

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SEA HOLDINGS LIMITED

爪哇控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 251)

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO
THE DISPOSAL OF PROPERTY**

THE DISPOSAL

The Board announces that on 25 February 2016, the Vendor and AGP entered into the Sale Agreement with the Purchaser and the Purchaser's Guarantor, pursuant to which the Vendor has agreed to sell to the Purchaser the Sale Shares at a gross Consideration of HK\$10,000 million upon the terms of the Sale Agreement. The Sale Shares represent the entire issued share capital of SEA (BVI), which owns the entire issued share capital of Wing Siu, the sole registered and beneficial owner of the Property.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company and is subject to the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Sale Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, no Shareholder has a material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the SGM.

A circular containing, among other things, further information relating to the Disposal and the notice of convening the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 March 2016, as the Company expects that it requires more time to collate the information to be included in the circular.

Completion of the Disposal is conditional upon the satisfaction of the conditions set out in the section headed "The Sale Agreement – Condition precedent" in this announcement, including the approval of the Sale Agreement and the transactions contemplated thereunder by the Shareholders at the SGM. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

* For identification purpose only

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 26 February 2016 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 29 February 2016.

THE DISPOSAL

The Board announces that on 25 February 2016, the Vendor and AGP entered into the Sale Agreement with the Purchaser and the Purchaser's Guarantor, pursuant to which the Vendor has agreed to sell to the Purchaser the Sale Shares at a gross Consideration of HK\$10,000 million upon the terms of the Sale Agreement. The Sale Shares represent the entire issued share capital of SEA (BVI), which owns the entire issued share capital of Wing Siu, the sole registered and beneficial owner of the Property.

THE SALE AGREEMENT

Date: 25 February 2016

Parties

- (i) The Vendor : Giant Well Enterprises Limited, an indirectly wholly-owned subsidiary of AGP
- (ii) The Purchaser : Gao Sheng Global Limited, a subsidiary of the Purchaser's Guarantor
- (iii) The Vendor's Guarantor : AGP
- (iv) The Purchaser's Guarantor : China Everbright Holdings Company Limited

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, the Purchaser's Guarantor and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be disposed of

As at the date of this announcement, the Vendor holds the Sale Shares, being 100% of the issued share capital of SEA (BVI). Pursuant to the Sale Agreement, the Vendor agreed to sell to the Purchaser the Sale Shares at a gross Consideration of HK\$10,000 million (subject to adjustments mentioned below) upon the terms of the Sale Agreement.

As at the date of this announcement, SEA (BVI) is the sole beneficial owner of Wing Siu which in turn is the sole registered and beneficial owner of the Property known as Dah Sing Financial Centre, a 38-storey commercial and office building situated at 108 Gloucester Road, Wanchai, Hong Kong with a gross floor area and total lettable area of approximately 37,214 square metres and 32,606 square metres respectively and 156 car parking spaces.

Consideration

Pursuant to the Sale Agreement, the Consideration of HK\$10,000 million shall be satisfied and paid by the Purchaser in cash in the following manner:

- (i) an amount of HK\$100,000,000 (the “**Earnest Money**”) which was paid by the Purchaser to the Vendor on 5 February 2016 pursuant to the terms of a non-binding letter of intent;
- (ii) a further deposit of HK\$900,000,000 (the “**Further Deposit**”) shall be paid by the Purchaser to the Vendor upon execution of the Sale Agreement; and
- (iii) the balance of the Consideration (subject to adjustment mentioned below and after deducting the Earnest Money and the Further Deposit) shall be paid by the Purchaser upon Completion.

The Vendor received the Further Deposit from the Purchaser on 25 February 2016.

The Consideration shall be adjusted by reference to the net asset value of the Disposal Group (excluding the value of the Property, the Bank Loan and deferred tax liabilities) as at Completion.

In addition to the Consideration, the Purchaser shall pay to the Vendor at Completion:

- (i) an amount equivalent to the Owner’s Funds held for Wing Siu and/or SEA (BVI) pursuant to the following management agreements as at the date of Completion:
 - (a) the management agreement dated 30 April 2015 between Wing Siu (as owner of the Property) and SEA (BVI) (as manager) in connection with the management of the Property; and
 - (b) the management agreement dated 30 April 2015 between SEA (BVI) (as manager) and Jones Lang LaSalle Management Services Limited (as managing agent) in connection with the management of the Property.
- (ii) an additional amount of HK\$80 million to compensate the Vendor for capital expenditure on the Property and furniture, furnishings, fixtures, fittings, decorations and equipment relating thereto and which is not reflected in the Consideration (“**Capex Amount**”).

The balance of the Owner’s Fund as at 31 December 2015 amounted to approximately HK\$45 million.

