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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about any aspect of this circular or as to the action to be taken, you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in S E A Holdings Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**(I) DISTRIBUTION IN SPECIE OF SHARES IN  
ASIAN GROWTH PROPERTIES LIMITED;  
(II) DECLARATION AND PAYMENT OF SPECIAL CASH DIVIDEND;  
AND  
(III) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser**



**BAOQIAO PARTNERS CAPITAL LIMITED**

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A letter from the Board of Directors is set out on pages 7 to 19 of this circular.

A notice convening the SGM of S E A Holdings Limited to be held at the principal office of SEA at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong on Thursday, 4 May 2017 at 4:00 p.m. is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you are able to attend the SGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal office of SEA at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

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## DEFINITIONS

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

“AGP”	Asian Growth Properties Limited, an exempted company registered in Bermuda with limited liability whose shares are traded on AIM (stock code: AGP), and a 97.17%-owned subsidiary of SEA as at the Latest Practicable Date;
“AGP Dividend”	the conditional cash dividend declared by AGP, as described in the Joint Announcement;
“AGP Excluded Shareholders”	the AGP Overseas Shareholders holding AGP Shares upon completion of the Distribution in Specie, if any, whose address(es) as shown on the register of members of AGP is/are outside Hong Kong and located in a jurisdiction the laws of which prohibit the making of the Share Exchange Offer to such AGP Shareholder(s) or otherwise require SEA to comply with additional requirements which are (in the opinion of the Offeror, subject to legal advice and the prior consent of the Executive) unduly onerous or burdensome, having regard to the number of AGP Overseas Shareholders holding the AGP Shares involved in that jurisdiction and their shareholdings in AGP;
“AGP Group”	AGP and its subsidiaries from time to time;
“AGP IBC”	the independent board committee of AGP formed to approve the appointment of the independent financial adviser and to make recommendations to the AGP Independent Shareholders in respect of the Share Exchange Offer;
“AGP Independent Shareholders”	AGP Shareholders other than the Offeror and parties acting in concert with it;
“AGP Non-PRC Assets”	certain of the assets owned by AGP, namely (i) bank balances and cash of approximately HK\$5,800 million, (ii) a commercial property in the United Kingdom and a hotel in Hong Kong, and (iii) certain short-term treasury investments of approximately HK\$1,400 million, as more particularly described in the paragraph headed “Further information regarding the Target Group and the AGP Non-PRC Assets” in the Joint Announcement;
“AGP Overseas Shareholders”	AGP Shareholders with his/her/its address in places other than Hong Kong in the register of members of AGP;
“AGP PRC Properties”	the property assets owned by AGP other than the AGP Non-PRC Assets;
“AGP Qualifying Shareholders”	AGP Shareholders other than the AGP Excluded Shareholders;

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## DEFINITIONS

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“AIM Securities Account”	a brokerage account or custodian account opened with a duly licensed broker or custodian based in the United Kingdom through which the AGP Shares can be registered and traded on AIM;
“AGP Share(s)”	common share(s) of par value of US\$0.05 each in the share capital of AGP;
“AGP Shareholder(s)”	holder(s) of the AGP Shares from time to time;
“AIM”	the AIM Market of the LSE;
“Ample Capital”	Ample Capital Limited, a licensed corporation under the SFO to engage in type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities and the financial adviser to the Offeror in respect of the Share Exchange Offer;
“Assets Redistribution”	the redistribution of the AGP Non-PRC Assets from AGP to SEA by way of the sale and purchase of the Target Company pursuant to the SP Agreement;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“BaoQiao Partners” or “Independent Financial Adviser”	BaoQiao Partners Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, which is appointed as the independent financial adviser to advise the Independent Shareholders in respect of the Distribution in Specie;
“Beneficial Owner(s)”	any beneficial owner of Shares whose Shares are registered in the register of members of SEA in the name of a nominee, trustee, depository or any other authorised custodian or third party (including but not limited to HKSCC Nominees Limited in respect of Shares deposited in CCASS);
“Bermuda Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time;
“Board”	the board of Directors;
“Business Day(s)”	day(s) on which the Stock Exchange is open for the transaction of business;
“BVI”	the British Virgin Islands;
“close associate(s)”	having the meaning ascribed to it under the Listing Rules;

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## DEFINITIONS

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“Closing Date”	6 June 2017, the closing date of the Share Exchange Offer, or if the Share Exchange Offer is extended, any subsequent closing date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code;
“Company” or “SEA”	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 SP Agreement, which shall take place on the Completion Date;
“Completion Date”	the date on which Completion takes place;
“Composite Document”	the composite offer and response document to be issued by or on behalf of the Offeror and the Offeree Company to all AGP Shareholders (excluding the AGP Excluded Shareholders) in accordance with the Takeovers Code containing, inter alia, details of the Share Exchange Offer and attaching therewith the form of acceptance and transfer in respect of the Share Exchange Offer;
“connected person(s)”	having the meaning ascribed to it under the Listing Rules;
“Consideration Shares”	a maximum of 80,802,953 Shares currently held by the Offeror for the settlement of the consideration for the Share Exchange Offer;
“Director(s)”	the director(s) of SEA;
“Distribution in Specie”	the proposed distribution of a special dividend by SEA in the form of distribution in specie of the AGP Shares held by SEA to the Qualifying Shareholders in proportion to their respective shareholdings in SEA as at 4:00 p.m. on the Record Date;
“Executive”	Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive Director;
“Group”	SEA and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Shareholders”	Shareholders other than NLI and its close associates;

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## DEFINITIONS

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“JCS”	JCS Limited, an exempted company incorporated in Bermuda with limited liability and the immediate holding company of NLI;
“Joint Announcement”	the joint announcement of SEA and NLI published on the website of the Stock Exchange dated 31 March 2017;
“Latest Practicable Date”	12 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LSE”	London Stock Exchange plc.;
“NLI” or “Offeror”	Nan Luen International Limited, a controlling Shareholder of SEA;
“Non-Qualifying Shareholders”	the Shareholders whose respective addresses as shown on the register of members of SEA as at 4:00 p.m. on the Record Date are in places outside Hong Kong and located in a jurisdiction the laws of which may prohibit the making of the Distribution in Specie to such Shareholder(s) or otherwise require SEA to comply with additional requirements which are (in the opinion of the Directors, subject to legal advice) unduly onerous or burdensome, having regard to the number of Shareholders involved in that jurisdiction and their shareholdings in SEA;
“NYH”	NYH Limited, an exempted company incorporated in Bermuda with limited liability;
“Offeree Company”	AGP;
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Pre-condition”	the pre-condition to the making of the Share Exchange Offer, namely the completion of the Distribution in Specie, as more particularly described in the paragraph headed “Pre-condition of the Share Exchange Offer” in the Joint Announcement;
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of SEA as at 4:00 p.m. on the Record Date, other than the Non-Qualifying Shareholders;

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## DEFINITIONS

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“Record Date”	the record date for the purpose of ascertaining the entitlements of the Shareholders to participate in the Distribution in Specie and the Special Cash Dividend, being 15 May 2017 or such other date as SEA may determine;
“Remaining Group”	the Company and its subsidiaries following completion of the Distribution in Specie, being the Group excluding the AGP Group;
“Restructuring”	the proposed corporate restructuring of the Group which involves, among other things, the Assets Redistribution, the AGP Dividend, the Distribution in Specie and the Share Exchange Offer, and all matters respectively relating thereto;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of SEA to be convened and held for the purpose of considering and, if thought fit, approving resolutions relevant to the implementation of the Distribution in Specie and Special Cash Dividend;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of SEA;
“Share Exchange Offer”	a voluntary share exchange offer to be made by the Offeror after the satisfaction of the Pre-condition to the AGP Qualifying Shareholders to acquire the AGP Shares, other than those AGP Shares already held or owned by the Offeror, in exchange for the Consideration Shares;
“Shareholder(s)”	holder(s) of Share(s) from time to time;
“SP Agreement”	a sale and purchase agreement entered into between SEA and AGP on 31 March 2017 in relation to the sale and purchase of the entire issued share capital of the Target Company;
“Special Cash Dividend”	the proposed special dividend of HK\$3.0 per Share as recommended by the Board;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

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## DEFINITIONS

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“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“Target Company”	Benefit Strong Group Limited, a company incorporated in the BVI and a direct wholly-owned subsidiary of AGP;
“Transfer Agent”	DBS Vickers (Hong Kong) Limited;
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America;
“%”	per cent.; and
“£”	British pound sterling, the lawful currency of the United Kingdom.

*Note:* For the purpose of this circular, the exchange rates used are £1 = HK\$9.7559 and US\$1 = HK\$7.8.

