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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 AND CONNECTED TRANSACTIONS

On 15 August 2008, the Nominees entered into the Disposal Agreement in relation to the disposal of a 52% equity interest in each of SKG and CMU for an aggregate consideration of Rp.192,014 million (equivalent to approximately HK\$163.3 million), which was satisfied by the Purchasers in cash. A deposit of Rp.52,000 million (equivalent to approximately HK\$44.2 million) was paid to the Nominees upon signing of the Disposal Agreement and the final payment of Rp.140,014 million (equivalent to approximately HK\$119.1 million) was made to the Nominees upon Completion. Completion took place on 29 August 2008.

Each of the Purchasers is, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, a third party independent of the Group and its connected persons.

The principal assets of SKG and CMU are their interests in the Properties.

There are no prior arrangements, written or otherwise, between the Group and the Other Indonesian Sellers with regard to the disposal of SKG and CMU. In addition, there are no cross obligations between the Sellers arising from the Disposal Agreement. Nonetheless, as a result of the relationships between the Company, IW, BW and GW, the disposals by the Group of its interests in SKG and CMU would constitute a connected transaction (the "Connected Transaction") under Chapter 14A of the Listing Rules. The Disposals also constitute a discloseable transaction of the Company under the Listing Rules.

The Independent Board Committee comprising the independent non-executive Directors has been appointed to consider the terms of the Disposal Agreement. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Disposal Agreement.

As no Shareholder is required to abstain from voting on the Connected Transaction and Nan Luen, the Company's controlling shareholder holding approximately 55.76% of the issued share capital of the Company as at the date of this announcement, has given its written approval for the Disposals, the Company has applied for a waiver (in accordance with Rule 14A.43 of the Listing Rules) from the requirement to hold a shareholders' meeting to approve the Disposal Agreement.

A circular setting out, amongst other matters, (i) details of the Disposals; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Connected Transaction; (iv) an independent valuation report of the Properties; and (v) where required by the HKSE, a notice of special general meeting to consider and, if thought fit, approve the terms of the Disposal Agreement, will be dispatched to the Shareholders and the Warrant-holders within 21 days after the publication of this announcement.

* For identification purpose only

The Board is pleased to announce that the Disposal Agreement has been entered into and the particulars of the Disposals are summarised as follows:

PRINCIPAL TERMS OF THE DISPOSAL AGREEMENT

Date: 15 August 2008

Purchasers: (i) PT. Agung Sedayu; and
(ii) PT. Alam Pusaka Jaya.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchasers is a third party independent of the Group and its connected persons.

Sellers: (i) Nominees (holding a 52% equity interest in each of SKG and CMU on behalf of the Group); and
(ii) Other Indonesian Sellers (holding the remaining 48% equity interest in SKG and CMU).

Immediately before Completion:

- (i) IW was interested in more than 10% of the issued and paid up share capital of each of SKG (27.87%) and CMU (28.85%) and is therefore a connected person of the Company under the Listing Rules;
- (ii) BW, who was interested in 4.81% of the issued and paid up share capital of SKG, was a director of SKG and is also considered to be a connected person of the Company;
- (iii) IW is the father of BW and hence they are considered to be associates of each other under the Listing Rules; and
- (iv) GW, who was interested in 3.825% of the issued and paid up share capital of CMU, is the elder son of IW and the brother of BW and hence GW is considered to be associates of both IW and BW under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than IW, BW and GW, the rest of the Other Indonesian Sellers are third parties independent of the Group and its connected persons.

Assets disposed: Pursuant to the Disposal Agreement, the entire equity interest in each of SKG and CMU was disposed by the Sellers to the Purchasers. The principal assets of SKG and CMU are their interests in the Properties.

Total consideration: An aggregate consideration of Rp.369,260 million (equivalent to approximately HK\$314.0 million) was payable by the Purchasers to the Sellers (out of which Rp.192,014 million (equivalent to approximately HK\$163.3 million) was payable to the Nominees) in cash as described below:

- (i) a total of Rp.100,000 million (equivalent to approximately HK\$85.0 million) was paid to the Sellers (out of which a total of Rp.52,000 million (equivalent to approximately HK\$44.2 million) was paid to the Nominees) upon signing of the

Disposal Agreement; and

- (ii) a total of Rp.269,260 million (equivalent to approximately HK\$229.0 million) was paid to the Sellers (out of which a total of Rp.140,014 million (equivalent to approximately HK\$119.1 million) was paid to the Nominees) upon Completion (which took place on 29 August 2008).

