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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
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN
33 OLD BROAD STREET INVESTMENT COMPANY LIMITED**

THE ACQUISITION

The Board is pleased to announce that on 15 May 2017 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Share Purchase Agreement pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Sale Shares for a consideration of approximately £258 million (approximately HK\$2,592 million) (subject to adjustments). The Sale Shares represent the entire issued share capital of the Target Company. The Target Group Entities own the Property known as 33–41 Old Broad Street and 1 to 6 Union Court London, EC4N 1DY as at the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as calculated under Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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* For identification purpose only

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Date: 15 May 2017 (after trading hours)

Parties: (a) Business Empire Investments Limited (a wholly-owned subsidiary of the Company) as the purchaser

(b) 33 Old Broad Street (Holdings) Limited as the vendor

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

Assets to be acquired:

Pursuant to the Share Purchase Agreement, the Purchaser agreed to purchase and the Vendor agreed to sell, the Sale Shares. The Sale Shares represent the entire issued share capital of the Target Company. The Target Group Entities own the Property known as 33–41 Old Broad Street and 1 to 6 Union Court London, EC4N 1DY as at the date of this announcement.

Consideration:

Pursuant to the Share Purchase Agreement, the Consideration shall be approximately £258 million (approximately HK\$2,592 million), subject to adjustments based on the Final NAV. The Consideration represents an aggregate of the Estimated NAV, the amount of the Target Group Entities' bank debt and intra-group debt due to the Vendor, and shall be settled in the following manner:

- (a) on the date of the Share Purchase Agreement, the Purchaser shall pay in cash a deposit of £26 million (approximately HK\$261 million) (the “**Deposit**”) by way of transfer to the bank account of the Purchaser’s solicitors who will hold the Deposit as stakeholder and which will be released at Completion to the Vendor;
- (b) at Completion, the Purchaser shall pay to the bank account of the Vendor’s solicitors the Estimated NAV less the Deposit subject to certain adjustments specified in the Share Purchase Agreement, and shall procure the repayment of the Target Group Entities’ bank debt and intra-group debt due to the Vendor;
- (c) after Completion and on or before the date falling five Business Days after the date on which the Final NAV becomes final and binding, if the Final NAV is:
 - i. greater than the Estimated NAV, the Purchaser shall pay to the Vendor an amount equal to the amount of the excess in cash on a pound for pound basis; or

- ii. less than the Estimated NAV, the Vendor shall pay to the Purchaser an amount equal to the amount of the shortfall in cash on a pound for pound basis;
- (d) by 15 February 2019, the Purchaser shall pay a further amount of £510,000 (approximately HK\$5,100,000) in cash to the Vendor, subject to the occurrence of certain events.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to, among others, the location, expected rental income and potential for rental growth, market values of similar properties in the adjacent location and the carrying value of the Property.

The Group funded the Acquisition from its existing cash resources and a term loan facility in the maximum principal amount of £169 million (approximately HK\$1,698 million) from a bank. Such loan shall be secured by the following: (i) debenture to be granted by each of the Target Group Entities and the Purchaser; (ii) share charge over the shares of the Purchaser; (iii) security interest in respect of the shares of the Target Company, the shares in certain members of the Target Group Entities; (iv) assignment of subordinated debt to be granted by the shareholder of the Purchaser; and (v) charge over the rent account and the escrow account into which certain rental income of the Property and other relevant income shall be deposited.

Termination:

If the Share Purchase Agreement is terminated by the Vendor due to the default of the Purchaser, then the Deposit shall be forfeited to the Vendor.

If the Share Purchase Agreement is terminated by the Purchaser due to the default of the Vendor, then the Deposit shall be returned to the Purchaser.

Completion:

Completion of the sale and purchase of the Sale Shares shall take place on or before 17 July 2017.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has been focused on developing its property portfolio in Hong Kong and PRC. However, there is no geographical restriction to its sphere of activities. 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. Following the disposal of several projects in 2016, the Company has been identifying potential acquisition targets in both local and major international markets. The Acquisition is an excellent opportunity for the Company to acquire a high quality commercial property at a prime location in the City of London with a stable rental income.

The Board considers that the Acquisition would enable the Group to achieve a reasonable return from rental income and provides an excellent opportunity for the Group to expand its property portfolio by the addition of overseas properties with a view to maximizing its value for the Shareholders.