\* *In this circular, the English names of the PRC entities are translation of their Chinese names and included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

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## LETTER FROM THE BOARD

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SEA HOLDINGS LIMITED  
爪哇控股有限公司\*

(Incorporated in Bermuda with limited liability)  
(Stock code: 251)

*Executive Directors:*

Mr. Lu Wing Chi (Chairman and Managing Director)  
Mr. Lincoln Lu  
Mr. Lambert Lu

*Non-executive Director:*

Mr. Lam Sing Tai

*Independent Non-executive Directors:*

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

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Office:*

26th Floor  
Dah Sing Financial Centre  
108 Gloucester Road  
Wanchai  
Hong Kong

18 April 2017

*To the Shareholders and for information only,  
the holders of the outstanding share options of SEA*

Dear Sir or Madam,

**(I) DISTRIBUTION IN SPECIE OF SHARES IN  
ASIAN GROWTH PROPERTIES LIMITED;  
(II) DECLARATION AND PAYMENT OF SPECIAL CASH DIVIDEND  
AND  
(III) NOTICE OF SPECIAL GENERAL MEETING**

### INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Board's approval on 29 March 2017 of (a) the distribution of a special dividend in the form of a distribution in specie of all the AGP Shares held by the Group, being 861,278,857 AGP Shares as at the Latest Practicable Date, to the Qualifying Shareholders in proportion to their respective shareholdings in the Company as at 4:00 p.m. on the Record Date on the basis of 1,268 AGP Shares for every 1,000 Shares held by the Qualifying Shareholders, (b) the proposed payment of the Special Cash Dividend out of the retained earnings of SEA, and (c) the respective transactions contemplated thereunder.

*\* For identification purpose only*

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further information on the Distribution in Specie; (ii) a letter of advice from BaoQiao Partners to the Independent Shareholders in relation to the Distribution in Specie; and (iii) further information on the proposed payment of Special Cash Dividend, and to enable you to make a decision on whether to vote for or against the ordinary resolutions to be proposed at the SGM. A notice of the SGM is set out on pages SGM-1 to SGM-3 to this circular.

### **DISTRIBUTION IN SPECIE OF AGP SHARES**

#### **Basis of entitlement**

On 29 March 2017, the Board resolved to recommend a special dividend in the form of the Distribution in Specie of the 861,278,857 AGP Shares registered in the name of the wholly-owned subsidiaries of the Company (representing approximately 97.17% of the issued share capital of AGP) to the Qualifying Shareholders in proportion to their then respective shareholdings in SEA on the following basis:

for every 1,000 Shares held..... 1,268 AGP Shares

A Qualifying Shareholder holding less than an integral multiple of 1,000 Shares will be entitled to a pro-rata number of AGP Shares, being rounded down to the nearest whole number of AGP Shares.

No fraction of an AGP Share will be distributed. Fractional entitlements to AGP Shares and any AGP Shares left undistributed (other than any AGP Shares sold for the benefit of the Non-Qualifying Shareholders as set out in the sub-section headed “Arrangements for Non-Qualifying Shareholders” below) will be sold in the market as far as practicable and the net proceeds of such sale will be retained for the benefit of SEA. If any calculation of a Qualifying Shareholder’s entitlement to AGP Shares would result in a fraction of an AGP Share, such entitlement will be rounded down to the nearest whole number of AGP Shares.

#### **Independent Shareholders’ approval**

The Distribution in Specie will be subject to the approval of the Independent Shareholders at the SGM.

#### **The AGP Shares**

As at the Latest Practicable Date, SEA indirectly held 861,278,857 AGP Shares, representing approximately 97.17% of the total number of issued AGP Shares. Of these AGP Shares, (i) 668,653,817 AGP Shares were held by Charm Action Holdings Limited; (ii) 175,094,641 AGP Shares were held by SEA (AGP) Offshore Limited; (iii) 12,023,267 AGP Shares were held by Manifold Returns Group Limited; and (iv) 5,507,132 AGP Shares were held by Harbour Green Holdings Limited. Each of these four companies is a direct wholly-owned subsidiary of SEA. They are recorded by the Group as a direct subsidiary. The AGP Shares are admitted to trading on AIM.

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## LETTER FROM THE BOARD

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### **Book Closure and Record Date**

In order to qualify for the Distribution in Specie, any document in respect of the transfer of Shares and accompanying share certificates must be lodged for registration with Tricor Standard Limited, the Hong Kong Branch Registrar of SEA, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:00 p.m. on Monday, 15 May 2017. The last day for trading in Shares with entitlements to the Distribution in Specie is expected to be Thursday, 11 May 2017.

The Record Date and time for determining the Shareholders' entitlements to the Distribution in Specie is at 4:00 p.m. on Monday, 15 May 2017.

The register of members of SEA will not be closed for the purpose of determining entitlement to the Distribution in Specie.

### **Despatch of share certificates and CCASS settlement**

Subject to the passing of the relevant resolutions approving the Distribution in Specie at the SGM, it is expected that share certificates for the relevant AGP Shares will be despatched by AGP's share registrar, Computershare Investor Services (Bermuda) Limited, on or about 15 June 2017 by ordinary post at the risk of the Qualifying Shareholders to the respective addresses of such Qualifying Shareholders who do not accept the Share Exchange Offer, as shown on the register of members of SEA as at 4:00 p.m. on the Record Date.

In the case of a joint holding of Shares, the share certificate(s) for the AGP Shares will be posted to the address of the person whose name stands first on the register of members of SEA as at 4:00 p.m. on the Record Date.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single shareholder according to the register of members of SEA.

Investors holding Shares through CCASS Participants are expected to receive the AGP Shares through their respective stockbrokers or custodians or through their CCASS Investor Participant stock accounts following the despatch of the share certificate(s) of the AGP Shares. Such investors should seek the advice of their respective stockbrokers or other professional advisers in case of doubt.

### **Qualifying Shareholders and Non-Qualifying Shareholders**

The Distribution in Specie will be available to the Shareholders whose names appear on the register of members of SEA on the Record Date, but will not be extended to any Non-Qualifying Shareholders, in other words, the Shareholders whose respective addresses as shown on the register of members of SEA as at 4:00 p.m. on the Record Date are in places outside Hong Kong and located in a jurisdiction the laws of which may prohibit the making of the Distribution in Specie to such Shareholder(s) or otherwise require SEA to comply with additional requirements which are (in the opinion of the Directors, subject to legal advice) unduly onerous or burdensome, having regard to the number of Shareholders involved in that jurisdiction and their shareholdings in SEA.

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## LETTER FROM THE BOARD

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### **Shareholders with registered addresses outside Hong Kong**

Based on the register of members of SEA as at the Latest Practicable Date, there were a total of two Shareholders whose addresses were outside Hong Kong, namely Bermuda and the BVI, with a total shareholding of 16,130,800 Shares, representing in aggregate approximately 2.4% of the total number of issued Shares as at 4:00 p.m. on the Latest Practicable Date.

SEA has been advised by its legal advisers on the laws of Bermuda and the BVI and notes that there are no legal restrictions that would apply to the two Shareholders under the applicable legislation of Bermuda and the BVI with respect to the Distribution in Specie. Accordingly, the Distribution in Specie will be extended to the Shareholders whose addresses as shown on SEA's register of members are in Bermuda or the BVI on the Record Date.

Notwithstanding the arrangements with regard to the Shareholder(s) whose registered address(es) is/are outside Hong Kong as described above, the Board reserves the ultimate right to exclude any Shareholder from the Distribution in Specie if it believes that the transfer of the AGP Shares to such Shareholder may violate any applicable legal and/or regulatory requirements in any jurisdiction.

### **Arrangements for Non-Qualifying Shareholders**

As the Distribution in Specie will not be extended to any Non-Qualifying Shareholders, arrangements will be made for the AGP Shares which would otherwise have been transferred to the Non-Qualifying Shareholders to be sold in the market as soon as practicable, on or after the date of posting of the share certificates for the AGP Shares (which date is currently expected to be on or about 15 June 2017), and any proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the relevant Non-Qualifying Shareholders at their own risk, except that net proceeds less than HK\$100 will be retained for the benefit of SEA.

Cheques representing the net proceeds of the sale of such AGP Shares, if any, will be sent to the Non-Qualifying Shareholders at their own risk, within fourteen (14) days after the sale of all such AGP Shares. In the absence of bad faith or willful default, none of SEA or any broker or agent appointed by SEA to effect the sale shall have any liability of any loss whatsoever arising as a result of the timing or the terms of any such sale.

As at the Latest Practicable Date, there were no Non-Qualifying Shareholders.

### **Procedures for receiving and trading AGP Shares**

The Company has appointed DBS Vickers (Hong Kong) Limited as the Transfer Agent in Hong Kong until 30 June 2017 (or such other date as the Company and the Transfer Agent may agree) in order to assist Qualifying Shareholders and Beneficial Owners to open AIM Securities Accounts, trading their AGP Shares, and to provide certain other related services. The opening of AIM Securities Accounts with the Transfer Agent is subject to satisfactory completion of requisite account opening procedures. The Transfer Agent reserves the right to refuse to provide services to any Qualifying Shareholders who are unable to fulfill the relevant requirements.

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## LETTER FROM THE BOARD

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Contact details of the Transfer Agent are as follows:

Name: DBS Vickers (Hong Kong) Limited  
Address: 18/F., Man Yee Building, 68 Des Voeux Road Central, Hong Kong  
Telephone number: (852) 2820 4881  
Contact person: Ms. Ann Fung

SEA will: (i) bear all costs and duties payable to the Transfer Agent upon the transfer of AGP Shares to Qualifying Shareholders pursuant to the Distribution in Specie; (ii) arrange for the Transfer Agent to provide Qualifying Shareholders with custodian services free of account opening and monthly holding charges for two years following completion of the Distribution in Specie, or until all of their AGP Shares are disposed of, whichever is the earlier; and (iii) bear all relevant trading fees and costs payable to the Transfer Agent, in the event that Qualifying Shareholders dispose of their AGP Shares within two years following completion of the Distribution in Specie. The above is subject to satisfactory completion by Qualifying Shareholders of the Transfer Agent's requisite account opening procedures.

