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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)**

### **OVERSEAS REGULATORY ANNOUNCEMENT**

This overseas regulatory announcement is made by S E A Holdings Limited (the “**Company**”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Asian Growth Properties Limited (“**AGP**”) is a company listed on the AIM Market of The London Stock Exchange plc. (“**LSE**”) and a 97.17%-owned subsidiary of the Company. Please refer to the attached announcement on the next pages published on LSE by AGP on 22 August 2016.

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

*Executive Directors:*

Mr. Lu Wing Chi (*Chairman and Managing Director*)

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

Hong Kong, 22 August 2016

*\* For identification purpose only*

22 August 2016

**Asian Growth Properties Limited**

**(“AGP” or the “Company”)**

**Disposal of Property Development Project in Chengdu, Sichuan Province, the PRC**

The Company is pleased to announce that the Vendor (a direct wholly-owned subsidiary of AGP) has entered into the Sale Agreement with the Purchaser in relation to the conditional Disposal to the Purchaser of the Target Group, which owns the Land under development in Chengdu, Sichuan Province, the PRC, for the Consideration (for the Sale Share and the Shareholder’s Loan) of HK\$890 million (approximately £87.7 million) in cash.

The Target Group to be acquired by the Purchaser comprises Healthy Time (an indirect wholly-owned subsidiary of the Company) and its wholly-owned subsidiaries which are the registered and beneficial owners of the Land comprising three land parcels located at Longquanyi District, Chengdu, Sichuan Province, the PRC. The Land has an aggregate site area of approximately 506,000 sq.m. and its permitted usage is residential and/or commercial.

The Target Group is currently undertaking a development project known as “Chengdu Nova City” on the Land. The commercial basement works have been completed.

The carrying value of the Land as at 30 June 2016 was approximately HK\$709.9 million (approximately £69.9 million). The consolidated net liabilities of the Target Group as at 30 June 2016 was HK\$180.3 million (approximately £17.8 million), after deduction of the Shareholder’s Loan.

Completion of the Disposal is subject to various conditions, more particularly set out below. Upon Completion, the AGP Group will receive a total gross cash consideration for the Sale Share and the assignment of the Shareholder’s Loan of HK\$890 million (approximately £87.7 million), equating to a net cash amount of HK\$886.7 million (approximately £87.4 million), before deducting transaction costs and expenses. The gain from the Disposal before transaction costs and expenses is expected to be approximately HK\$126.1 million (approximately £12.4 million).

After Completion, the AGP Group will continue to focus on its other development and investment projects in Hong Kong and mainland China. Particulars of the AGP Group’s strategy and its property portfolio are set out in the Company’s 2016 interim results announcement published on 19 August 2016.

Further details of the Disposal are set out below.

## **BACKGROUND TO AND REASONS FOR THE DISPOSAL**

Since the Company's admission to AIM, the Company has been focused on developing its property portfolio in Hong Kong and mainland China. It is the AGP Group's strategy to review and optimise its property portfolio from time to time with a view to achieving the greatest value for its Shareholders.

The Vendor, through its indirect wholly-owned subsidiaries, holds the AGP Group's interests in the Land. The Land is located at Longquanyi District, Chengdu, Sichuan Province, the PRC, with an aggregate site area of approximately 506,000 sq.m.. The commercial basement works have been completed. The carrying value of the Land as at 30 June 2016 was approximately HK\$709.9 million (approximately £69.9 million).

Given the development cycle of the Chengdu project is relatively long and having regard to the increasingly challenging business environment and the uncertainties of the prospects of the property market in the PRC (except for some cities like Shenzhen, Beijing and Shanghai), the Board considers that the Disposal will enable the AGP Group to realise its investment in the Land at fair value as part of the AGP Group's strategic plan for its property portfolio, reduce its operational risk, and for better utilization of the AGP Group's resources.

Following completion of the Disposal, based on receipt of the Consideration (for the Sale Share and the Shareholder's Loan), the AGP Group expects to record in its consolidated income statement a gain (before transaction costs and expenses) of approximately HK\$126.1 million (approximately £12.4 million) and to realise a net cash amount of approximately HK\$886.7 million (approximately £87.4 million) which will be available for future investment into its other development and investment projects and other potential real estate projects and as general working capital for the AGP Group.