Assuming the Disposal proceeds to Completion, the Group will receive a total gross cash consideration for the Sale Shares, the Capex Amount and the Owner’s Fund of approximately HK\$10,125 million.

Under the Sale Agreement, the Bank Loan with a principal amount of approximately HK\$1,981 million granted by the Bank to Wing Siu must be repaid by Wing Siu before Completion or repaid from the proceeds of the Consideration.

The Consideration for the Disposal was determined after arm's length negotiations between the Group and the Purchaser with reference to, among others, prevailing market prices of similar properties in the relevant location. The Directors consider that the Consideration is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Condition precedent

Completion is conditional upon:

- (i) approval of the Disposal by the Shareholders in compliance with the requirements under the Listing Rules; and
- (ii) approval of the Disposal by AGP's shareholders in compliance with the requirements under the AIM Rules (together the "**Condition**").

If the Condition is not fulfilled on or before 24 May 2016 (or such other date agreed between the Vendor and the Purchaser), the Sale Agreement will terminate, the Vendor shall return the Earnest Money and Further Deposit to the Purchaser 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

Assuming the Shareholders approve the Disposal, Completion is expected to take place on or before 24 May 2016 or at such other date as the Vendor and the Purchaser may mutually agree in writing.

The Group currently occupies 25th and 26th floors of the Property. Upon Completion, (i) the Vendor shall cease to hold any interest in the Disposal Group and the Disposal Group will cease to be the subsidiaries of the Group; and (ii) Wing Siu will lease back the 25th and 26th floors of the Property to AGP together with the right to use and occupy 19 car parking spaces, 20 refuse storage rooms and 3 AHU rooms at a monthly rent of HK\$1,121,546 for a term of 3 years with an option to renew for a further term of 3 years and in accordance with such other principal terms of a lease agreed between the Purchaser and the Vendor.

The Purchaser's Guarantor has agreed to guarantee the performance by the Purchaser of all its obligations under the Sale Agreement. AGP has also agreed to guarantee the performance by the Vendor of all its obligations under the Sale Agreement.

INFORMATION ON THE DISPOSAL GROUP AND THE PROPERTY

The Disposal Group comprises SEA (BVI) and Wing Siu, both are indirectly wholly-owned subsidiaries of AGP. SEA (BVI) is an investment holding company and its sole business is the holding of the entire equity interest of Wing Siu which is the sole registered and beneficial owner of the Property.

Wing Siu holds the Group's interests in the Property as investment property for capital appreciation since 1997. Currently, the occupancy rate of the Property is 95%.

The Property is subject to a mortgage to secure the Bank Loan with principal amount of approximately HK\$1,981 million in favour of the Bank. The Bank Loan will be repaid before Completion or from the proceeds of the Consideration on Completion.

The Property was valued as at 31 December 2015 at a value of HK\$9,500 million by Savills Valuation and Professional Services Limited, an independent property valuer.

Based on the unaudited consolidated management accounts of the Disposal Group for the year ended 31 December 2014 and 31 December 2013, which was prepared based on the audited accounts of Wing Siu for the same period, the revenue of the Disposal Group for the year ended 31 December 2014 was approximately HK\$243 million (Year ended 31 December 2013: HK\$245 million). The net profit before taxation and after taxation (including the fair value gain of investment properties) of the Disposal Group for the year ended 31 December 2014 were approximately HK\$744 million and HK\$717 million respectively (Year ended 31 December 2013: HK\$321 million and HK\$303 million respectively).

Based on the unaudited consolidated management accounts of the Disposal Group for the year ended 31 December 2015, the consolidated net assets of the Disposal Group as at 31 December 2015 was approximately HK\$9,379 million.

FINANCIAL EFFECT OF THE DISPOSAL

Taking into account the Consideration for the Disposal (subject to adjustment and audit), Capex Amount and the Owner's Fund and the net asset value of the Disposal Group as at 31 December 2015 from its unaudited management accounts (adjusted for the carrying amount of part of the Property which are leased to third parties to its market value as at 31 December 2015; while the carrying amount of the part of the Property which are occupied by the Group remained at cost less accumulated depreciation), the capital gain arising from the Disposal to be recognised by the Group in its consolidated income statement has been estimated at approximately HK\$900 million (after elimination of intra-group transactions and related tax impact).

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 Disposal Group as at the date to which completion accounts are drawn up.

Upon Completion, the Disposal 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 Disposal Group from the Group's consolidated accounts.

USE OF PROCEEDS FROM THE DISPOSAL

It is expected that after repayment of the Bank Loan of approximately HK\$1,981 million, the Group will receive a net consideration for the Sale Shares of approximately HK\$8,019 million and together with the Capex Amount and the Owner's Fund, a total net consideration of approximately HK\$8,144 million, before deducting related transaction costs and expenses.