Save as mentioned above, all other charges and expenses shall be borne solely by the Qualifying Shareholders and Beneficial Owners requesting such services. The actual fees and other charges payable by Qualifying Shareholders and Beneficial Owners are to be advised by the Transfer Agent, and may depend on, among other things, any applicable levies, taxes, and other fees, charges and expenses to be charged by any third parties other than the Transfer Agent.

### **Conditions to the Distribution in Specie**

The Distribution in Specie is conditional upon:

- (a) the passing of the ordinary resolution to approve the Distribution in Specie by the Independent Shareholders at the SGM;
- (b) completion of the Assets Redistribution; and
- (c) the Board being satisfied that there are no reasonable grounds for believing that the Distribution in Specie would render SEA unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than the aggregate of its liabilities.

None of the above conditions are waivable. If the conditions referred to above are not fulfilled, the Distribution in Specie (and the Share Exchange Offer) will not be implemented. Subject to the fulfillment of the above conditions, all the issued AGP Shares held by the Company at the time of the Record Date will be distributed under the Distribution in Specie.

### **Effects of the Distribution in Specie**

Following completion of the Distribution in Specie, AGP will no longer be accounted for as a subsidiary in the consolidated financial statements of SEA. The Group's assets will be approximately reduced by the book carrying amount of all the AGP Shares held by the Group as at completion of the Distribution in Specie. With reference to the audited financial information of the Group as at 31 December 2016, the book carrying amount of consolidated net assets of the AGP Group attributable to the Group was approximately HK\$4,000 million.

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## LETTER FROM THE BOARD

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AGP and its subsidiaries will cease to be subsidiaries of SEA, and their financial information will no longer be incorporated into the consolidated financial statements of the Group. Therefore it is expected that the revenue, profits, assets and net asset value of the Group will be decreased. The Shareholders' equity of the Group will be reduced by the book carrying amount of consolidated net assets of the AGP Group attributable to the Group of approximately HK\$4,000 million with reference to the audited financial information of the Group as at 31 December 2016. There will be no material gain or loss in the financial statements accrued by the Distribution in Specie.

Upon completion of the Assets Redistribution and the Distribution in Specie, it is estimated that the total net asset value of the Remaining Group and the AGP Group will be approximately HK\$8,200 million and HK\$4,200 million, respectively. For further details, please refer to Appendix II of this circular which sets out the valuation report of the AGP PRC Properties, and Appendix IV of this circular which sets out the unaudited pro forma financial information of the Remaining Group after the Distribution in Specie. The profit and loss implications on the Group as a result of the distribution of AGP Shares upon completion of the Distribution in Specie may only be determined following the date of settlement of the Distribution in Specie.

For the financial year ended 31 December 2015, the consolidated net profit of AGP attributable to the AGP Shareholders was approximately HK\$355.9 million and the consolidated net asset value per AGP Share attributable to the AGP Shareholders as at 31 December 2015 was approximately HK\$16.0, as extracted from AGP's 2015 annual report.

For the financial year ended 31 December 2016, the consolidated net profit of AGP attributable to the AGP Shareholders was approximately HK\$500.9 million and the consolidated net asset value per AGP Share attributable to the AGP Shareholders as at 31 December 2016 was approximately HK\$14.4, as extracted from AGP's 2016 annual results announcement.

The Board is of the view that the Distribution in Specie will allow each of the Remaining Group and the AGP Group to have greater individual focus in their respective business activities. It will also provide the Qualifying Shareholders with an opportunity to directly participate in the investment of, and enjoy returns from, the AGP Shares, and the flexibility to determine the level of their participation in investing in AGP at their own discretion.

Based on consultation with the SFC, following the completion of the Distribution in Specie, AGP will be treated as a public company in Hong Kong due to the expected number of AGP Shareholders who are based in Hong Kong. Accordingly, AGP will be subject to the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs. If AGP ceases to be a public company in Hong Kong, the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs will cease to apply.

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## LETTER FROM THE BOARD

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### **Background to, reasons for and benefits of the Assets Redistribution and the Distribution in Specie**

The Group is principally engaged in property investment and development and hotel operations in Australia, Hong Kong, the PRC and the United Kingdom. The AGP Group principally carries on business as an investor and developer of commercial office, retail and residential properties as well as being a hotel owner and operator. While in recent years the AGP Group has focused its investment in Hong Kong and the PRC, there is no geographical limitation to its sphere of activities.

The Directors believe that the Assets Redistribution and the Distribution in Specie will be beneficial to the Group and the AGP Group for the following reasons.

Prior to its admission to trading on AIM, AGP was a wholly-owned subsidiary of Trans-Tasman Properties Limited, a New Zealand company listed on the New Zealand Stock Exchange in which the Company was a major shareholder. In January 2006, AGP was admitted to trading on AIM and, at the same time as its admission, the AGP Shares held by Trans-Tasman Properties Limited were distributed to its then existing shareholders (including SEA). In September 2006, a reorganisation of the Group was carried out whereby SEA injected certain real property businesses into AGP in exchange for AGP Shares; the result of which the Company became holder of approximately 96.42% of the AGP Shares.

The original intention was that the enlarged AGP Group would be positioned as a real estate group focused on the Asian market and in particular on Hong Kong and the PRC and additional equity funding would be raised through the issuance of AGP Shares on AIM in order to grow AGP. However, the 2008 financial crisis resulted in a sharp decline in the price of AGP Shares such that AGP Shares traded at levels significantly below AGP's net asset value per AGP Share. Effectively, this prevented the AGP Group from carrying out an equity fund raising without being prejudicial to the interests of its existing shareholders.

While SEA recognises that AGP needs to increase its free float and liquidity in order to seek to narrow the discount between the NAV per AGP Share and the AGP Share price, given the discount of the AGP Share price to the NAV per AGP Share, it would be highly dilutive to SEA's shareholding interests in AGP if AGP were to issue new AGP Shares at the prevailing market price in circumstances in which AGP Shareholders were not able to invest their proportionate share in any such equity fundraising.

SEA considers that a distribution of AGP Shares to the Shareholders would enhance liquidity of the AGP Shares held by the Company by improving the shareholder base of AGP without being dilutive to SEA and the Shareholders, which would unlock the value of AGP Shares held by the Company and be in the interest of the Company and the Shareholders as a whole.

Under the Assets Redistribution, the assets re-alignment will therefore split the existing Group into two defined groups, each with substantial assets and financial resources: (i) the PRC business (which will remain with the AGP Group); and (ii) the non-PRC business (which will remain in the Remaining Group).

The Directors believe that with a more focused line of business, each of AGP and SEA will have greater opportunities to attract and retain the right personnel and to develop independently.

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## LETTER FROM THE BOARD

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### Respective business focuses of AGP and SEA

Following completion of the Restructuring, the Remaining Group will continue to focus on the non-PRC business of the Group, while the AGP Group will refocus on the business in the PRC. The Directors consider that the Remaining Group is in a position to maintain a sufficient level of operations to support its independent listing status on the Stock Exchange following the Restructuring. However, while it is the Board's current intention to focus on non-PRC operations, and its property assets following the Assets Redistribution will be located outside the PRC, the Board does not believe that the Company should be restricted in its sphere of activities. Hence, the Company has not committed to limit its sphere of activities solely to outside the PRC or to property related development and investments. The strategy of the Company will be determined by the Board itself taking into consideration market opportunities, the Remaining Group's financial resources and its core competence. By the same token, AGP has not committed to limit its sphere of activities solely to within the PRC.

Given the size of the global real property market vis-à-vis the financial resources of AGP or SEA, following completion of the Assets Redistribution and the Distribution in Specie, the common directors in AGP and SEA shall abstain from voting on the resolutions approving such investment opportunities or potential transactions when any potential conflicts of interest arise.

### Expected timetable

Set out below is an expected timetable setting out certain key dates under the Distribution in Specie, the Special Cash Dividend and the Share Exchange Offer for reference:

<b>Events</b>	<b>Expected date</b> <i>(Note 1)</i> (year 2017)
Latest time for lodging of proxy form of the SGM .....	4:00 p.m. on Tuesday, 2 May
SGM.....	4:00 p.m. on Thursday, 4 May
Publication of poll results of the SGM .....	Thursday, 4 May
The latest time for lodging Shares with the share registrar of SEA for the purpose of determining entitlement to the Distribution in Specie and Special Cash Dividend .....	4:00 p.m. on Monday, 15 May
Record Date and time <i>(Note 2)</i> .....	4:00 p.m. on Monday, 15 May
Completion of Assets Redistribution .....	Monday, 15 May
Completion of the Distribution in Specie.....	Monday, 15 May

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## LETTER FROM THE BOARD

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Despatch date of the Composite Document and the accompanying form of acceptance and commencement date of the Share Exchange Offer ( <i>Note 3</i> ).....	Tuesday, 16 May
Latest time and date for acceptance of the Share Exchange Offer on the Closing Date ( <i>Note 4</i> ).....	no later than 4:00 p.m. on Tuesday, 6 June
Closing date of the Share Exchange Offer ( <i>Note 4</i> ) .....	Tuesday, 6 June
Announcement of the results of the Share Exchange Offer as at the Closing Date to be posted on the website of the Stock Exchange.....	no later than 7:00 p.m. on Tuesday, 6 June
Date of posting the AGP share certificates (pursuant to the Distribution in Specie) to the Shareholders who do not accept the Share Exchange Offer.....	Thursday, 15 June
Latest date of posting of share certificates of SEA to the Shareholders accepting the Share Exchange Offer .....	Thursday, 15 June
Payment date of the Special Cash Dividend.....	Wednesday, 21 June

*Notes:*

1. The above timetable is indicative only. If there are any changes to the above timetable, SEA, AGP and the Offeror will publish an announcement to inform the Shareholders and the AGP Shareholders. All times and dates refer to Hong Kong local time.
2. The register of members of SEA will not be closed for the purpose of determining entitlement to the Distribution in Specie and Special Cash Dividend.
3. Subject to the Pre-condition being satisfied, the Share Exchange Offer is made on the date of posting of the Composite Document, and is capable of acceptance on and from that date until the Closing Date.
4. In accordance with the Takeovers Code, the Share Exchange Offer must initially be opened for acceptance for at least 21 days following the date on which the Composite Document is posted. The latest time and date for acceptance of the Share Exchange Offer is 4:00 p.m. on Tuesday, 6 June 2017 unless the Offeror revises or extends the Share Exchange Offer in accordance with the Takeovers Code. An announcement will be issued on the website of the Stock Exchange by 7:00 p.m. on Tuesday, 6 June 2017, stating whether the Share Exchange Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Share Exchange Offer and the announcement does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Share Exchange Offer is closed to those AGP Independent Shareholders who have not accepted the Share Exchange Offer.