After the Disposal, the Company will continue with its current business of property investment and development, hotel operation and property and asset management in Hong Kong and mainland China. Further particulars of the Company's property portfolio are set out in the Company's 2016 interim results announcement published on 19 August 2016.

The Consideration for the Disposal was determined after arm's length negotiations between the AGP Group and the Purchaser with reference to, among others, the prevailing market prices of similar properties in the adjacent location and the carrying value of the Land. Taking into account of the prospect of the property market in Longquanyi District, Chengdu and the carrying value of the Land, the Directors consider that the terms of the Sale Agreement and the Disposal are fair and reasonable and in the interest of the Company and its Shareholders taken as a whole.

The Directors have confirmed that the Purchaser and its ultimate beneficial owners are independent of the Company and not a "related party" as defined in the AIM Rules.

## **USE OF PROCEEDS**

It is expected that the aggregate net cash proceeds of the Disposal receivable by the Vendor on Completion will be approximately HK\$890 million (approximately £87.7 million), before deducting transaction costs and expenses.

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

## **CURRENT TRADING AND PROSPECTS**

The current trading of the AGP Group is in line with the expectations of the Directors, as set out in the Company's 2016 interim results announcement published on 19 August 2016.

Taking into account the Consideration (for the Sale Share and the Shareholder's Loan), the gain arising from the Disposal to be recognised by the AGP Group in its consolidated income statement is estimated at approximately HK\$126.1 million (approximately £12.4 million).

The above calculation and accounting treatment are subject to review by the auditors of the AGP Group. The actual financial impact to the Group arising from the Disposal to be recorded in the AGP 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 AGP Group and will therefore result in the deconsolidation of the assets and liabilities of the Target Group from the AGP Group's consolidated accounts.

## **SUMMARY OF THE SALE AGREEMENT**

Under the Sale Agreement, the Vendor agreed to sell to the Purchaser the Sale Share and the Shareholder's Loan for the Consideration of HK\$890 million (approximately £87.7 million).

The Consideration shall be satisfied and paid by the Purchaser in cash in the following manner:

- (i) 50% of the Consideration, equivalent to an amount of HK\$445 million (approximately £43.85 million) will be paid on the Completion Date; and
- (ii) the balance of the Consideration of HK\$445 million (approximately £43.85 million) shall be paid within 12 months from the Completion Date.

Completion is conditional upon: (i) compliance by SEA with the necessary requirements under the HK Listing Rules, if required; (ii) compliance by AGP with the necessary requirements under the AIM Rules, if required; (iii) obtaining of all necessary consents by the Purchaser from third parties, if applicable; (iv) completion of the due diligence by the Purchaser and the result of such due diligence showing that there is no material discrepancy between the information disclosed by the Vendor under the Sale Agreement and the information found by the Purchaser; and (v) a guarantee to the satisfaction of the Vendor (the "Guarantor") has signed a deed of guarantee (the "Deed of Guarantee") on the execution date of the Sale Agreement to guarantee the responsibilities and obligations performed by the Purchaser to the Vendor under the Sale Agreement (together the "Conditions").

If the Conditions are not fulfilled (or waived in accordance with the terms of the Sale Agreement) on or before 19 November 2016 (or such other date to be agreed between the Vendor and the Purchaser), the Sale Agreement will terminate.

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

## **SUMMARY OF THE DEED OF GUARANTEE**

On 22 August 2016, the Guarantor has signed the Deed of Guarantee in favour of the Vendor to guarantee the responsibilities and obligations performed by the Purchaser to the Vendor under the Sale Agreement.

Pursuant to the Deed of Guarantee, the Guarantor undertakes to the Vendor that, among others, it shall:

- (i) guarantee the due performance of the Purchaser under the Sale Agreement;
- (ii) perform the obligations of the Purchaser under the Sale Agreement shall the Purchaser fails to do so; and
- (iii) indemnify the Vendor of all costs or claims, arising from the breach of warranties by the Purchaser under the Sale Agreement.

The Guarantor is a Hong Kong resident and his occupation is a merchant. The Directors have confirmed that the Guarantor is independent of the Company and not a “related party” as defined in the AIM Rules.

