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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

EXTENSION AND AMENDMENT OF THE NOTES

Extension and Amendment of the Notes

On 13 December 2018, Rainbow Mark (a wholly-owned subsidiary of the Company) consented and agreed to the extension of the maturity date of Notes in an aggregate principal amount of HK\$500,000,000 issued by the Issuer and held by Rainbow Mark for two years, and to the amendment to certain other terms of the Notes.

Background information

Notes for a term of two years in an aggregate principal amount of up to HK\$1,500,000,000 were originally issued by the Issuer on 16 December 2016 with an original maturity date on 16 December 2018 at an interest rate of 7% per annum (for the first year) and 8% per annum (for the second year). Rainbow Mark subscribed for the Notes in an aggregate principal amount of HK\$500,000,000.

The Group has been informed that the Issuer intends to redeem the Notes in an aggregate principal amount of HK\$200,000,000 held by some holders of the Notes (which do not include Rainbow Mark) on 16 December 2018 and to make the relevant payments to such holders of the Notes in respect of such redemption on 17 December 2018, being the next following Business Day from the Original Maturity Date. Upon such redemption, the remaining outstanding principal amount of the Notes will amount to HK\$1,300,000,000.

The Supplemental Deed Poll and the Confirmation

On 13 December 2018, the Issuer executed the Supplemental Deed Poll, pursuant to which certain terms of the Notes were amended, including: (i) the extension of the maturity date of the Notes for further two years to 16 December 2020; (ii) the increase in the interest rate of the Notes to 9.5% per annum (for the third year) and 10% per annum (for the fourth year); and (iii) the right for the Issuer to early redeem the Notes (in whole or in part) at 100% of the principal amount thereof outstanding together with accrued and unpaid interest on 16 December 2019 and/or 16 June 2020.

* For identification purpose only

The amendments to the terms of the Notes shall be effective upon the Issuer having made all relevant payments to some holders of the Notes (which do not include Rainbow Mark) to redeem Notes in an aggregate principal amount of HK\$200,000,000 held by them.

On 13 December 2018, Rainbow Mark executed the Confirmation to consent and agree to the terms of the Supplemental Deed Poll.

Listing Rules Implications

As disclosed by an announcement of the Company dated 9 August 2018, Rainbow Mark also subscribed for two-year notes in an aggregate principal amount of HK\$200,000,000 issued by the Issuer. If the Extension and Amendment mentioned above is aggregated with the August Subscription for the purpose of Chapter 14 of the Listing Rules, one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules and after disregarding the profits ratio which is agreed by the Stock Exchange as producing an anomalous result) would exceed 5% but all the applicable percentage ratios are less than 25%. On that basis, the Extension and Amendment constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereunder.

BACKGROUND INFORMATION

On 16 December 2016, the Issuer executed the Original Instrument pursuant to which the Issuer issued the Notes for a term of two years in an aggregate principal amount of up to HK\$1,500,000,000 with an original maturity date on 16 December 2018 at an interest rate of 7% per annum (for the first year) and 8% per annum (for the second year). Rainbow Mark (a wholly-owned subsidiary of the Company) subscribed for Notes in an aggregate principal amount of HK\$500,000,000 on 16 December 2016, which would be due for redemption on the Original Maturity Date. The Group has been informed that the Issuer intends to redeem the Notes in an aggregate principal amount of HK\$200,000,000 held by some holders of the Notes (which do not include Rainbow Mark) on 16 December 2018 and to make the relevant payments to such holders of the Notes in respect of such redemption on 17 December 2018, being the next following Business Day from the Original Maturity Date. Upon such redemption, the remaining outstanding principal amount of the Notes will amount to HK\$1,300,000,000.

The original principal terms of the Notes were as summarised below:

Aggregate principal amount:	Originally up to HK\$1,500,000,000
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
Issue Date:	16 December 2016
Maturity Date:	The date falling on the second anniversary of the Issue Date

Interest:	(a) 7% per annum in the first year from the Issue Date (b) 8% per annum in the second year from the Issue Date
Status 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
Transfers:	The Notes may be transferred, in the minimum amount of HK\$10,000,000 and integral multiples of HK\$1,000,000 in excess thereof, to any person
Early redemption:	The Issuer may, by giving not less than 15 days' nor more than 30 days' notice to the holders of the Notes, redeem on the first anniversary of the Issue Date, in whole but not in part, at 100% of the principal amount outstanding, together with accrued and unpaid interest at the date fixed for redemption
Redemption on maturity:	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the maturity date thereof. If an original due date for payment is not a Business Day, the next following Business Day will be deemed to be the due date
Listing:	No application would be made for the listing of the Notes on the Stock Exchange or any other stock exchange

EXTENSION AND AMENDMENT OF THE NOTES

On 13 December 2018, the Issuer executed the Supplemental Deed Poll, pursuant to which certain terms of the Notes were amended, including: (i) the extension of the maturity date of the Notes for further two years to 16 December 2020; (ii) the increase in the interest rate of the Notes to 9.5% per annum (for the third year) and 10% per annum (for the fourth year); and (iii) the right for the Issuer to early redeem the Notes (in whole or in part) at 100% of the principal amount thereof outstanding together with accrued and unpaid interest on 16 December 2019 and/or 16 June 2020. The amendments to the terms of the Notes shall be effective upon the Issuer having made all relevant payments to some holders of the Notes (which do not include Rainbow Mark) to redeem Notes in an aggregate principal amount of HK\$200,000,000 held by them, and shall have provided written confirmation to all the holders of the Notes that such redemption has taken place and the relevant payments have been made.