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## LETTER FROM THE BOARD

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### **DECLARATION AND PAYMENT OF SPECIAL CASH DIVIDEND**

Subject to the fulfilment of the conditions as set out in the paragraph headed “Conditions of the Payment of the Special Cash Dividend” below, the Board proposes the declaration and payment of the Special Cash Dividend of HK\$3.0 per Share.

As at the Latest Practicable Date, the Company has 678,614,726 Shares in issue. Based on the number of issued Shares as at the Latest Practicable Date, the Special Cash Dividend, if declared and paid, will amount to an aggregate amount of approximately HK\$2,036 million, representing HK\$3.0 per Share. The Special Cash Dividend is intended to be paid out of the retained earnings of SEA pursuant to the bye-laws of the Company and the Bermuda Companies Act.

### **Conditions of the Payment of the Special Cash Dividend**

The declaration and payment of the Special Cash Dividend is conditional upon the satisfaction of the following conditions:

- (a) the passing of an ordinary resolution by the Shareholders approving the payment of the Special Cash Dividend; and
- (b) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Special Cash Dividend is paid, unable to pay its debts as they fall due in the ordinary course of business.

The conditions set out above cannot be waived. If the conditions set out above are not satisfied, the Special Cash Dividend will not be paid.

### **Reasons for and effect of the payment of the Special Cash Dividend**

The Board proposes to pay the Special Cash Dividend as the amount is in excess of its working capital requirements following the Restructuring. Upon completion of the Restructuring, the Company is a holding company and directly holds the AGP Non-PRC Assets at which sufficient level earnings are retained. Having taken into account a number of factors including the Share Exchange Offer, the Board considers it appropriate and proposes the Special Cash Dividend be paid out of the retained earnings of SEA in accordance with the Bye-laws and the Bermuda Companies Act. The Board considers such an arrangement to be in the interests of the Company and its Shareholders as a whole.

The Board believes the payment of the Special Cash Dividend will not have any material adverse effect on the financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

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## LETTER FROM THE BOARD

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### **Book closure and Record Date**

In order to qualify for the Special Cash Dividend, any document in respect of the transfer of Shares and accompanying share certificates must be lodged for registration with Tricor Standard Limited, the Hong Kong Branch Registrar of SEA, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:00 p.m. on Monday, 15 May 2017. The last day for trading in Shares with entitlements to the Special Cash Dividend is expected to be Thursday, 11 May 2017.

The Record Date and time for determining the Shareholders' entitlements to the Special Cash Dividend is at 4:00 p.m. on Monday, 15 May 2017.

Reference is made to the paragraph headed "Closure of Register of members" in the section headed "C. PROPOSED SPECIAL DIVIDEND IN CASH BY SEA" on page 16 of the Joint Announcement. SEA wishes to clarify that the register of members of SEA will not be closed for the purpose of determining entitlement to the Special Cash Dividend.

### **Information on SEA**

SEA is an investment holding company and the activities of its principal subsidiaries are investment holding, hotel operation, property and asset management as well as property investment and development in Hong Kong, Mainland China, Australia and the United Kingdom.

### **Information on AGP**

As at the Latest Practicable Date, AGP is principally engaged in the business of an investor and developer of commercial office, retail and residential properties as well as a hotel owner and operator. While in recent years the Group has focused its investment in the PRC, there is no geographical limitation to its sphere of activities. The AGP Shares have been admitted to trading on AIM since 16 January 2006 (and were readmitted to AIM on 7 December 2016 after AGP completed its migration from the BVI to Bermuda). As at the Latest Practicable Date, the issued AGP Shares are held as to approximately 97.17% by SEA.

### **SGM**

The Board has approved the appointment of BaoQiao Partners as the Independent Financial Adviser to advise the Independent Shareholders as to whether the Distribution in Specie and the transactions contemplated thereunder are fair and reasonable and in the interests of SEA and the Shareholders as a whole.

SEA will convene the SGM at 4:00 p.m. on Thursday, 4 May 2017 at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong at which ordinary resolutions will be proposed for the Shareholders to consider, and if thought fit, to approve the Distribution in Specie and Special Cash Dividend. The resolution will be put to the vote at the SGM by poll as required by the Listing Rules. A notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular.

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## LETTER FROM THE BOARD

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A form of proxy for use at the SGM is also enclosed. If you are not able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to SEA's Hong Kong Branch Registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof if you so wish.

As the making of the Share Exchange Offer is subject to the Pre-condition being satisfied, which is in turn conditional upon, among other conditions, the passing of an ordinary resolution regarding the Distribution in Specie by the Independent Shareholders at the SGM, the Offeror and its close associates shall abstain from voting on the relevant resolution to be proposed at the SGM to approve the Distribution in Specie. As at the Latest Practicable Date, the Offeror's close associates comprise NYH and Mr. Lu Wing Chi, who respectively held approximately 0.61% and 1.60% of the entire issued share capital of SEA. The Offeror and its close associates therefore held a total of approximately 67.56% of the entire issued share capital of SEA as at the Latest Practicable Date. Save that the Offeror and its close associates will abstain from voting on the resolution to approve the Distribution in Specie, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Shareholders has an interest in the Restructuring and the Special Cash Dividend to be considered which is different from other Shareholders and therefore is required to abstain from voting on each of the resolutions at the SGM.

### **Voting by poll**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all the resolutions put to the vote at the SGM will be taken by way of poll. The chairman of the SGM will explain the detailed procedures for conducting a poll at the commencement of the SGM.

After the conclusion of the SGM, the poll results will be published on the respective websites of the Stock Exchange and SEA.

### **VOLUNTARY SHARE EXCHANGE OFFER BY THE OFFEROR TO EXCHANGE AGP SHARES FOR SEA SHARES**

Pursuant to the Distribution in Specie, AGP Shares will be distributed to the Shareholders by way of a special dividend in specie. In view of the fact that AGP Shares are admitted to trading on AIM, and recognising that the Qualifying Shareholders (other than the Offeror) may not wish to hold the AGP Shares, the Offeror, as a means to provide enhanced liquidity in the AGP Shares has agreed to make a voluntary conditional Share Exchange Offer to the AGP Qualifying Shareholders to exchange their AGP Shares for certain Shares held by the Offeror, subject to the Pre-condition being satisfied.

The Share Exchange Offer provides the AGP Qualifying Shareholders (which include the Qualifying Shareholders) (other than the Offeror) an option to exchange their AIM traded AGP Shares into Shares listed on the Stock Exchange should they choose not to hold AGP Shares.

For the salient terms of and a brief discussion on the Share Exchange Offer, please refer to the details in Appendix V to this circular. Detailed information regarding the Share Exchange Offer will be included in the Composite Document, which is expected to be despatched on or around Tuesday, 16 May 2017.

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## LETTER FROM THE BOARD

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### RECOMMENDATIONS

The Directors are of the opinion that, having considered the factors and reasons set out in the sub-section headed “Background to, reasons for and benefits of the Assets Redistribution and the Distribution in Specie” of this circular, the Distribution in Specie is in the interests of SEA and the Shareholders as a whole and that the terms of the Distribution in Specie are fair and reasonable so far as SEA and the Shareholders are concerned. The Board would recommend the Independent Shareholders to vote in favour of the proposed resolution approving the Distribution in Specie at the SGM.

The Board believes that, having considered the factors and reasons set out in the sub-section headed “Reasons for and effect of the payment of the Special Cash Dividend” in the circular, the payment of the Special Cash Dividend out of the retained earnings of SEA is in the best interests of the Company and its shareholders as a whole. Accordingly, the Board would recommend the Shareholders to vote in favour of the proposed resolution approving the Special Cash Dividend at the SGM.

### GENERAL INFORMATION

Your attention is drawn to the letter of advice from BaoQiao Partners set out on pages 20 to 47 of this circular which contains its advice to the Independent Shareholders in connection with the term of the Distribution in Specie and the transactions contemplated thereunder.

