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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
DISPOSAL OF
AN INDIRECT WHOLLY-OWNED SUBSIDIARY
WHICH IS INTERESTED IN
THE LAND AT FO TAN**

THE DISPOSAL

On 30 September 2015, the Seller, AGP and the Company entered into the Option Agreement with the Option Holder, pursuant to which the Seller and AGP, for an aggregate Option Fee of HK\$280 million, agreed to grant to the Option Holder the Option relating to the purchase of the Sale Share and the assignment of the benefit of the Sale Loans on and subject to the terms of the Sale Agreement.

Immediately after the execution of the Option Agreement, the Option Holder gave notice to the Seller and AGP to exercise the Option and nominated the Purchaser to enter into the Sale Agreement. On 30 September 2015, the Seller, AGP and the Purchaser entered into the Sale Agreement, pursuant to which the Seller agreed to sell the Sale Share to the Purchaser, and AGP agreed to assign to the Purchaser the benefit of the Sale Loans, at an aggregate Consideration of HK\$1,120 million, subject to certain adjustments not exceeding HK\$10 million.

The Sale Share represents the entire issued share capital of Ever Reality, which owns the entire issued share capital of AGP (Sha Tin), which is the owner of the Land.

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the entering into of the Option Agreement, the Sale Agreement and the Disposal is more than 5% but less than 25%, the entering into of the Option Agreement, the Sale Agreement and the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

THE DISPOSAL

On 30 September 2015, the Seller, AGP and the Company entered into the Option Agreement with the Option Holder, pursuant to which the Seller and AGP, for an aggregate Option Fee of HK\$280 million, agreed to grant to the Option Holder the Option relating to the purchase of the Sale Share and the assignment of the benefit of the Sale Loans on and subject to the terms of the Sale Agreement.

* For identification purpose only

Immediately after the execution of the Option Agreement, the Option Holder gave notice to the Seller and AGP to exercise the Option and nominated the Purchaser to enter into the Sale Agreement. On 30 September 2015, the Seller, AGP and the Purchaser entered into the Sale Agreement, pursuant to which the Seller agreed to sell the Sale Share to the Purchaser, and AGP agreed to assign to the Purchaser the benefit of the Sale Loans, at an aggregate Consideration of HK\$1,120 million, subject to certain adjustments not exceeding HK\$10 million.

Principal terms of the Option Agreement and the Sale Agreement are set out below.

THE OPTION AGREEMENT

Date : 30 September 2015

Parties

- (1) The Seller : Benefit Strong Group Limited, a wholly-owned subsidiary of AGP
- (2) The Option Holder: Chung Sing Real Estate Company Limited
- (3) AGP
- (4) The Company

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Option Holder and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

The Option

In consideration of an aggregate Option Fee of HK\$280 million, the Seller and AGP agreed to grant to the Option Holder the Option relating to the purchase of the Sale Share and the assignment of the benefit of the Sale Loans, exercisable during the Option Period. Upon exercise of the Option, the Seller, AGP and a purchaser nominated by the Option Holder (being the Purchaser) shall enter into, among others, the Sale Agreement in accordance with the terms of the Option Agreement.

The Option Fee shall be paid in the following manner:

- (i) a sum of HK\$200 million upon the execution of the Option Agreement; and
- (ii) the balance of HK\$80 million on or before 30 October 2015, being 30 days after the date of the Option Agreement.

The Option Fee was determined after arm's length negotiations between the Group and the Option Holder having regard to the value of the Land. The Directors consider that the Option Fee was fair and reasonable and in the interest of the Company and its Shareholders taken as a whole.

The Option may be exercised by the Option Holder in respect of the entirety of the Sale Share and the assignment of the benefit of the Sale Loans at any time before expiry of the Option Period.

The Option Holder may exercise the Option no more than two times before the expiry of the Option Period.

If the Purchaser initially nominated by the Option Holder is unable to complete the purchase of the Sale Share and the assignment of the benefit of the Sale Loans under the Sale Agreement by not later than 3 days prior to the expiry of the Option Period because it is unable to obtain all necessary requisite approvals to complete the Disposal under the Sale Agreement, the Option Holder may nominate another purchaser to purchase the entirety of the Sale Share and the assignment of the benefit of the Sale Loans. However, if the Option Holder were to nominate another purchaser, such purchase of the Sale Share and the assignment of the benefit of the Sale Loans by the second entity will not be subject to any conditions.

