun

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

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

Hong Kong, 17 October 2007