**As disclosed in the Joint Announcement and this circular, the Company has proposed the Restructuring involving, among other things, the Distribution in Specie and the Share Exchange Offer. The Directors consider that the inclusion of the analysis of the Share Exchange Offer in such letter of advice from BaoQiao Partners is for the Independent Shareholders to make a fully informed decision when assessing the fairness and reasonableness of the Distribution in Specie.**

**The Composite Document setting out details of the Share Exchange Offer and advice of the AGP IBC and independent financial adviser to the AGP IBC and attaching therewith the acceptance and transfer forms will be sent to the AGP Qualifying Shareholders in accordance with the Takeovers Code. In this connection, an independent financial adviser to the AGP IBC will be appointed to advise the AGP Independent Shareholders (being AGP Shareholders other than the Offeror and parties acting in concert with it), in particular, as to whether the Share Exchange Offer is, or is not, fair and reasonable and to make a recommendation to the AGP Independent Shareholders as to acceptance in respect of the Share Exchange Offer. AGP Qualifying Shareholders should refer to the Composite Document for the full information of the Share Exchange Offer.**

### ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully  
For and on behalf of the Board of  
**S E A Holdings Limited**  
**Lu Wing Chi**  
*Chairman and Managing Director*

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## LETTER FROM BAOQIAO PARTNERS

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*The following is the full text of the letter of advice from BaoQiao Partners Capital Limited to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*



### BAOQIAO PARTNERS CAPITAL LIMITED

Unit 501, 5/F, Tower 1, Admiralty Centre,  
18 Harcourt Road, Admiralty, Hong Kong

18 April 2017

*To the Independent Shareholders*

Dear Sir or Madam,

### **DISTRIBUTION IN SPECIE OF SHARES IN ASIAN GROWTH PROPERTIES LIMITED**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Shareholders in respect of the Distribution in Specie and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 18 April 2017 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Reference is made to the Joint Announcement in relation to, among other things, the Board’s approval on 29 March 2017 of the distribution of a special dividend in the form of a distribution in specie of all the AGP Shares held by the Group, being 861,278,857 AGP Shares as at the Latest Practicable Date, to the Qualifying Shareholders in proportion to their respective shareholdings in the Company as at 4:00 p.m. on the Record Date on the basis of 1,268 AGP Shares for every 1,000 Shares held by the Qualifying Shareholders, and the transactions contemplated thereunder.

We, BaoQiao Partners Capital Limited, has been appointed by the Company to advise the Independent Shareholders as to whether the terms of the Distribution in Specie and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole, and as to voting in respect of the relevant resolution at the SGM.

As at the Latest Practicable Date, we did not have any relationship with or interest in the Group or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received or will receive any fees or benefits from the Group or any other parties that could reasonably be regarded as relevant to our independence. As such, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules. We have not acted as the Independent Financial Adviser to the Company’s other transactions for the past two years.

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## LETTER FROM BAOQIAO PARTNERS

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### BASIS OF OUR OPINION

In formulating our opinion to the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular, the annual report of the Company for the year ended 31 December 2015 (“**FY2015**”) and the announcement of annual results of the Company for the year ended 31 December 2016 (“**FY2016**”) (the “**2015 Group Annual Report**” and “**2016 Group Results Announcement**” respectively), the announcements of audited consolidated results of AGP Group for FY2015 and FY2016 (the “**2015 AGP Results Announcement**” and “**2016 AGP Results Announcement**” respectively) and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information and representations that have been provided by the Directors and the management of the Company, for which they are solely and wholly responsible, are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the management of the Company in the Circular were reasonably made after due enquiries and careful consideration.

The Directors collectively and individually accept full responsibility for the purpose of giving information with regard to the Company in the Circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Distribution in Specie and the transactions contemplated thereunder. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the business or affairs or future prospects of the Group. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, at the Latest Practicable Date.

This letter is issued for the information for the Independent Shareholders solely in connection with their consideration of approving the Distribution in Specie and the transactions contemplated thereunder, and this letter, except for its inclusion in the Circular and for inspection as required under the Listing Rules, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

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## LETTER FROM BAOQIAO PARTNERS

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to advise the Independent Shareholders regarding the Distribution in Specie, we have taken into consideration the following principal factors and reasons:

#### I. Information on the Group and the AGP Group

##### (a) *Background Information on the Group and the AGP Group*

###### *The Group*

SEA is an investment holding company and the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 251). The principal activities of its principal subsidiaries are investment holding, hotel operation, property and asset management as well as property investment and development in Hong Kong, Mainland China, Australia and the United Kingdom.

###### *The AGP Group*

AGP is an investment holding company and a 97.17% owned subsidiary of the Company as at the Latest Practicable Date, whose shares are traded on AIM (Stock code: AGP). The AGP Group currently carries on the business of property development and investment in Hong Kong, Mainland China and the United Kingdom as well as hotel operation in Hong Kong.

###### *Properties owned by the Group and the AGP Group*

As disclosed in the 2016 Group Results Announcement, the 2016 AGP Results Announcement and the Joint Announcement, the Group currently owns the following properties:

- (i) Crowne Plaza Hong Kong Causeway Bay, the hotel property in Hong Kong;
- (ii) 20 Moorgate, London and John Sinclair House, Edinburgh, Scotland, the two investment office properties in the United Kingdom;
- (iii) three investment properties and one property held for sales in Mainland China, which comprise the properties known as (a) Plaza Central; (b) Commercial podium in Zone B and car parking spaces on Basements 2 and 3, New Century Plaza; (c) Office Tower, Westmin Plaza Phase II; and (d) Commercial podium, Westmin Plaza Phase II (collectively known as the “**AGP PRC Properties**”); and
- (iv) the Lizard Island Resort in Australia,

of which Crowne Plaza Hong Kong Causeway Bay, 20 Moorgate, London and the AGP PRC Properties are directly owned by the AGP Group.

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## LETTER FROM BAOQIAO PARTNERS

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**(b) *Historical financial performance of the Group and the AGP Group***

*The Group*

Set out below is the financial information of the Group for FY2015 and FY2016 as extracted from the 2015 Group Annual Report and the 2016 Group Results Announcement:

	<b>For the year ended 31 December</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
	(Audited)	(Audited)
Turnover	565,979	732,696
Profit for the year	571,921	1,463,212
	<b>As at 31 December</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
	(Audited)	(Audited)
Total assets	17,279,888	19,079,748
Total liabilities	4,947,184	5,561,315
Net assets	12,332,704	13,518,433

*The AGP Group*

Set out below is the financial information of the AGP Group for FY2015 and FY2016 as extracted from the 2015 AGP Results Announcement and 2016 AGP Results Announcement:

	<b>For the year ended 31 December</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
	(Audited)	(Audited)
Revenue	539,643	715,770
Profit for the year	300,972	1,326,178
	<b>As at 31 December</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
	(Audited)	(Audited)
Total assets	16,636,913	19,108,628
Total liabilities	3,927,644	4,848,231
Net assets	12,709,269	14,260,397

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## LETTER FROM BAOQIAO PARTNERS

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Turnover of the Group for FY2016 amounted to approximately HK\$565.98 million as compared to approximately HK\$732.70 million for FY2015, of which over 95% of the Group's turnover was contributed by AGP Group for both FY2015 and FY2016. Turnover of both the Group and the AGP Group was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation, the sales of properties and income from financial investments. The decrease in turnover of both the Group and the AGP Group for FY2016 was mainly due to the decrease in the income from the sales of properties and the rental income from investment properties following the disposal of certain AGP Group's subsidiaries (the "**Disposal**") during FY2016, which owned the Dah Sing Financial Centre in Hong Kong and certain property development projects in the PRC.

Each of the Group's and the AGP Group's net profit decreased from approximately HK\$1,463.21 million and approximately HK\$1,326.18 million respectively for FY2015 to approximately HK\$571.92 million and approximately HK\$300.97 million respectively for FY2016, which was mainly attributable to the decrease in the fair value changes on investment properties of approximately HK\$1,057.70 million and approximately HK\$1,049.78 million for the Group and the AGP Group respectively during FY2016.

As at 31 December 2016, the total assets of the AGP Group accounted for approximately 96% of the Group's total assets. The total assets of the Group and the AGP Group amounted to approximately HK\$17,279.89 million and HK\$16,636.91 million respectively as at 31 December 2016 as compared to approximately HK\$19,079.75 million and HK\$19,108.63 million respectively as at 31 December 2015. The non-current assets of the Group and the AGP Group as at 31 December 2016 amounted to approximately HK\$5,810.78 million and HK\$5,697.79 million respectively, approximately 63.32% and 60.47% of which were investment properties respectively. It is also noted that a number of owner-occupied properties, including the hotel property in Hong Kong, were recorded under property, plant and equipment of approximately HK\$699.28 million and approximately HK\$951.69 million respectively for the Group and the AGP Group as at 31 December 2016. As advised by the management of SEA, the hotel property was transferred from SEA to AGP at then fair value in 2006 when AGP was spin-off from SEA in 2006 and the deemed cost of the hotel property at AGP is higher than SEA. Following the Disposal and as at 31 December 2016, the non-current assets of the Group and the AGP Group decreased from HK\$14,150.12 million and HK\$14,192.14 million respectively as at 31 December 2015 to approximately HK\$5,810.78 million and HK\$5,697.79 million respectively as at 31 December 2016.

