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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 FURTHER BONDS

Acquisition of the Further Bonds

On 15 January 2019 and 16 January 2019, King Victory (a wholly-owned subsidiary of the Company) has acquired from the open market the Further Bonds issued by China Evergrande in the aggregate principal amount of US\$46,000,000 (equivalent to approximately HK\$360,640,000) at the aggregate price of approximately US\$41,000,000 (equivalent to approximately HK\$321,440,000).

As disclosed by an announcement of the Company dated 19 September 2018, King Victory also acquired from the open market on 18 September 2018 the Original Bonds, being two series of senior notes issued by China Evergrande, being the 8.25% senior notes due March 2022 in the principal amount of US\$11,000,000 and the 7.5% senior notes due June 2023 in the principal amount of US\$20,000,000, the latter series being the same series of notes as the Further Bonds.

The total annual return of the Further Bonds is approximately US\$4,345,000 (equivalent to approximately HK\$34,065,000) which represents a weighted average yield of approximate 10.58% per annum and the total annual return of the Original Bonds is approximately US\$2,732,000 (equivalent to approximately HK\$21,419,000) which represents a weighted average yield of approximate 9.4% per annum.

Listing Rules Implications

If the acquisition of the Further Bonds mentioned above is aggregated with the acquisition of the Original Bonds (which were acquired within the period of 12 months prior to the acquisition of the Further Bonds) 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 acquisition of the Further Bonds constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereunder.

**For identification purpose only*

ACQUISITION OF THE FURTHER BONDS

On 15 January 2019 and 16 January 2019, King Victory (a wholly-owned subsidiary of the Company) has acquired from the open market the Further Bonds issued by China Evergrande in the aggregate principal amount of US\$46,000,000 (equivalent to approximately HK\$360,640,000) at the aggregate price of approximately US\$41,000,000 (equivalent to approximately HK\$321,440,000).

As disclosed in an announcement of the Company dated 19 September 2018, King Victory also acquired from the open market on 18 September 2018 the Original Bonds, being two series of senior notes issued by China Evergrande, being the 8.25% senior notes due March 2022 in the principal amount of US\$11,000,000 and the 7.5% senior notes due June 2023 in the principal amount of US\$20,000,000, the latter series being the same series of notes as the Further Bonds.

The principal terms of the Original Bonds and the Further Bonds are summarised below:

	<u>Original Bonds</u>		<u>Further Bonds</u>
Product name:	8.25% Senior Notes due 2022	7.5% Senior Notes due 2023	7.5% Senior Notes due 2023
Issuer:	China Evergrande	China Evergrande	China Evergrande
Principal amount:	US\$11,000,000 (equivalent to approximately HK\$86,240,000)	US\$20,000,000 (equivalent to approximately HK\$156,800,000)	US\$46,000,000 (equivalent to approximately HK\$360,640,000)
Acquisition price:	US\$10,901,000 (equivalent to approximately HK\$85,464,000) representing approximately 99.190% of the principal amount	US\$18,215,000 (equivalent to approximately HK\$142,806,000) representing approximately 91.075% of the principal amount	Approximately US\$41,000,000 (equivalent to approximately HK\$321,440,000) representing approximately 89.301% of the principal amount
Form and denomination:	In registered form in minimum denomination of US\$200,000 of principal amount and integral multiples of US\$1,000 in excess thereof	In registered form in minimum denomination of US\$200,000 of principal amount and integral multiples of US\$1,000 in excess thereof	In registered form in minimum denomination of US\$200,000 of principal amount and integral multiples of US\$1,000 in excess thereof
Coupon:	8.25% per annum (with interest amounting to US\$907,500 (equivalent to approximately HK\$7,115,000) per annum)	7.5% per annum (with interest amounting to US\$1,500,000 (equivalent to approximately HK\$11,760,000) per annum)	7.5% per annum (with interest amounting to US\$3,450,000 (equivalent to approximately HK\$27,048,000) per annum)