In addition, the Purchasers have, on behalf of SKG and CMU, settled the Liabilities in the sum of Rp.60,000 million (equivalent to approximately HK\$51.0 million). The Liabilities were owed to third parties independent of the Group and its connected persons.

The consideration for the Disposals was arrived at after arm's length negotiations and determined on normal commercial terms between the Purchasers and the Sellers with reference to:

- (i) the aggregate valuation on the Properties at Rp.369,275 million (equivalent to approximately HK\$314.0 million) as at 27 September 2007 made by the Independent Valuer; and
- (ii) the aggregate unaudited net asset value of SKG and CMU of approximately Rp.4,914 million (equivalent to approximately HK\$4.2 million) as at 30 June 2008.

Date of Completion: Completion took place on 29 August 2008.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, all of the Group's equity interest in each of SKG and CMU was transferred to the Purchasers and both SKG and CMU would no longer be treated as subsidiaries of the Company.

The Company currently estimates that, upon Completion, the Group will record a net gain of approximately HK\$67.8 million from the Disposals for the year ending 31 December 2008 and the consolidated net assets of the Company will be increased accordingly. The said gain represents the difference between the total cash consideration received / receivable by the Nominees in respect of the Disposals of Rp.192,014 million (equivalent to approximately HK\$163.3 million) and the aggregate of (a) the corresponding share by the Group of the unaudited consolidated net asset values of both SKG and CMU as at 30 June 2008 attributable to the equity interests disposed of in both SKG and CMU pursuant to the Disposal Agreement with certain adjustments; (b) the estimated Indonesia tax on the Disposals; and (c) the expenses of the Disposals.

USE OF PROCEEDS

The net proceeds of approximately HK\$163.3 million from the Disposals are currently intended to be used as general working capital by the Group.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group's core business strategy is to develop and invest in real estate in the Asia Pacific region and in particular Hong Kong and the PRC either by itself or in the form of joint ventures.

In about April 1991, the Group became a shareholder of each of SKG and CMU, which own the Properties and holds the rights to redevelop the Properties. Plans for the development of the Properties into a residential housing estate were ready when the financial turmoil in Asia occurred in 1997 and were therefore shelved. Further plans for such development were not proceeded as the economic recovery in Indonesia during the past few years was slower than what the Group expected.

Having made reference to the valuation of the Properties mentioned in the sub-section headed "Total consideration" under the section of "Principal Terms of the Disposal Agreement" above and the current market conditions, the Group was of the view that the offer made by the Purchasers for the purchase of the

Sale Shares was acceptable and has therefore accepted it. The Board (excluding the independent non-executive Directors who are members of the Independent Board Committee and whose view will be expressed in the forthcoming circular after taking into account of the advice from an independent financial adviser to be appointed for the Connected Transaction) considers that the terms (including consideration) for the Disposals are fair and reasonable and the Disposals are in the interests of the Shareholders as a whole.

INFORMATION ABOUT THE COMPANY, SKG, CMU AND THE PROPERTIES

The Company is an investment holding company. Its shares and warrants are 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 and New Zealand.

Immediately before Completion, the Company, through its 64% owned subsidiaries, indirectly held 52% of the entire issued and paid-up share capital of each of SKG and CMU. SKG and CMU were engaged in the real estate business which includes the purchase of land, development of land and the construction of houses, office buildings, apartments and shopping centres for sale or lease. The principal assets of SKG and CMU were their interests in the Properties.

The financial statements of SKG and CMU have been prepared in accordance with the GAAP.

The audited net asset value of SKG amounted to Rp.1,432 million (equivalent to approximately HK\$1.2 million) as at 31 December 2007.