As at 31 December 2016, each of the Group's and the AGP Group's current assets amounted to approximately HK\$11,469.11 million and HK\$10,939.12 million respectively, compared to approximately HK\$4,929.63 million and HK\$4,916.48 million respectively as at 31 December 2015. Cash and bank balances of each of the Group and the AGP Group increased from approximately HK\$3,923.01 million and HK\$3,665.58 million respectively as at 31 December 2015 to approximately HK\$9,999.16 million and HK\$9,240.17 million respectively as at 31 December 2016, both of which was mainly attributable to the net proceeds received from the Disposal of approximately HK\$10,995.08 million.

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## LETTER FROM BAOQIAO PARTNERS

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As at 31 December 2016, the total liabilities of the Group and the AGP Group were approximately HK\$4,947.18 million and HK\$3,927.64 million respectively as compared to approximately HK\$5,561.32 million and HK\$4,848.23 million respectively as at 31 December 2015. The Group's and the AGP Group's liabilities mainly comprised bank borrowings as at 31 December 2016 and the bank borrowings of the Group and the AGP Group were HK\$4,290.65 million and HK\$3,458.63 million respectively.

### II. Asset Redistribution

(a) *Principal terms of the SP Agreement as extracted from the Joint Announcement regarding the Assets Redistribution*

Date of the SP Agreement	31 March 2017
Parties	Company (as the purchaser) AGP (as the seller)
Subject matter	the AGP Non-PRC Assets
Consideration	HK\$8,913,354,000 in cash, subject to adjustment pursuant to the SP Agreement
Settlement	Set off the relevant proportion of the AGP Dividend receivable by the Company from AGP of approximately HK\$8,913,354,000 pursuant to the declaration of the AGP Dividend

As disclosed in the Letter from the Board, as all of the applicable percentage ratios of the Assets Redistribution (relating to the acquisition of approximately 2.83% interest in the AGP Non-PRC Assets) are less than 5% and the consideration does not include securities for which listing will be sought, the Assets Redistribution does not constitute a notifiable transaction under Chapter 14 of the Listing Rules, and is not subject to the reporting, disclosure or shareholder approval requirements under Chapter 14 of the Listing Rules.

As advised by the management of the Company, the Asset Redistribution, which reorganizes the AGP Non-PRC Assets directly under the Company and the AGP Group will continue to hold the remaining AGP assets of the AGP Group, is a crucial step for achieving the Distribution in Specie. The Directors consider the Assets Redistribution is in the interest of the Company and the Shareholders as a whole. The completion of the Asset Redistribution is a condition precedent to the Distribution in Specie. Further details of the Assets Redistribution have been set out in the Joint Announcement.

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## LETTER FROM BAOQIAO PARTNERS

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(b) *AGP Non-PRC Assets*

As disclosed in the Joint Announcement, the AGP Non-PRC Assets comprises over 30 entities the principal assets of which, as at 31 December 2016, comprise (i) bank balances and cash, including pledged bank deposits (approximately HK\$5,800 million as at 31 December 2016 for illustrative purpose), (ii) a commercial property at 20 Moorgate, London, EC2R 6DA; (iii) the Crowne Plaza Hong Kong Causeway Bay in Hong Kong, and (iv) certain short term treasury investments (approximately HK\$1,400 million) as at 31 December 2016. The net assets of the Non-PRC Assets as extracted from the audited financial statements of AGP as at 31 December 2016 was approximately HK\$6,271 million, representing approximately 60% of the total net book value of the AGP Group's total consolidated net assets as of 31 December 2016 (after deducting the special dividend of HK\$1,994 million declared on 17 March 2017).

(c) *Effect of the Asset Redistribution and the AGP Group upon completion of the Assets Redistribution*

As at the Latest Practicable Date, the Company holds approximately 97.17% of the total issued share capital of AGP which in turn wholly owns the AGP Non-PRC Assets. The Company therefore owns approximately 97.17% of the effective interest of AGP Non-PRC Assets. Upon completion of the Assets Redistribution, (i) the AGP Non-PRC Assets will be held indirectly as to 100% by the Company and the Company will hence acquire approximately 2.83% of the effective interest of the AGP Non-PRC Assets through the Assets Redistribution; and (ii) the Company will continue to hold 97.17% of the effective interest of AGP and the AGP Group will continue to hold the remaining assets of AGP, including the AGP PRC Properties, particulars of such AGP PRC Properties (including the valuation report (the “**Valuation Report**”) prepared by Savills Valuation and Professional Services Limited (the “**Valuer**”) are set out in Appendix II to this Circular.

As further discussed in the section headed “Distribution in Specie” in this Letter, the Board approved, on 29 March 2017, the distribution of a special dividend in the form of a distribution in specie of all the AGP Shares held by the Group, being 861,278,857 AGP Shares as at the Latest Practicable Date, to the Qualifying Shareholders in proportion to their then respective shareholdings in SEA as at 4:00 p.m. on the Record Date. The Assets Redistribution is a condition precedent to the Distribution in Specie.

Based on the unaudited pro forma financial information of the AGP Group (the “**AGP Pro Forma Information**”) published by the AGP on 31 March 2017, which illustrates the effect of the Assets Redistribution (including the AGP Dividend), as if it had taken place on 31 December 2016, the pro forma total assets would decrease from approximately HK\$16,636.91 million as disclosed in 2016 AGP Results Announcement to HK\$4,704.15 million and the pro forma total liabilities of the AGP Group would also decrease from approximately HK\$11,431.30 million as disclosed in 2016 AGP Results Announcement to HK\$524.55 million. The pro forma net assets of the AGP Group would be approximately HK\$4,179.60 million as at 31 December 2016.

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## LETTER FROM BAOQIAO PARTNERS

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If adjusting for the market value of the AGP PRC Properties of approximately HK\$2,434.20 million as stated in the Valuation Report (the carrying value of the AGP PRC Properties of approximately HK\$2,375.30 million as stated in the AGP Pro Forma Information), the adjusted consolidated pro forma net assets value of the AGP Group as at 31 December 2016 was HK\$4,238.50 million.

### *Valuation of the AGP PRC Properties*

We have performed the steps pursuant to Rule 13.80 of the Listing Rules including reviewing the terms of engagement of the Valuer regarding the preparation of the Valuation Report.

We have discussed with the Valuer regarding the methodology of and the principal basis and assumptions adopted for the valuation of the AGP PRC Properties. In the course of our discussion with the Valuer, we note that the Valuer carried out a site visit to the AGP PRC Properties and inspected the AGP PRC Properties on both 17 January 2017 and 14 March 2017 and have been provided certain title documents relating to the property interests.

As disclosed in the Valuation Report, we note that the Valuer has adopted (i) the income capitalization approach for valuation of the shops and office portions of the AGP PRC Properties; and; (ii) the direct comparison approach for the car park portion of the AGP PRC Properties method as the principal methodologies for preparing the Valuation Report. The Valuer confirmed that the valuation of the AGP PRC Properties is complied with Chapter 5 and Practice Note 12 to the Listing Rules and prepared in accordance with the HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors.

For our due diligence purpose, we have reviewed and enquired into (i) the terms of engagement of the Valuer with the Company; (ii) the Valuer's qualification and experience in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer for conducting the valuation of the AGP PRC Properties.

From the engagement letter and other relevant information provided by the Valuer and based on our interview with it, we are satisfied with the terms of engagement of the Valuer as well as its qualification and experience for preparation of the valuation report. The Valuer has also confirmed that it is independent to the Group, NLI and their respective associates and concert parties.

From our discussion with the Valuer in respect of the basis and assumptions of the valuation of the AGP PRC Properties, we have not identified any material facts which may lead us to doubt the principal basis and assumptions adopted for or the information used in the valuation of the AGP PRC Properties.

Nevertheless, Qualifying Shareholders should note that valuation of assets or properties involves assumptions and therefore the valuation of the AGP PRC Properties may or may not reflect the true market value of the AGP PRC Properties accurately.

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## LETTER FROM BAOQIAO PARTNERS

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### *Prospect of the AGP Group*

As advised by the management of the Company, the AGP Group will continue to focus on property development and property investment projects. While the AGP Group will focus on its investment in the PRC, there is no geographical limitation to its sphere of activities. As disclosed in the 2016 AGP Results Announcement, the rental income from the AGP PRC Properties continued to provide stable returns for FY2016. Although the office properties in the PRC are facing a challenging environment arising from the increasing supply and the depreciation of RMB, AGP's office properties in the PRC have been maintaining a relatively high occupancy rate and rent as compared with the market, and provide stable cash flows to the AGP Group. AGP intends to continue to build on the strong foundation of its leasing portfolio, execute an effective leasing strategy and seek to add value to its properties through asset enhancement initiatives. Leveraging the strong liquidity position of the AGP Group, the AGP Group will continue to monitor the property markets of the PRC and other markets closely, in order to identify potential acquisition targets at opportune times.

### **III. Distribution in Specie**

#### **(a) *Principal Terms of the Distribution in Specie***

Set out below are the principal terms of the Distribution in Specie as extracted from the Circular. Further details of the terms of the Distribution in Specie, including conditions precedent thereof, are set out in the Circular.

On 29 March 2017, the Board resolved to recommend a special dividend in the form the Distribution in Specie of the 861,278,857 AGP Shares registered in the name of the wholly-owned subsidiaries of the Company (representing approximately 97.17% of the issued share capital of AGP) to the Qualifying Shareholders in proportion to their then respective shareholdings in SEA on the following basis:

for every 1,000 Shares held.....1,268 AGP Shares

A Qualifying Shareholder holding less than an integral multiple of 1,000 Shares will be entitled to a pro-rata number of AGP Shares, being rounded down to the nearest whole number of AGP Shares.