## **INFORMATION ON THE TARGET GROUP AND THE LAND**

Healthy Time is an investment holding company, and an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, the indirect wholly-owned subsidiaries of Healthy Time are the registered and beneficial owners of the Land located at Longquanyi District, Chengdu, Sichuan Province, the PRC. The Land has an aggregate site area of approximately 506,000 sq.m. and its permitted usage is residential and/or commercial. The term of the land use rights of Lot A1 and A2 of the Land is 70 years until 10 September 2080 for residential use and 40 years until 10 September 2050 for commercial use. The term of the land use rights of Lot B of the Land is 70 years until 3 December 2072 for residential use and 40 years until 3 December 2042 for commercial use.

The Target Group is currently undertaking a development project known as “Chengdu Nova City” on the Land. The commercial basement works have been completed.

The consolidated carrying value of the assets of the Target Group as at 30 June 2016 was HK\$837.4 million (approximately £82.5 million). Based on the unaudited consolidated management accounts of the Target Group for the year ended 31 December 2015 and 31 December 2014, which was prepared based on the audited accounts of the subsidiaries incorporated in Hong Kong and in the PRC for the same period, there is no revenue generated from the Target Group for the year ended 31 December 2015 (Year ended 31 December 2014: Nil). The net loss before taxation and after taxation of the Target Group for the year ended 31 December 2015 was approximately HK\$54.8 million (approximately £5.4 million) and HK\$54.8 million (approximately £5.4 million) respectively (Year ended 31 December 2014: HK\$47.5 million (approximately £4.7 million) and HK\$47.5 million (approximately £4.7 million) respectively).

Based on the unaudited consolidated management accounts of the Target Group for the period ended 30 June 2016, the consolidated net liabilities of the Target Group as at 30 June 2016 was approximately HK\$180.3 million (approximately £17.8 million).

For the purpose of this announcement, an exchange rate of £1 = HK\$10.15 is used.

**This announcement contains inside information for the purpose of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.**

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The following definitions apply throughout this announcement unless the context requires otherwise:

“AGP” or the “Company”	Asian Growth Properties Limited, a company incorporated in the British Virgin Islands whose shares are traded on AIM market of The 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;
“Board”	the board of Directors;
“Business Day”	a day, on which banks are open for business in Hong Kong (other than a Saturday);
“Completion”	completion of the sale and purchase of the Sale Share and the assignment of the Shareholder’s Loan pursuant to the Sale Agreement;
“Completion Date”	3rd Business Day after (but excluding) the day on which all the Conditions are fulfilled or waived (as the case may be), or such other date as the Vendor and the Purchaser may agree;
“Consideration”	the sum of HK\$890 million (approximately £87.7 million) payable to the Vendor for the acquisition of the Sale Share and assignment of the Shareholder’s Loan from the Vendor under the Sale Agreement;
“Director(s)”	the director(s) of the Company;
“Disposal”	the Disposal of the Sale Share and the assignment of the Shareholder’s Loan by the Vendor;
“Healthy Time”	Healthy Time International Limited, a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Vendor;
“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;
“HK Listing Rules”	The Rules Governing the Listing of Securities on HKSE;
“HKSE”	The Stock Exchange of Hong Kong Limited;

" Land"	a total of 3 parcels of land comprising Land Lot A1 and A2, Land Lot B which are located at Longquanyi District, Chengdu, Sichuan Province, the PRC with an aggregate site area of approximately 506,000 sq.m.;
"PRC"	The People's Republic of China;
"Purchaser"	Creative Charm Investments Limited, a company incorporated in the British Virgin Islands with limited liability and its principal business activity is investment;
"Sale Agreement"	the agreement relating to the Disposal entered into between the Vendor and the Purchaser on 22 August 2016;
"Sale Share"	1 ordinary share of US\$1 in the capital of Healthy Time, being the entire issued share capital of Healthy Time;
"SEA"	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 HKSE (Stock code: 251);
"Shareholders"	holders of the entire issued share capital of the Company;
"Shareholder's Loan"	all outstanding indebtedness or liabilities due from Healthy Time to the Vendor as at the Completion Date (as at the date of this announcement, the outstanding amount of the Shareholder's Loan is approximately HK\$945 million (approximately £93.1 million));
"sq. m."	square metres;
"Target Group"	Healthy Time and its wholly-owned subsidiaries;
"Vendor"	Benefit Strong Group Limited, a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of AGP;
"£"	Pounds sterling, the lawful currency of the United Kingdom; and
"%"	per cent.