

Listed Company Information

SEA HOLDINGS<0251> - Announcement

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SEA HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

CONNECTED TRANSACTION

On 16th December 1998, SEA and BIL entered into a heads of agreement (the 'HOA') (i) to terminate the joint venture in respect of SEABIL and distribute SEABIL's assets back to the parties in proportion to their shareholdings; and (ii) for SEA to repurchase certain SEA shares owned by BIL. The HOA was approved by the shareholders of SEA on 21st June 1999 but, due to differences between SEA and BIL, the parties did not proceed to completion.

Pursuant to subsequent negotiations, on 10th September 1999, the parties agreed to settle their differences by BIL completing the HOA, as originally planned, and by SEA thereupon acquiring from BIL (the 'Acquisition') its entire interest in the assets acquired by BIL pursuant to the HOA for a net cash payment of HK\$130,000,000. Completion of the HOA is dependent on the Acquisition.

The Acquisition amounts to a connected transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Ltd (the 'Listing Rules').

PARTIES

'SEA'	S E A Holdings Limited, a Bermuda company listed on the Stock Exchange of Hong Kong.
'BIL'	Brierley Investments Limited, a New Zealand company listed on the New Zealand, Australian and London Stock Exchanges. Apart from its indirect stake in SEABIL (through BIL Sino) and being a holder of 8.1% of SEA's issued share capital (which it holds through BIL Sino), BIL is not connected with SEA or with the directors, chief executive or substantial shareholders of SEA or their respective associates.
'BIL Sino'	BIL Sino Limited, a BVI company which is wholly owned by BIL.
'SEABIL'	SEABIL Pacific Limited, a Bermuda company, owned as to 51.07% by SEA and as to 48.93% by BIL

Sino.

CIRCUMSTANCES OF THE ACQUISITION

SEABIL is an investment holding company. Its assets consist primarily of interests in subsidiaries and associates carrying on property development projects in Chengdu and Guangzhou and a 50% interest in a cement production company in Sichuan. Further information regarding SEABIL is set out in SEA's circular to its shareholders dated 26th May 1999 (the 'Circular').

On 16th December 1998, SEA and BIL entered into the HOA (i) to terminate the joint venture in respect of SEABIL and distribute SEABIL's assets back to the parties in proportion to their shareholdings; and (ii) for SEA to repurchase certain SEA shares owned by BIL. The HOA was approved by the shareholders of SEA on 21st June 1999 but, due to differences between SEA and BIL, the parties did not proceed to completion.

Pursuant to subsequent negotiations, on 10th September 1999, the parties agreed to settle their differences by BIL completing the HOA, as originally planned and in accordance with the terms disclosed in the Circular, and by SEA subsequently acquiring 100% of Simsanio Limited ('Simsanio') from BIL Sino for (i) a cash payment of HK\$130,000,000; plus (ii) SEA waiving the amount of HK\$10,571,020 due from BIL to SEA arising from the completion of the HOA. Simsanio is a single purpose holding company and holds, indirectly, SEABIL's 97% interests in the property development project known as Overseas Exchange Square, Chengdu which is the asset to be distributed to BIL upon completion of the HOA

For the year ended 31st December 1998, the turnover and net profit (loss) before taxation and net profit (loss) after taxation and minority interests of Simsanio were HK\$0, (HK\$38,176,601) and (HK\$41,473,006). The comparative figures for the year ended 31st December 1997 were HK\$0, HK\$5,684,822 and HK\$3,984,822. Based on the valuations carried out for the purposes of the HOA by independent professional valuers, Simsanio has a net tangible asset value (excluding shareholders' loans of HK\$283,200,702) of HK\$251,318,290 as at 31st December 1998.

Completion of the HOA is dependent on the completion of the Acquisition and the two transactions are expected to be completed simultaneously.

Based on the shareholdings of SEA as at 17th September 1999, the latest practicable date prior to this announcement, the interests of the NL Concert Party (stated in the Circular to be Nan Luen International Limited, Mr. Lu Wing Lin and parties acting in concert with any of them) and the Disinterested Shareholders (stated in the Circular to be shareholders of the Company other than the NL Concert Party, BIL and its associates and parties acting in concert with any of them) would have increased from 40.51% to 44.08% and from 51.39% to 55.92% respectively while the interest of BIL Sino would have decreased from 8.1% to 0% following the completion of the HOA.

The Acquisition amounts to a connected transaction for SEA under Chapter 14 of the Listing Rules and is conditional upon the approval of SEA's shareholders who are independent of the Acquisition (the 'Condition').

In order to ensure that the parties will complete the HOA and the Acquisition once the Condition is satisfied, on 17th September 1999, the parties and BIL's solicitors, Deacons Graham & James ('DGJ'), entered into a completion agreement whereby all the documents between SEA, BIL and their respective subsidiaries necessary for the completion of the HOA and the Acquisition were executed, undated, by the parties and placed in escrow with DGJ. Upon the Condition being satisfied and, subject to SEA delivering to DGJ the HK\$130,000,000,

DGJ will date and release the completion documents to SEA.

Following completion of the HOA and the Acquisition, neither party will have any claims whatsoever against the other party in relation to the SEABIL joint venture, any loans advanced by SEA and BIL to SEABIL, the HOA and the Acquisition. Therefore, completion of the Acquisition will result in a clean break in the relationship between SEA and BIL and the settlement of all disputes.

SEA intends to finance the Acquisition from its internal resources. The directors do not anticipate that external borrowing will be necessary for the Acquisition.

SHAREHOLDERS APPROVAL

The principal activities of SEA are investment holding and those of its subsidiaries are property development, property investments, investment holding and garment trading and manufacturing.

The Acquisition amounts to a connected transaction for SEA under Chapter 14 of the Listing Rules and is therefore subject to the approval of SEA's shareholders who are independent of the Acquisition. As BIL Sino is interested in the Acquisition, BIL Sino may not vote in respect of the transaction.

A committee of the Board (the 'Board Committee') will be appointed to advise the shareholders. In addition, an independent financial adviser (the 'Independent Financial Adviser') will be appointed to advise the Board Committee.

A circular containing further details of the Acquisition, letters from the Independent Financial Adviser and the Board Committee, together with a notice convening a special general meeting of SEA to approve the Acquisition will be despatched to shareholders and, for information only, warrant holders and holders of SEA's share options, as soon as practicable.

By Order of the Board of
SEA HOLDINGS LIMITED
Wong Leung Wai
Company Secretary

Hong Kong, 18th September, 1999

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.