The terms of the Share Purchase Agreement were arrived at after arm's length negotiations between the Purchaser and the Vendor. Taking into account the prospects of the property market in London and the carrying value of the Property, the Directors (including the independent non-executive Directors) consider that the Share Purchase Agreement is on normal commercial terms and the terms of the Share Purchase Agreement and the Acquisition are fair and reasonable and in the interest of the Company and the Shareholders taken as a whole.

INFORMATION ON THE GROUP, THE PURCHASER AND THE VENDOR

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 PRC, Australia and the United Kingdom.

Business Empire Investments Limited, the Purchaser, is a limited company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company. It is an investment holding company.

33 Old Broad Street (Holdings) Limited, the Vendor, is a limited company incorporated in Jersey. It is an investment holding company for the Target Group Entities.

INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company is a company incorporated in Jersey with limited liability. The sole activity of each Target Group Entity since incorporation has been to hold (directly or indirectly) and manage the Property as an investment.

Set out below are certain unaudited consolidated financial information of the Target Group Entities for each of the two financial years ended 31 March 2016 and 2017 based on the information provided by the Vendor:

	For the year ended 31 March 2016 £'M approximately	For the year ended 31 March 2017 £'M approximately
Net profit (loss) before taxation and extraordinary items	1 (approximately HK\$10 million)	1 (approximately HK\$10 million)
Net profit (loss) after taxation and extraordinary items	1 (approximately HK\$10 million)	1 (approximately HK\$10 million)

Based on the information provided by the Vendor, the unaudited net asset value of the Target Group Entities as at 31 March 2017 was approximately £67 million (approximately HK\$673 million).

The Property is a nine-storey building situated in 33–41 Old Broad Street and 1 to 6 Union Court London, EC4N 1DY, it provides approximately 191,000 square feet of commercial office. The Property is leased in its entirety to Bank of Scotland Plc and guaranteed by HBOS Plc for a term until 24 March 2039 with fixed uplift every five years on rental. Based on current information, the Group expects the Property to generate a current rental income of £10.3 million (approximately HK\$103.5 million) per annum.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as calculated under Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition 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:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Share Purchase Agreement;
“Board”	the board of Directors;
“Business Day”	a day on which banks in the City of London, Jersey, Hong Kong and the British Virgin Islands are open for non-automated banking business other than Saturday or Sunday or any public holiday in England, Jersey, Hong Kong or British Virgin Islands;
“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 Shares pursuant to the Share Purchase Agreement;
“Completion Date”	on or before 17 July 2017;
“connected person(s)”	having the meaning ascribed to it under the Listing Rules;
“Consideration”	the total consideration for the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement;
“Director(s)”	the director(s) of the Company;

“Estimated NAV”	the estimated consolidated net asset value of the Target Group Entities as at the Completion Date, as shown in the estimated completion accounts prepared in accordance with the Share Purchase Agreement;
“Final NAV”	consolidated net asset value of the Target Group Entities as shown in the completion accounts agreed or determined in accordance with the Share Purchase Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“percentage ratio”	having the meaning ascribed to it under the Listing Rules;
“Property”	the freehold land being the whole of the land registered at the land registry with title number LN113410 and known as 33–41 Old Broad Street and 1 to 6 Union Court London, EC4N 1DY;
“PRC”	the People’s Republic of China;
“Purchaser”	Business Empire Investments Limited, a limited company incorporated in the British Virgin Islands;
“Sale Shares”	two shares of the Target Company held by the Vendor, representing the entire issued share capital of the Target Company;
“Share Purchase Agreement”	the agreement dated 15 May 2017 and entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Shares;
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	33 Old Broad Street Investment Company Limited, a private limited company incorporated in Jersey;
“Target Group Entities”	the Target Company and its subsidiaries and limited partnerships;

“Vendor”	33 Old Broad Street (Holdings) Limited, a limited company incorporated in Jersey;
“£”	Pounds sterling, the lawful currency of the United Kingdom for the time being; and
“%”	per cent.

For the purpose of this announcement, an exchange rate of £1 = HK\$10.0448 is used. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at such or any other rates or at all.

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

Hong Kong, 15 May 2017

The Directors as at the date of this announcement are:

Executive Directors:

Mr. Lu Wing Chi (*Chairman*)
Mr. Lambert Lu (*Chief Executive*)

Non-executive Directors:

Mr. Lam Sing Tai
Mr. Lincoln Lu

Independent Non-executive Directors:

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