The Option Agreement also provides that completion of the Sale Agreement is conditional upon, among others, AGP obtaining the approval of its shareholders as required by the AIM Rules. Pursuant to the Option Agreement, the Company, being the majority shareholder of AGP, irrevocably undertakes to vote in favour of any resolution proposed by AGP to approve the Option Agreement and the Sale Agreement.

Immediately after the execution of the Option Agreement, the Option Holder gave notice to the Seller and AGP to exercise the Option and nominated the Purchaser to enter into the Sale Agreement.

On 30 September 2015, the Seller, AGP and the Purchaser entered into the Sale Agreement.

THE SALE AGREEMENT

Date : 30 September 2015

Parties

- (1) The Seller : Benefit Strong Group Limited, a wholly-owned subsidiary of AGP
- (2) The Purchaser : Centralcon Investment Holding (Hong Kong) Company Limited
- (3) AGP

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Assets to be disposed of

As at the date of this announcement:

- i. the Seller holds the Sale Share, being 100% of the issued share capital of Ever Reality; and
- ii. the Target Group owes to AGP the loans in a total sum of approximately HK\$810 million, being the Sale Loan.

Under the Sale Agreement, the Seller agreed to sell to the Purchaser the Sale Share and AGP agreed to assign to the Purchaser the benefit of the Sale Loans, at an aggregate Consideration of HK\$1,120 million (subject to adjustments mentioned below).

As at the date of this announcement, Ever Reality is the sole shareholder of AGP (Sha Tin) which in turn is the registered owner of the Land known as Sha Tin Town Lot No. 75 and the Remaining Portion of Lot No. 744 in the Demarcation District No. 176 and situated at 1-11 Au Pui Wan Street, Fo Tan, Sha Tin, New Territories, Hong Kong, with an area of approximately 20,000 square metres.

Consideration

Pursuant to the Sale Agreement, the Consideration of HK\$1,120 million shall be satisfied and paid by the Purchaser in cash in the following manner:

- (i) a refundable deposit of HK\$1 shall be paid by the Purchaser to the Seller upon execution of the Sale Agreement; and
- (ii) the balance of the Consideration (subject to adjustment mentioned below) shall be paid by the Purchaser upon Completion.

The Consideration is subject to the adjustments based on the net asset value of the Target Group (excluding the Land, Bank Loan and Sale Loans) as at Completion, subject to a maximum cap of HK\$10 million.

Prior to Completion, the Seller is required to cause the Bank Loan granted by the Bank to AGP (Sha Tin) to be repaid no later than Completion, equating to approximately HK\$150 million. If the Bank Loan is to be repaid upon Completion, it is agreed that the balance of the Consideration (subject to adjustment mentioned above) shall be split, upon Completion, in the following manner:

- (i) a sum equivalent to the outstanding amount of the Bank Loan payable to the Bank;
- (ii) the price for the assignment of the benefit of the Sale Loans payable to AGP (being the face value of the total outstanding amount of the Sale Loans as at Completion); and
- (iii) the remaining part of the balance of the Consideration payable to the Seller.

The Consideration for the Disposal was determined after arm's length negotiations between the Group and the Option Holder having regard to the value of the Land. The Directors consider that the Consideration was fair and reasonable and in the interest of the Company and its Shareholders taken as a whole.

Condition precedent

Completion shall be subject to and conditional upon, if applicable:

- (i) the compliance with the requirements under the Listing Rules by the Company in respect of the transactions contemplated thereunder;
- (ii) the compliance with the requirements under the AIM Rules by AGP in respect of the transactions contemplated thereunder;
- (iii) the Purchaser obtaining of all necessary approvals for it to enter into the Sale Agreement within 42 days from the date of the Option Agreement; and
- (iv) the payment of the balance of the Option Fee in the sum of HK\$80 million by the Option Holder on or before 30 October 2015.

If the conditions precedent referred to in paragraphs (iii) and (iv) above have not been fulfilled on or before the specified period, the Sale Agreement shall terminate and the parties shall have no liability to each other, save that termination will not affect any accrued rights and obligations of any party.

Completion

Completion is expected to take place on 30 November 2015 or at such other earlier date as the Seller and the Purchaser may mutually agree in writing.