No fraction of an AGP Share will be distributed. Fractional entitlements to AGP Shares and any AGP Shares left undistributed (other than any AGP Shares sold for the benefit of the Non-Qualifying Shareholders as set out in the sub-section headed "Arrangements for Non-Qualifying Shareholders" below) will be sold in the market as far as practicable and the net proceeds of such sale will be retained for the benefit of SEA. If any calculation of a Qualifying Shareholder's entitlement to AGP Shares would result in a fraction of an AGP Share, such entitlement will be rounded down to the nearest whole number of AGP Shares.

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## LETTER FROM BAOQIAO PARTNERS

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As at the Latest Practicable Date, SEA has 678,614,726 Shares in issue. SEA indirectly held 861,278,857 AGP Shares, representing approximately 97.17% of the total number of issued AGP Shares. Of these AGP Shares, (i) 668,653,817 AGP Shares were held by Charm Action Holdings Limited; (ii) 175,094,641 AGP Shares were held by SEA (AGP) Offshore Limited; (iii) 12,023,267 AGP Shares were held by Manifold Returns Group Limited; and (iv) 5,507,132 AGP Shares were held by Harbour Green Holdings Limited. All these four companies are direct wholly-owned subsidiaries of SEA. They are recorded by the Group as direct subsidiaries. The AGP Shares are admitted to trading on AIM (stock code: AGP).

The Distribution in Specie is conditional upon:

- (i) the passing of an ordinary resolution to approve the Distribution in Specie by the Independent Shareholders at the SGM;
- (ii) completion of the Assets Redistribution; and
- (iii) the Board being satisfied that there are no reasonable grounds for believing that the Distribution in Specie would render SEA unable to pay its liabilities as they become due or the realizable value of its assets would thereby become less than the aggregate of its liabilities.

None of the above conditions are waivable. If the conditions referred to above are not fulfilled, the Distribution in Specie (and the Share Exchange Offer) will not be implemented. Subject to the fulfillment of the above conditions, all of the issued AGP Shares held by the Company at the time of the Record Date will be distributed under the Distribution in Specie.

As disclosed in the Letter from the Board, the Distribution in Specie will be available to the Shareholders whose name appear on the register of members of the Company on the SEA Record date, but will not be extended to any Non-qualifying Shareholders. Please refer to the section headed “Qualifying Shareholders and Non-Qualifying Shareholders” set out in the Letter from the Board for details. In addition, SEA will provide odd lot matching services for the AGP Shares. Please refer to the section headed “Odd lot matching services for the AGP Shares” set out on the Letter from the Board for details.

**(b) *Background to, reasons for and benefits of the Distribution in Specie***

As disclosed in the Letter from the Board, AGP was admitted to trading on AIM in January 2006. The original intention was that the enlarged AGP Group would be positioned as a real estate group focused on the Asian market and in particular on Hong Kong and the PRC and additional equity funding would be raised through the issuance of AGP Shares on AIM for its future growth. However, the 2008 financial crisis resulted in a sharp decline in the price of AGP Shares such that AGP Shares traded at levels significantly below AGP’s net assets value (“NAV”) per AGP Share. This prevented the AGP Group from carrying out an equity fund raising without being prejudicial to the interests of its existing shareholders.

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## LETTER FROM BAOQIAO PARTNERS

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Given the discount of AGP Share price to the NAV per AGP Share, it would be highly dilutive to SEA's shareholding interests in AGP if AGP were to issue new AGP Shares at the prevailing market price if AGP Shareholders were not able to participate in any such equity fundraising. At the same time, SEA cannot realize any benefit from the sale of AGP Shares. Hence, neither AGP nor SEA can benefit from AGP's admission to trading on AIM.

### *Share price performance of AGP*

We have reviewed the movements in closing prices of the AGP Shares for the period commencing from 1 April 2016, being approximately one year prior to the date of the Joint Announcement, up to and including the Latest Practicable Date (the "**Review Period**"). The chart showing the daily closing prices of the AGP Shares during the Review Period is set out in the sub-paragraph headed "Share price performance of AGP" under the paragraph headed "Share price performance" below.

During the Review Period, the AGP Shares have been traded significantly below the NAV per AGP Share of approximately £1.47 (approximately HK\$14.34) (i.e. calculated by dividing the NAV of AGP as at 31 December 2016 as shown in the 2016 AGP Results Announcement of approximately HK\$12,709.27 million and the number of 886,347,812 AGP Shares in issue as at 31 March 2017). The average closing price of approximately £0.440 (approximately HK\$4.29) per AGP Share during the Review Period represents approximately 70.07% discount to the NAV per AGP Share.

### *Historical average daily trading volume of the AGP Shares*

We have also reviewed the historical trading volume of the AGP Shares during the Review Period and the information on the historical average daily trading volume of the AGP Shares during the Review Period is shown in the subparagraph headed "Trading volume of AGP Shares" under the paragraph headed "Liquidity" below.

During the Review Period, the percentage of the average daily trading volume of the AGP Shares were in the range of approximately 0.00001% to 0.01388% with an average of approximately 0.00179% of the total number of AGP Shares in issue as at the end of the respective month. The statistics revealed that trading in the AGP Shares was very thin during the Review Period and the AGP Shares were very illiquid in the open market.

### *Liquidity of the AGP Shares and No dilutive effect on the Shareholders*

Pursuant to the Letter from the Board, SEA considers that the distribution of AGP Shares to the Shareholders would enhance liquidity of the AGP Shares held by the Company by improving the shareholder base of AGP without being dilutive to SEA and the Shareholders, which would unlock the value of AGP Shares held by the Company and be in the interest of the Company and the Shareholders as a whole.

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## LETTER FROM BAOQIAO PARTNERS

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As AGP is currently indirectly held as to 97.17% by SEA as at the Latest Practicable Date, only 2.77% of AGP Shares were held by the public and the AGP Shares were very illiquid in the open market. As compared to the public float requirement of at least 25% of the issuer's total number of issued shares must at all times be held by the public under the Listing Rules, the current public float of the AGP Share would be considered as in very low level and the trading of AGP Shares is very illiquid. Assuming the Distribution in Specie took place, the AGP Shares would be held as to approximately 28.65% by the public (including the Independent Shareholders). We are of the view that, by implementing the Distribution in Specie, the liquidity of the AGP Shares may increase as a result of the enlarged base of public shareholders.

As the Distribution in Specie applies to all Shareholders on a pro-rata basis to their shareholdings in SEA, the sum of the underlying assets of the Shares and AGP Shares held by the Independent Shareholders after the Distribution in Specie will not change as compared to the underlying assets of the Shares held by the Independent Shareholders before the Distribution in Specie took place. Therefore, the Distribution in Specie will not bring dilutive effect on the interests of the Shareholders.

### *Focused business of SEA and AGP*

As disclosed in the Letter from the Board, under the Assets Redistribution, the assets re-alignment will therefore split the existing Group into two defined groups, each with substantial assets and financial resources: (i) the PRC business (which will remain with the AGP Group); and (ii) the non-PRC business (which will remain in the Remaining Group). The Directors believe that with a more focused line of business, each of AGP and SEA will have greater opportunities to attract and retain the right personnel and to develop its business independently in the future.

Following completion of the Restructuring, the Remaining Group will continue to focus on the non-PRC business of the Group. The Directors consider that the Remaining Group is in a position to maintain a sufficient level of operations to support its independent listing status on the Stock Exchange following the Restructuring. However, while it is the Board's current intention to focus on non-PRC operations, and its property assets following the Assets Redistribution will be located outside the PRC, the Board does not believe that the Company should be restricted in its sphere of activities. Hence, as disclosed in the Letter from the Board, the Company has not committed to limit its sphere of activities solely to outside the PRC or to property related development and investments. By the same token, AGP has not committed to limit its sphere of activities solely to within the PRC.

### **(c) *Effect of Distribution in Specie and the Prospect of the Remaining Group***

As disclosed in the Letter from the Board, immediately following the Distribution in Specie, the Company will no longer have any shareholding in AGP. The approximately 97.17% of the issued share capital of AGP previously held by the Company would at that point be directly held by the Shareholders (including NLI). Thus, AGP and its subsidiaries will cease to be the subsidiaries of the Company, and their financial information will no longer be incorporated into the consolidated financial statements of the Group.

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## LETTER FROM BAOQIAO PARTNERS

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As further discussed in the section headed “Possible Financial Effects of the Distribution in Specie (following completion of the Asset Distribution)” in this Letter, it is expected that the revenue, earnings and net asset value of the Group will be decreased. Nevertheless, as discussed with the Management, the Remaining Group will still maintain a sizable operation and the Directors consider that the Remaining Group is in a position to maintain a sufficient level of operations to support its independent listing status on the Stock Exchange following the Restructuring.

Following completion of the Distribution in Specie, the property portfolio of the Remaining Group will include (i) Crowne Plaza Hong Kong Causeway Bay, the hotel property in Hong Kong; (ii) two investment office properties in United Kingdom and the investment property in Australia. As disclosed in the 2016 Group Results Announcement and based on our discussion with the management of the Company, the Crowne Plaza Hong Kong Causeway Bay was able to maintain the market share in the hospitality industry despite that the tourism market in Hong Kong remains weak. It is the Group’s strategy to strive for its market share in the hospitality industry, improve hotel operation’s efficiency and at the same time look for cost saving measures, so as to maintain the return of the operations. As for the office market in the UK, despite global political events of the past year with more European elections to come, the attractiveness of properties in London with prime location still remain, given the depreciation of sterling, a low interest rate environment and stable income and cash flows generated from long leases with tenants. The Management expects the investment project in Australia will continue to generate stable return for the Remaining Group.

