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SEA HOLDINGS LIMITED

爪哇控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 251)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY DEVELOPMENT PROJECT
IN CHENGDU, SICHUAN PROVINCE, THE PRC**

THE DISPOSAL

The Board announces that on 22 August 2016, the Vendor (a 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 in cash.

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 exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Company is pleased to announce that on 22 August 2016, the Vendor (a 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 in cash.

The Target Group to be acquired by the Purchaser comprises Healthy Time (an indirect wholly-owned subsidiary of AGP) 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.

* *For identification purpose only*

The carrying value of the Land as at 30 June 2016 was approximately HK\$709.9 million. The consolidated net liabilities of the Target Group as at 30 June 2016 was approximately HK\$180.3 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 Group will receive a total gross cash consideration for the Sale Share and the assignment of the Shareholder's Loan of HK\$890 million, equating to a net cash amount of HK\$886.7 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.

After Completion, the Group will continue to focus on its other development and investment projects in Hong Kong, mainland China, Australia and the United Kingdom.

BACKGROUND, REASONS AND BENEFITS FOR THE DISPOSAL

The Company has been focused on developing its property portfolio in Hong Kong and mainland China. It is the 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 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.

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 Group to realise its investment in the Land at fair value as part of the Group's strategic plan for its property portfolio, reduce its operational risk, and for better utilization of the Group's resources.

Following completion of the Disposal, based on receipt of the Consideration (for the Sale Share and the Shareholder's Loan), the Group expects to record in its consolidated income statement a gain (before transaction costs and expenses) of approximately HK\$126.1 million and to realise a net cash amount of approximately HK\$886.7 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 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, mainland China, Australia and the United Kingdom.

The Consideration for the Disposal was determined after arm's length negotiations between the Group and the Purchaser and on normal commercial terms 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.

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 owners are third parties independent of the Company and its connected persons.

USE OF PROCEEDS FROM THE DISPOSAL

It is expected that the aggregate net cash proceeds of the Disposal receivable by the Vendor on Completion will be approximately HK\$890 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 Group.

FINANCIAL EFFECT OF THE DISPOSAL

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 Group in its consolidated income statement is estimated at approximately HK\$126.1 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 and will therefore result in the deconsolidation of the assets and liabilities of the Target Group from the Group's consolidated accounts.

SUMMARY OF THE SALE AGREEMENT

Date: 22 August 2016

Parties

- (i) Vendor: Benefit Strong Group Limited
- (ii) Purchaser: Creative Charm Investments Limited

Assets to be disposed of

The Sale Share and the Shareholders' Loan. The Target Group is the registered and beneficial owner 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 carrying value of the Land as at 30 June 2016 was approximately HK\$709.9 million. The consolidated net liabilities of the Target Group as at 30 June 2016 was approximately HK\$180.3 million, after deduction of the Shareholder's Loan.

Consideration

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.

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 will be paid on the Completion Date; and
- (ii) the balance of the Consideration of HK\$445 million shall be paid within 12 months from the Completion Date.

Conditions precedent

Completion is conditional upon: (i) compliance by the Company with the necessary requirements under the 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 guarantor 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.

Completion

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 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 personal guarantor. 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 Guarantor is third party independent of the Company and its connected persons.

INFORMATION RELATING TO THE GROUP, THE PURCHASER AND THE GUARANTOR

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, Australia and the United Kingdom.

AGP is a 97.17%-owned subsidiary of the Company, whose shares are admitted for trading on the AIM Market of The 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 direct 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.

The Guarantor is a Hong Kong resident and his occupation is a merchant.

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 Guarantor and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION ON THE TARGET GROUP AND THE LAND

Healthy Time is an investment holding company, and an indirect wholly-owned subsidiary of AGP. 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. Based on the unaudited consolidated management accounts of the Target Group for the year ended 31 December 2015 and 31 December 2014, which were 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 and HK\$54.8 million respectively (Year ended 31 December 2014: HK\$47.5 million and HK\$47.5 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.

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 exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of 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 whose shares are traded on AIM market of The London Stock Exchange plc (Stock code: AGP), and is a 97.17%-owned subsidiary of the Company;
“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);
“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 sale and purchase of the Sale Share and the assignment of the Shareholder’s Loan pursuant to the Sale Agreement;
“Completion Date”	3 rd 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;
“connected person(s)”	having the meaning ascribed to it under the Listing Rules;
“Consideration”	the sum of HK\$890 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;
“Group”	the Company and its subsidiaries;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“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;
“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;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholders”	holder(s) of the Share(s);
“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);
“sq. m.”	square metres;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“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; and

“0%”

per cent.

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

Hong Kong, 22 August 2016

The Directors 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