On 13 December 2018, Rainbow Mark executed the Confirmation to consent and agree to the terms of the Supplemental Deed Poll.

The principal terms of the Notes were amended by the Supplemental Deed Poll (and consented and agreed to by Rainbow Mark pursuant to the Confirmation) as follows:

- Maturity Date: 16 December 2020
- Interest:
- (a) 7% per annum in the first year from the Issue Date
 - (b) 8% per annum in the second year from the Issue Date
 - (c) 9.5% per annum in the third year from the Issue Date
 - (d) 10% per annum in the fourth year from the Issue Date
- Redemption on maturity: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the fourth anniversary of the Issue Date. If an original due date for payment is not a Business Day, the next following Business Day will be deemed to be the due date
- Early Redemption: The Issuer may, by giving not less than 15 days' notice nor more than 30 days' notice to the holders of the Notes, redeem the Notes in whole or in part (and if in part, in minimum amount of HK\$10,000,000 or an integral multiple of HK\$1,000,000 and such early redemption shall be pro rata to the outstanding principal amount of the Notes held by the holders of the Notes as at the relevant early redemption date) at 100% of the principal amount together with accrued and unpaid interest on:
- (a) 16 December 2019; and/or
 - (b) 16 June 2020

INFORMATION ON 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.

As disclosed by the announcement of the Company dated 9 August 2018, apart from the Notes, Rainbow Mark also subscribed for two-year notes issued by the Issuer in the principal amount of HK\$200,000,000 with a maturity date of 9 August 2020 at an interest rate of 9.5% per annum (for the first year from 9 August 2018 to (but excluding) 9 August 2019) and 10% per annum (for the second year from 9 August 2019 to the maturity date, being two years from the issue date of the notes).

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 ON 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 EXTENSION AND AMENDMENT

Taking into account the principal activities of the Group, the Directors consider that the investment in the Notes and the Extension and Amendment are in the ordinary and usual course of business of the Group.

The terms of the Supplemental Deed Poll and the Confirmation were negotiated on an arm's length basis between Rainbow Mark and the Issuer, by reference to the commercial practice and principal amount of the Notes held by Rainbow Mark. The Directors are of the view that the terms of the Notes as amended by the Supplemental Deed Poll are on normal commercial terms. The Extension and Amendment has been agreed to, taking into account the Group's development strategy and the Extension and Amendment can provide the Group with an opportunity to generate stable return. The Directors consider that the terms of the Extension and Amendment are fair and reasonable and that it is in the interests of the Company and its shareholders as a whole for Rainbow Mark to execute the Confirmation to consent and agree to the Extension and Amendment.

LISTING RULES IMPLICATIONS

If the Extension and Amendment is aggregated with the August Subscription for the purpose of Chapter 14 of the Listing Rules, one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules and after disregarding the profits ratio which is agreed by the Stock Exchange as producing an anomalous result) would exceed 5% but all the applicable percentage ratios are less than 25%. On that basis, the Extension and Amendment constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereunder.

DEFINITIONS

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

"August Subscription" the subscription by Rainbow Mark for two-year notes issued by the Issuer in an aggregate principal amount of HK\$200,000,000 with an interest rate of 9.5% per annum for the first year and 10% per annum for the second year pursuant to a subscription agreement dated 9 August 2018 and entered into between Rainbow Mark and the Issuer

"Business Day"	a day (except Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are open for 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)
"Confirmation"	a confirmation dated 13 December 2018 and executed by Rainbow Mark as a deed to consent and agree to the terms of the Extension and Amendment
"Director(s)"	the director(s) of the Company
"Extension and Amendment"	the amendment of the Original Instrument (and the resulting extension and amendment of the Notes) pursuant to the Supplemental Deed Poll
"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 People's Republic of China
"Independent Third Party(ies)"	any entity(ies) or person(s) which or who is/are not a connected person(s) of the Company within the meaning ascribed thereto under the Listing Rules
"Issue Date"	the date on which the Notes was issued (i.e. 16 December 2016)
"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
"Notes"	the two-year notes in an aggregate principal amount of up to HK\$1,500,000,000 issued by the Issuer on 16 December 2016

"Original Instrument"	the instrument dated 16 December 2016 and executed by way of a deed poll by the Issuer, pursuant to which the Issuer issued the Notes for a term of two years in an aggregate principal amount of up to HK\$1,500,000,000 with a maturity date on 16 December 2018 at an interest rate at 7% per annum (for the first year) and 8% per annum (for the second year)
"Original Maturity Date"	the second anniversary of the Issue Date (i.e. 16 December 2018)
"Rainbow Mark"	Rainbow Mark Investments Limited, a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Deed Poll"	the supplemental deed poll dated 13 December 2018 and executed by the Issuer to extend and amend certain terms of the Notes
"%"	per cent.

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

Hong Kong, 13 December 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