The audited loss of SKG (before taxation and extraordinary items) for the years ended 31 December 2007 and 2006 amounted to approximately Rp.8,140 million (equivalent to approximately HK\$6.9 million) and Rp.1,330 million (equivalent to approximately HK\$1.1 million) respectively. The audited net loss of SKG (after taxation and extraordinary items) for the years ended 31 December 2007 and 2006 amounted to approximately Rp.8,140 million (equivalent to approximately HK\$6.9 million) and Rp.1,330 million (equivalent to approximately HK\$1.1 million) respectively.

The audited net asset value of CMU amounted to Rp.3,694 million (equivalent to approximately HK\$3.1 million) as at 31 December 2007.

The audited loss of CMU (before taxation and extraordinary items) for the years ended 31 December 2007 and 2006 amounted to approximately Rp.644 million (equivalent to approximately HK\$0.5 million) and Rp.136 million (equivalent to approximately HK\$0.1 million) respectively. The audited net loss of CMU (after taxation and extraordinary items) for the years ended 31 December 2007 and 2006 amounted to approximately Rp.644 million (equivalent to approximately HK\$0.5 million) and Rp.136 million (equivalent to approximately HK\$0.1 million) respectively.

GENERAL

There are no prior arrangements, written or otherwise, between the Group and the Other Indonesian Sellers with regard to the disposal of SKG and CMU. In addition, there are no cross obligations between the Sellers arising from the Disposal Agreement. Nonetheless, as a result of the relationships between the Company, IW, BW and GW as described above, the Disposals constitute a connected transaction (the “**Connected Transaction**”) under Chapter 14A of the Listing Rules. As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Connected Transaction exceeds 2.5% and the total consideration involved is over HK\$10,000,000, the Connected Transaction is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. In addition, the said applicable percentage ratio exceeds 5% but is less than 25%, the Disposals also constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Independent Board Committee comprising the independent non-executive Directors has been appointed to consider the terms of the Disposal Agreement. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Disposal Agreement.

As no shareholder of the Company is required to abstain from voting on the Connected Transaction and Nan Luen, the Company’s controlling shareholder holding 365,047,856 Shares, representing approximately

55.76% of the issued share capital of the Company as at the date of this announcement, has given its written approval for the Disposals, the Company has applied for a waiver (in accordance with Rule 14A.43 of the Listing Rules) from the requirement to hold a shareholders' meeting to approve the Disposal Agreement.

A circular setting out, amongst other matters, (i) details of the Disposals; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Connected Transaction; (iv) an independent valuation report of the Properties; and (v) where required by the HKSE, a notice of special general meeting to consider and, if thought fit, approve the terms of the Disposal Agreement, will be dispatched to the Shareholders and the Warrant-holders within 21 days after the publication of this announcement.