Maturity date:	23 March 2022	28 June 2023	28 June 2023
Redemption:	<p>May be redeemed at any time by China Evergrande:</p> <ul style="list-style-type: none"> - at 100% of the principal amount plus an applicable premium (as defined in the terms of the notes) prior to 23 March 2020; - at 104.125% of the principal amount from 23 March 2020 to 22 March 2021; and - at 102.0625% of the principal amount on or after 23 March 2021 	<p>May be redeemed at any time by China Evergrande:</p> <ul style="list-style-type: none"> - at 100% of the principal amount plus an applicable premium (as defined in the terms of the notes) prior to 28 June 2020; - at 103.750% of the principal amount from 28 June 2020 to 27 June 2021; - at 101.875% of the principal amount from 28 June 2021 to 27 June 2022; and - at 100.000% of the principal amount on or after 28 June 2022 	<p>May be redeemed at any time by China Evergrande:</p> <ul style="list-style-type: none"> - at 100% of the principal amount plus an applicable premium (as defined in the terms of the notes) prior to 28 June 2020; - at 103.750% of the principal amount from 28 June 2020 to 27 June 2021; - at 101.875% of the principal amount from 28 June 2021 to 27 June 2022; and - at 100.000% of the principal amount on or after 28 June 2022
Listing:	The Singapore Exchanges Securities Trading Limited	The Singapore Exchanges Securities Trading Limited	The Singapore Exchanges Securities Trading Limited

The Group funded the total acquisition price for the Original Bonds from its internal resources, and will fund the total acquisition price for the Further Bonds in a similar manner.

In addition to the Original Bonds and Further Bonds, the Group has acquired from the open market in 2017 and currently holds other notes issued by China Evergrande, namely the 6.25% senior notes due 2021 in the aggregate principal amount of US\$10,000,000 (equivalent to approximately HK\$78,400,000) at the aggregate price of US\$10,002,500 (equivalent to approximately HK\$78,420,000) and the 7% senior notes due 2020 in the aggregate principal amount of US\$23,000,000 (equivalent to HK\$180,320,000) at the aggregate price of US\$23,177,500 (equivalent to HK\$181,712,000).

The total annual return of the Further Bonds is approximately US\$4,345,000 (equivalent to approximately HK\$34,065,000) which represents a weighted average yield of approximate 10.58% per annum, the total annual return of the Original Bonds is approximately US\$2,732,000 (equivalent to approximately HK\$21,419,000) which represents a weighted average yield of approximate 9.4% per annum, and the total annual return of the two series of senior notes issued by China Evergrande (other than the Further Bonds and the Original Bonds) that the Group acquired in 2017 and currently held by the Group is approximately US\$2,148,000 (equivalent to approximately HK\$16,840,000) which represents a weighted average yield of approximately 6.47% per annum.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Further Bonds and the Original Bonds were acquired by the Group from sellers which are, and the ultimate beneficial owners of those sellers also are, Independent Third Parties.

INFORMATION ON THE ISSUER

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, China Evergrande is an investment holding company listed on the Stock Exchange. China Evergrande and its subsidiaries are principally engaged in property development, property investment, property management, property construction, hotel operations, finance business, internet business and health industry business in the PRC.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, China Evergrande 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 FOR AND BENEFITS OF THE ACQUISITION OF THE FURTHER BONDS AND THE ACQUISITION OF THE ORIGINAL BONDS

Taking into account the principal activities of the Group, the Directors consider that the acquisition of the Further Bonds and the acquisition of the Original Bonds are in the ordinary and usual course of business of the Group.

The acquisition of the Further Bonds and the acquisition of the Original Bonds have been made based on the Company's development strategy, and the acquisitions can provide the Group with an opportunity to generate stable return. As the acquisition of the Further Bonds and the acquisition of the Original Bonds were conducted through the open market, the Directors consider that the terms of such acquisitions are fair and reasonable, on normal commercial terms and the acquisitions are in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

If the acquisition of the Further Bonds mentioned above is aggregated with the acquisition of the Original Bonds (which were acquired within the period of 12 months prior to the acquisition of the Further Bonds) 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 acquisition of the Further Bonds 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:

"China Evergrande"	China Evergrande Group, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3333)
"Company"	S E A Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 251)
"Director(s)"	the director(s) of the Company
"Further Bonds"	the 7.5% senior notes due 2023 issued by China Evergrande in the aggregate principal amount of US\$46,000,000 acquired by King Victory on 15 January 2019 and 16 January 2019
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong Dollars, 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
"King Victory"	King Victory Global Limited, a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Original Bonds"	the 8.25% senior notes due 2022 in the aggregate principal amount of US\$11,000,000 and the 7.5% senior notes due 2023 in the aggregate principal amount of US\$20,000,000, both of which are issued by China Evergrande and acquired by King Victory on 18 September 2018
"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

"US\$" United States Dollars, the lawful currency of the United States of America

"%" per cent.

Amounts denominated in US\$ in this announcement have been converted into HK\$ at the rate of US\$1 = HK\$7.84 for illustration purpose only.

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

Hong Kong, 16 January 2019

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