The Group intends to apply the net proceeds from the Disposal for future reinvestment into its other development and investment projects and other potential real estate projects and as general working capital of the Group.

REASONS AND BENEFITS OF THE DISPOSAL

Wing Siu holds the Group's interests in the Property known as Dah Sing Financial Centre, a 38-storey commercial and office building situated at 108 Gloucester Road, Wanchai, Hong Kong with a gross floor area and total lettable area of approximately 37,214 square metres and 32,606 square metres respectively and 156 car parking spaces. Wing Siu holds the AGP Group's interests in the Property, which was acquired by Wing Siu in 1997. The Property was valued as at 31 December 2015 at a value of HK\$9,500 million by an independent property valuer.

Taking into consideration of the proceeds from the Disposal and the estimated unaudited capital gain from the Disposal, the Board considers that the Disposal provides an optimum opportunity for the Company to realize cash and unlock the value of its investment in the Property at fair market value. Following Completion of the Disposal, the Group expects to record in its consolidated income statement an estimated unaudited capital gain (before transaction costs and expenses) of approximately HK\$900 million (after elimination of intra-group transactions and related tax impact) and to realise a cash amount of approximately HK\$8,144 million for its future reinvestment. The Directors consider that the terms of the Sale Agreement are fair and reasonable and in the interests of the Company and its Shareholders 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 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 Vendor is a wholly-owned subsidiary of AGP and its principal business activity is investment holding.

The Purchaser is incorporated in the British Virgin Islands with limited liability. The principal business activity of the Purchaser is investment holding.

The Purchaser's Guarantor is incorporated in Hong Kong with limited liability. The principal business activity of the Purchaser's Guarantor is investment holding.

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, the Purchaser's Guarantor and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company and is subject to the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal, the Sale Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, no Shareholder has a material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting in respect of the ordinary resolution to approve the Disposal at the SGM.

A circular containing, among other things, further information relating to the Disposal and the notice of convening the SGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 March 2016, as the Company expects that it requires more time to collate the information to be included in the circular.

Completion of the Disposal is conditional upon the satisfaction of the conditions set out in the section headed “The Sale Agreement – Condition precedent” in this announcement, including the approval of the Sale Agreement and the transactions contemplated thereunder by the Shareholders at the SGM. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 26 February 2016 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 29 February 2016.

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 Group”	AGP and its subsidiaries;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange plc;
“Bank”	The Hongkong and Shanghai Banking Corporation Limited;
“Bank Loan”	bank loan facilities of up to HK\$2,381 million granted by the Bank to Wing Siu 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\$10,000 million payable by the Purchaser to the Vendor for the Disposal under the Sale Agreement (subject to adjustments by reference to the net asset value of the Disposal Group (excluding the value of Property, the Bank Loan and deferred tax liabilities) as at Completion));
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Sale Agreement;
“Disposal Group”	SEA (BVI) and Wing Siu;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Owner’s Fund”	the funds held for Wing Siu and/or SEA (BVI) pursuant to the management agreements dated 30 April 2015 made between Wing Siu, SEA (BVI) and Jones Lang LaSalle Management Services Limited in connection with the management of the Property;
“Property”	all that piece or parcel of ground registered at The Land Registry of Hong Kong as Inland Lot No. 8745 together with the messuages, erections and buildings thereon known as Dah Sing Financial Centre, a 38-storey commercial and office building situated at 108 Gloucester Road, Wanchai, Hong Kong with a gross floor area and total lettable area of approximately 37,214 square metres and 32,606 square metres respectively and 156 car parking spaces, which is currently owned by Wing Siu;
“Purchaser”	Gao Sheng Global Limited, a company incorporated in the British Virgin Islands with limited liability and is a subsidiary of the Purchaser’s Guarantor;
“Purchaser’s Guarantor”	China Everbright Holdings Company Limited, a company incorporated in Hong Kong with limited liability;
“Sale Agreement”	the agreement relating to the Disposal entered into between the Vendor, AGP, the Purchaser and the Purchaser’s Guarantor on 25 February 2016;

“Sale Shares”	10,000 ordinary shares of HK\$10.00 each in the capital of SEA (BVI), being all the issued shares of SEA (BVI);
“SEA (BVI)”	SEA (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a directly wholly-owned subsidiary of the Vendor;
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approve, among other things, the Disposal on the terms and conditions of the Sale Agreement and the other transactions contemplated thereunder;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholders”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Giant Well Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of AGP;
“Wing Siu”	Wing Siu Company Limited, a company incorporated in Hong Kong with limited liability, a directly wholly-owned subsidiary of SEA (BVI) and the legal and beneficial owner of the Property; and
“%”	per cent.

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

Hong Kong, 26 February 2016

The Directors 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