Upon Completion, the Seller shall cease to hold any interest in the Target Group and the Target Group will cease to be subsidiaries of the Group.

AGP has also agreed to guarantee the performance by the Seller of all its obligations under the Sale Agreement.

INFORMATION ON THE TARGET GROUP

Ever Reality is an investment holding company and its sole business is the holding of the entire equity interest of AGP (Sha Tin) which is the registered owner of the Land.

As at the date of this announcement, the Land is legally and beneficially owned by AGP (Sha Tin). The Land is currently under development and no income such as rental fee income has been generated by the Land. As at 31 August 2015, the carrying value of the Land was approximately HK\$900 million (after elimination of intra-group capitalized costs).

The consolidated value of the assets of the Target Group, including the Land, at 30 June 2015 was HK\$900 million (after elimination of intra-group capitalized costs). The audited net loss before taxation and after taxation of the Target Group for the year ended 31 December 2014 were both approximately HK\$1 million (Year ended 31 December 2013: audited net loss before taxation and after taxation were both approximately HK\$11 million).

Based on the unaudited consolidated management accounts of the Target Group for the eight months ended 31 August 2015, the consolidated net liabilities of the Target Group as at 31 August 2015 was approximately HK\$20 million.

FINANCIAL EFFECT OF THE DISPOSAL

Taking into account (i) the Option Fee of HK\$280 million; (ii) the further Consideration for the Disposal of approximately HK\$1,120 million; and (iii) the carrying amount of the Land as at 31 August 2015 of approximately HK\$900 million (after elimination of intra-group capitalized costs), the gain arising from the Disposal (before expenses) to be recognised by the Group in its consolidated income statement has been estimated at approximately HK\$500 million.

The above calculation and accounting treatment are subject to review by the auditors of the Group. The actual financial impact to the Group arising from the Disposal to be recorded in the Group's consolidated accounts will be recalculated based on the net asset value of the Target Group as at the date to which completion accounts are drawn up.

Upon Completion, the Target Group will cease to be subsidiaries of the Group. The Disposal upon Completion will therefore result in the deconsolidation of the assets and liabilities of the Target Group from the Group's consolidated accounts.

USE OF PROCEEDS FROM THE DISPOSAL

It is expected that the net cash proceeds of the Disposal receivable by the Group on Completion after repayment of the Bank Loan will be HK\$1,250 million, inclusive of the Option Fee, before transaction expenses.

The Group intends to use the net proceeds from the Disposal for future investment and as general working capital of the Group.

REASONS AND BENEFITS OF THE DISPOSAL

AGP (Sha Tin) holds the Group's interests in the Land, which was acquired by the Group in 2004. The Land is situated in Fo Tan, Sha Tin, New Territories, Hong Kong, with an aggregate total site area of approximately 20,000 square metres. The Group's development project for the Land envisaged, among other facilities, residential units, car parks, educational facilities and a bus terminus. The foundation work of the project has been completed and the superstructure design is in progress. The carrying value of the Land as at 31 August 2015 is approximately HK\$900 million (after elimination of intra-group capitalized costs).

The Board believes the Disposal provides an attractive opportunity to realise its investment in the Land at this time, reducing the time and overall risk and uncertainty of realising the value of the Land by undertaking the development project itself. Following Completion of the Disposal, based on receipt of the Consideration and the Option Fee and taking into account the carrying value of the Land of HK\$900 million (after elimination of intra-group capitalized costs), the Group expects

to record in its consolidated income statement an estimated gain (before expenses) of approximately HK\$500 million and to realise a cash amount of HK\$1,250 million for future reinvestment. The Directors consider that the terms of the Option Agreement and the Sale Agreement are fair and reasonable and in the interests of the Company and its Shareholders taken as a whole.

After the Disposal, the Company will continue with its current business of investment holding, hotel operation, property and asset management as well as property investment and development in Hong Kong, the mainland China and Australia.

INFORMATION RELATING TO THE GROUP, THE OPTION HOLDER AND THE PURCHASER

The Company is an investment holding company. The business activities of its principal subsidiaries are investment holding, hotel operation, property and asset management as well as property investment and development in Hong Kong, the mainland China and Australia.

