

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.



VOLUNTARY ANNOUNCEMENT

SUBSCRIPTION FOR NOTES

Subscription for the Notes

On 9 August 2018, the Subscriber (a wholly-owned subsidiary of the Company) has entered into the Subscription Agreement with the Issuer, pursuant to which, the Subscriber has agreed to subscribe for the Notes in the aggregate principal amount of HK\$200,000,000.

This announcement is made by the Company on a voluntary basis for providing information to the Shareholders and other investors.

THE SUBSCRIPTION

On 9 August 2018, the Subscriber (a wholly-owned subsidiary of the Company) has entered into the Subscription Agreement with the Issuer, pursuant to which, the Subscriber has agreed to subscribe for the Notes in the aggregate principal amount of HK\$200,000,000.

The principal terms of the Subscription Agreement are summarised below:

Date:	9 August 2018
Parties:	1. Rainbow Mark Investments Limited (the Subscriber) 2. China Strategic Holdings Limited (the Issuer)
Subscription Price:	HK\$200,000,000

** For identification purpose only*

Funding for the issue price

The issue price for the Notes, being 100% of the principal amount of the Notes totalling HK\$200,000,000 has been paid by the Subscriber on the Completion Date, which took place on 9 August 2018.

The Group funded the total issue price for the Notes payable under the Subscription Agreement from its internal resources.

Completion

The conditions precedent under the Subscription Agreement have been fulfilled and the completion of the Subscription took place on 9 August 2018, the day on which the Subscription Agreement was entered into.

INFORMATION ON THE NOTES

Principal terms of the Notes are summarised below:

Issuer:	China Strategic Holdings Limited
Notes Issued:	HK\$200,000,000 principal amount of Notes due 2020
Form and Denomination	The Notes are in registered form in the denomination of HK\$10,000,000 and integral multiples of HK\$1,000,000 in excess thereof
Issue Price:	100% of the principal amount
Maturity Date:	2 years from the issue date of the Notes
Interest:	(a) 9.50% per annum for the period from (and including) the issue date of the Notes to (but excluding) the first anniversary of the issue date of the Notes; and (b) 10.00% per annum for the period from the first anniversary of the issue date of the Notes to the Maturity Date (both inclusive).
Ranking of the Notes:	The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank <i>pari passu</i> without any preference or priority among themselves and at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Redemption: The Notes will be redeemed at their principal amount on the Maturity Date.

The Issuer may, by giving advance notice of not less than 15 but not more than 30 days, redeem the Notes at 100% of the principal amount together with unpaid accrued interest on the first anniversary of the issue date of the Notes.

The Issuer shall not be entitled to redeem the Notes otherwise than as provided above.

Listing: No application will be made for the listing of the Notes.

INFORMATION OF THE ISSUER

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Issuer is an investment holding company listed on the Stock Exchange with principal activities being investment in securities, trading, money lending as well as securities brokerage.

Before the subscription for the Notes, the Group holds a note issued by the Issuer in the principal amount of HK\$500,000,000 with a maturity date in December 2018 at a coupon rate of 7% per annum (for the first year from 16 December 2016 to 15 December 2017) and 8% per annum (for the second year from 16 December 2017 to 15 December 2018).

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 Issuer and its ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE GROUP

As at the date of this announcement, the Company acts as an investment holding company and the activities of its principal subsidiaries are property investment, property development, hotel operation and financial investment. The Group currently operates in Hong Kong, Australia and the United Kingdom.

REASONS AND BENEFITS FOR THE SUBSCRIPTION

Taking into account the principal activities of the Group, the Directors consider that the Subscription is in the ordinary and usual course of business of the Group.

The terms of the Subscription Agreement and the Notes are negotiated on an arm's length basis between the Company and the Issuer, by reference to the commercial practice and principal amount of the Notes subscribed. The Directors are of the view that the terms of the Subscription are on normal commercial terms. The Subscription has been entered into based on the Company's development strategy and the Subscription can provide the Group with an opportunity to generate stable return. The Directors consider that the terms of the Subscription are fair and reasonable and that it is in the interests of the Company and its Shareholders as a whole for the Subscriber to enter into the Subscription Agreement and to invest in the Notes.

GENERAL

This announcement is made by the Company on a voluntary basis for providing information to the Shareholders and other investors.

DEFINITIONS

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

"Business Day"	any day (except Saturdays or Sundays or public holidays) on which commercial banks are open for general business in Hong Kong
"Company"	S E A Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 251)
"Completion Date"	9 August 2018
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong Dollars(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	any entity(ies) or person(s) which or who is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
"Issuer"	China Strategic Holdings Limited, the issuer of the Notes, being a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 235)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Maturity Date"	the date which is the second anniversary of the issue date of the Notes (or, where such date is not a Business Day, the immediately following Business Day)
"Notes"	the notes issued by the Issuer in the aggregate principal amount of HK\$200,000,000 due 2020

"PRC"	the People's Republic of China
"Shareholder(s)"	holder(s) of the shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Rainbow Mark Investments Limited, a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"Subscription"	the subscription for the Notes by the Company in the aggregate principal amount of HK\$200,000,000
"Subscription Agreement"	the subscription agreement dated 9 August 2018 and entered into between the Subscriber and the Issuer in relation to the Subscription
"%"	per cent.

By Order of the Board
S E A Holdings Limited
Lu Wing Chi
Chairman

Hong Kong, 9 August 2018

The directors of the Company 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