DEFINITIONS

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

“Board”	the board of Directors;
“BW”	an individual who is one of the Other Indonesian Sellers holding, immediately prior to Completion, less than 10% of the issued and paid up share capital of SKG and who, immediately prior to Completion, was a director of SKG;
“Company”	S E A Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares (Stock code: 251) and Warrants (Warrant code: 920) of which are listed and traded on the main board of the HKSE;
“Completion”	completion of the Disposals in accordance with the terms of the Disposal Agreement;
“connected person(s)”	has the meaning as ascribed to this expression under the Listing Rules;
“CMU”	P.T. Catur Marga Utama, a company incorporated in Indonesia with limited liability on 20 September 1981;
“Directors”	the directors of the Company;
“Disposal Agreement”	the agreement dated 15 August 2008 and entered into between the Purchasers and the Sellers in relation to the sale and purchase of the entire issued and paid-up shares of SKG and CMU;
“Disposals”	the disposal of the Sale Shares by the Nominees to the Purchasers pursuant to the Disposal Agreement and the transactions contemplated thereunder;
“GAAP”	generally accepted accounting principles and practices of Indonesia, which are close to international accounting standards;
“Group”	the Company and its subsidiaries;
“GW”	an individual who is one of the Other Indonesian Sellers holding, immediately prior to Completion, less than 10% of the issued and paid up share capital of CMU;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being;
“HKSE”	The Stock Exchange of Hong Kong Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Independent Board Committee”	the independent board committee, comprising the independent non-executive Directors who are not interested in the transactions contemplated under the Disposal Agreement, established to advise the Independent Shareholders in respect of the terms of the Disposal Agreement;
“Independent Shareholders”	the independent shareholders of the Company to the Connected Transaction, i.e. the Shareholders;
“Independent Valuer”	PT Bahana Klasamas Prasetya, an independent professional property valuer in Indonesia;
“Indonesia”	The Republic of Indonesia;
“IW”	an individual who is one of the Other Indonesian Sellers and who, immediately prior to Completion, was interested in more than 10% of the issued and paid up share capital of each of SKG and CMU;
“Liabilities”	the aggregate liabilities (comprising primarily utilised banking facilities) of SKG and CMU agreed by the Purchasers and the Sellers in the sum of Rp.60,000 million (equivalent to approximately HK\$51.0 million) all of which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, were owed to those who are third parties independent of the Group and its connected persons;
“Listing Rules”	the Rules Governing the Listing of Securities on the HKSE;
“Nan Luen”	Nan Luen International Limited, a company incorporated in Bermuda with limited liability, the Company’s controlling shareholder holding approximately 55.76% of the issued share capital of the Company as at the date of this announcement, which has given its written approval for the Disposals;
“Nominees”	two Indonesian individuals, both being nominees of the Group;
“Other Indonesian Sellers”	four Indonesian individual sellers for the disposal of 48% equity interest in SKG and four Indonesian individual sellers for the disposal of 48% equity interest in CMU, of which three of them are common sellers.
“PRC”	The Peoples’ Republic of China and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Properties”	<ul style="list-style-type: none"> (i) various pieces of land owned by SKG situated at Gondrong and Petir Villages, Cipondoh sub district of Tangerang, Indonesia with an aggregate area of approximately 1,057,402 sq. m.; and (ii) various pieces of land owned by CMU situated at Gondrong and Petir Villages, Cipondoh sub district of Tangerang, Indonesia with an aggregate area of approximately 346,426 sq. m.;
“Purchasers”	<ul style="list-style-type: none"> (i) PT. Agung Sedayu; and (ii) PT. Alam Pusaka Jaya. <p>To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of both the Purchasers is a third party independent of the Group and its connected persons.</p>
“Rp.”	Indonesian Rupiahs, the lawful currency of Indonesia for the time being;

“Sale Shares”	(i) 31,200 shares with a par value of Rp.1 million each in, representing 52% of, the issued and paid-up share capital of SKG registered in the names of the Nominees and beneficially owned by a 64% owned indirect subsidiary of the Company; and (ii) 4,160 shares with a par value of Rp.1 million each in, representing 52% of, the issued and paid-up share capital of CMU registered in the names of the Nominees and beneficially owned by a 64% owned indirect subsidiary of the Company;
“Sellers”	the Nominees and the Other Indonesian Sellers;
“Shareholders”	the holders of the Shares;
“Share(s)”	share(s) with a par value of HK\$0.10 each in the capital of the Company;
“SKG”	P.T. Sumber Kencana Graha, a company incorporated in Indonesia with limited liability on 7 September 1983;
“sq. m.”	square metre(s);
“Warrant-holders”	the holders of the Warrants;
“Warrants”	the existing warrants issued by the Company carrying rights to subscribe for new Shares at the subscription price of HK\$1.38 per Share (subject to adjustments) before 3 December 2008; and
“%”	per cent.

For the purpose of this announcement, amounts denominated in Rp. in this announcement have been translated into HK\$ at an exchange rate of HK\$1 = Rp.1,176 for illustration purposes only.

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

<i>Executive Directors</i>	Messrs. Lu Wing Chi (<i>Chairman and Managing Director</i>), Lu Wing Yuk, Andrew, David Hsu, Lincoln Lu and Lambert Lu
<i>Non-executive Directors:</i>	Messrs. Lam Sing Tai and Tse Man Bun
<i>Independent Non-executive Directors:</i>	Messrs. Walujo Santoso, Wally, Leung Hok Lim and Chung Pui Lam

For and on behalf of
S E A Holdings Limited
Kwok Siu Man, Seaman
Company Secretary

Hong Kong, 2 October 2008