AGP is a 97.17%-owned subsidiary of the Company, whose shares are admitted for trading on the AIM Market of London Stock Exchange plc. AGP is an investment holding company and the activities of its principal subsidiaries are property development and investment in Hong Kong and mainland China as well as hotel operation in Hong Kong.

The Seller is a wholly-owned subsidiary of AGP and its principal business activity is investment holding.

The Option Holder is incorporated in Hong Kong and is a real estate company.

The Purchaser is incorporated in Hong Kong with limited liability. The principal business activity of the Purchaser is property development and investment.

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the entering into of the Option Agreement, the Sale Agreement and the Disposal is more than 5% but less than 25%, the entering into of the Option Agreement, the Sale Agreement and the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

“AGP”	Asian Growth Properties Limited, a company incorporated in the British Virgin Islands with limited liability and is a 97.17%-owned subsidiary of the Company, whose shares are traded on the AIM Market of London Stock Exchange plc (Stock code: AGP);
“AGP (Sha Tin)”	AGP (Sha Tin) Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Ever Reality;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange plc;

“Bank”	Hang Seng Bank Limited;
“Bank Loan”	a term loan facility of HK\$150 million granted by the Bank to AGP (Sha Tin) for the purpose of financing the acquisition cost of the Land and the outstanding amount of the principal sum and any interest accrued thereon;
“Board”	the board of Directors;
“Company”	S E A Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 251);
“Completion”	completion of the Disposal pursuant to the Sale Agreement;
“connected person(s)”	having the meaning ascribed to it under the Listing Rules;
“Consideration”	the total consideration in the sum of HK\$1,120 million payable by the Purchaser to the Seller and AGP for the Disposal under the Sale Agreement;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Sale Share by the Seller and the assignment of the benefit of the Sale Loans by AGP to the Purchaser pursuant to the Sale Agreement;
“Ever Reality”	Ever Reality Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Seller;
“Group”	the Company and its subsidiaries;
“HK\$”	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;
“Land”	the land known as Sha Tin Town Lot No. 75 and the Remaining Portion of Lot No. 744 in the Demarcation District No. 176 and situated at 1-11 Au Pui Wan Street, Fo Tan, Sha Tin, New Territories, Hong Kong, which is currently owned by AGP (Sha Tin);
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Option”	the right of the Option Holder to require the Seller and AGP to sell to the Purchaser or its nominee the entirety of the Sale Share and assign the benefit of the Sale Loans (but not only part thereof) in accordance with the terms of the Sale Agreement pursuant to the Option Agreement;

“Option Agreement”	the option agreement relating to the grant of the Option entered into between the Seller, AGP, the Company and the Option Holder on 30 September 2015;
“Option Fee”	the total option fee in the sum of HK\$280 million payable by the Option Holder to the Seller and AGP for the grant of the Option under the Option Agreement;
“Option Holder”	Chung Sing Real Estate Company Limited, a company incorporated in Hong Kong with limited liability;
“Option Period”	the period commencing on the date of the Option Agreement and ending at 12:00 noon on a date which is 45 days from the date of the Option Agreement (both dates inclusive), unless extended by agreement in writing between the parties;
“Purchaser”	Centralcon Investment Holding (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability;
“Sale Agreement”	the agreement relating to the Disposal entered into between the Seller, AGP and the Purchaser on 30 September 2015;
“Sale Loans”	all loans owing by the Target Group to AGP, the outstanding amount of which is approximately HK\$810 million as at the date of this announcement;
“Sale Share”	one ordinary share of US\$1 in the capital of Ever Reality, being all and the only issued share of Ever Reality;
“Seller”	Benefit Strong Group Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of AGP;
“Shareholders”	holder(s) of the ordinary shares of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Group”	Ever Reality and AGP (Sha Tin);
“US\$”	US dollars, the lawful currency of the United States of America; and
“%”	per cent.

On Behalf of the Board
S E A Holdings Limited
Lu Wing Chi
Chairman and Managing Director

Hong Kong, 1 October 2015

The directors of the Company as at the date of this announcement are:

Executive Directors:

Mr. Lu Wing Chi (*Chairman and Managing Director*)
Mr. Lu Wing Yuk, Andrew
Mr. Lincoln Lu
Mr. Lambert Lu

Independent Non-executive Directors:

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

Non-executive Director:

Mr. Lam Sing Tai