As set out in the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to the Circular, the Remaining Group has strong cash flow with pro forma cash and bank balances of approximately HK\$7,988.98 million as if the Distribution in Specie was completed on 31 December 2016. As disclosed in the Joint Announcement, we note that the Board has recommended a special cash dividend of HK\$3.0 per Share or in aggregate HK\$2,036 million, subject to fulfillment of the conditions as set out in the section headed “Declaration and payment of special cash dividend” in the Letter from the Board. As advised by the management of the Company and we agreed with the view of the management of the Company that the Remaining Group has maintained significant funds for future investments after the distribution of the special cash dividend. While the Remaining Group will continue to focus on the non-PRC business of the Group, the Remaining Group will continue to identify potential acquisition targets/investment opportunities in Hong Kong, overseas or the PRC when the opportunities arise. The strategy of the Company will be determined by the Board taking into consideration of the market opportunities, the Remaining Group’s financial resources and its core competence.

As disclosed in the Letter from the Board and the Joint Announcement, in view of the fact that AGP Shares are admitted to trading on AIM, and recognizing that the Qualifying Shareholders (other than NLI) may not wish to hold the AGP Shares, NLI, as the Offeror, has agreed to make a voluntary conditional Share Exchange Offer to the AGP Qualifying Shareholders to exchange their AGP Shares for certain Shares held by the Offeror, subject to the Pre-condition being satisfied. The Share Exchange Offer provides the AGP Qualifying Shareholders (which include the Qualifying Shareholders, other than NLI) an option to exchange their AIM traded AGP Shares into Shares listed on the Stock Exchange should they choose not to hold AGP Shares.

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## LETTER FROM BAOQIAO PARTNERS

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### IV. The Share Exchange Offer

Given (i) the Distribution in Specie is a condition precedent to the Share Exchange Offer; (ii) the Qualifying Shareholders will become holders of AGP Shares upon completion of the Distribution in Specie; (iii) the Share Exchange Offer provides the AGP Qualifying Shareholders (which include the Qualifying Shareholders, other than NLI) an option to exchange their AIM traded AGP Shares into Shares listed on the Stock Exchange should they choose not to hold AGP Shares, we consider that it is in the interests of SEA and its Shareholders to assess the exchange ratio of the Share Exchange Offer for the purpose of considering the fairness and reasonableness of the Distribution in Specie.

#### (a) *Principal Terms of the Share Exchange Offer*

Subject to the Pre-condition being satisfied, the Offeror intends to make an offer to all AGP Qualifying Shareholders following the completion of the Distribution in Specie to acquire all the AGP Shares, other than those already held or owned by the Offeror (pursuant to the Distribution in Specie), for Shares by way of share exchange on the basis of 1 Consideration Share held by the Offeror for every 4 AGP Shares to be held by the AGP Qualifying Shareholders. The Share Exchange Offer will be made in accordance with the Takeovers Code on the following basis:

For every 4 AGP Shares..... 1 Consideration Share  
(being issued Shares held by the Offeror)

Number of AGP Shares under  
the Share Exchange Offer ..... 323,211,813 or such number of  
AGP Shares held by  
the AGP Shareholders  
other than the Offeror  
upon completion of  
the Distribution in Specie

As at the Latest Practicable Date, there are 886,347,812 AGP Shares in issue. There are no outstanding options, warrants, derivatives or other securities that are convertible or exchangeable into AGP Shares or other types of securities in AGP which will be subject to the Share Exchange Offer as at the Latest Practicable Date.

As at the Latest Practicable Date, the Offeror, through SEA (being a party acting in concert with the Offeror pursuant to the Takeovers Code), indirectly holds 861,278,857 AGP Shares, representing approximately 97.17% of the total issued share capital of AGP. Based on an exchange ratio of 1 Consideration Share for every 4 AGP Shares and 323,211,813 AGP Shares subject to the Share Exchange Offer and assuming that (i) all AGP Qualifying Shareholders validly accept the Share Exchange Offer; and (ii) there will be no change in the issued share capital of AGP since the Latest Practicable Date and up to the Closing Date, the maximum number of Consideration Shares which may be exchanged for AGP Shares is 80,802,953. This represents approximately 11.91% of the 678,614,726 existing issued Shares as at the Latest Practicable Date.

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## LETTER FROM BAOQIAO PARTNERS

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Save for the Offeror's indirect interest (through SEA) in the 861,278,857 AGP Shares, neither the Offeror nor SEA nor parties acting in concert with them owns or has control or direction over any other AGP Shares or holds any convertible securities, warrants, options or derivatives in respect of any AGP Shares as at the Latest Practicable Date.

For the salient terms of and a brief discussion on the Share Exchange Offer, please refer to the details in Appendix V to this Circular.

**(b) *Analysis of the Share Exchange Offer***

The historical share prices prior to 17 March 2017 have not taken into account the various dividends announced by AGP or SEA since 17 March 2017.

Based on the closing price of each Share of HK\$17.64 as quoted on the Stock Exchange on the Last Trading Day divided by 4 for each AGP Share, the ascribed value of HK\$4.41 (approximately £0.45) per AGP Share ("**Ascribed Value**") represents:

- (i) a discount of approximately 29.1% to the closing price of AGP Shares of £0.635 (approximately HK\$6.2), as quoted on AIM on 30 March 2017, being the Last AGP Trading Day;
- (ii) a discount of approximately 42.7% to the average closing price of approximately £0.785 (approximately HK\$7.7) per AGP Share as quoted on AIM for the five consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (iii) a discount of approximately 38.9% to the average closing price of approximately £0.736 (approximately HK\$7.2) per AGP Share as quoted on AIM for the 10 consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (iv) a discount of approximately 23.1% to the average closing price of approximately £0.585 (approximately HK\$5.8) per AGP Share as quoted on AIM for the 20 consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (v) a discount of approximately 14.4% to the average closing price of approximately £0.526 (approximately HK\$5.2) per AGP Share as quoted on AIM for the 30 consecutive trading days immediately prior to and including the Last AGP Trading Day; and
- (vi) a discount of approximately 69.6% to the audited consolidated net assets per AGP Share attributable to the AGP Shareholders of approximately £1.479 (approximately HK\$14.43) as at 31 December 2016 (being the date to which the latest audited consolidated annual results of AGP were made up), calculated based on AGP's audited consolidated net assets attributable to the AGP Shareholders of approximately £1,310,952,000 (approximately HK\$12,789,513,000) as at 31 December 2016 and 886,347,812 existing AGP Shares in issue as at the Latest Practicable Date.

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## LETTER FROM BAOQIAO PARTNERS

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Based on the closing price of each AGP Share of £0.635 (approximately HK\$6.19) as quoted on AIM on the Last AGP Trading Day multiplied by 4 for each Share, the implied share price of each Consideration Share under the Share Exchange Offer would be approximately HK\$24.8 (£2.540) (the “**Implied Consideration Share Price**”). The Implied Consideration Share Price of HK\$24.8 (£2.540) per Consideration Share represents:

- (i) a premium of approximately 40.6% over the closing price of Shares of HK\$17.64, as quoted on the Stock Exchange on 29 March 2017, being the Last Trading Day;
- (ii) a premium of approximately 40.0% over the average closing price of approximately HK\$17.71 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 41.2% over the average closing price of approximately HK\$17.56 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 44.4% over the average closing price of approximately HK\$17.17 per Share as quoted on the Stock Exchange for the 20 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 43.4% over the average closing price of approximately HK\$17.30 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (vi) a premium of approximately 39.6% over the audited consolidated net assets per Share attributable to the Shareholders of approximately HK\$17.76 as at 31 December 2016 (being the date to which the latest audited consolidated annual results of SEA were made up), calculated based on SEA’s audited consolidated net assets attributable to the Shareholders of approximately HK\$12,050,977,000 as at 31 December 2016 and 678,614,726 existing Shares in issue as at the Latest Practicable Date.

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## LETTER FROM BAOQIAO PARTNERS

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### *Net assets values per Share and per AGP Share*

As disclosed in the Letter from the Board, the exchange ratio of 1 Consideration Share for every 4 AGP Shares was determined by the Offeror based on the fair market value per AGP Share following the Restructuring and the fair market value per Share following the Restructuring. The fair market values of the AGP Shares and Shares are calculated based on the respective net assets values of AGP and SEA respectively and adjusted by the fair market values as at 28 February 2017 of the properties held by AGP and SEA prepared by independent third party valuers.

Based on (i) the unaudited pro forma information of the Remaining Group as set out in Appendix IV to this Circular; (ii) the AGP Pro Forma Financial Information; and (iii) the adjusted fair values of properties owned by the Remaining Group and the AGP Group by making reference to the valuation of properties performed by independent valuers of SEA and AGP dated 28 February 2017, the unaudited adjusted net assets value (the “**Adjusted NAV**”) of the Remaining Group and the AGP Group would be approximately HK\$11,034 million and HK\$4,334 million respectively. Based on the total number of issued Shares and the issued AGP Shares of 678,264,726 and 886,347,812 respectively as at the Latest Practicable Date, the adjusted NAV per Share and the adjusted NAV per AGP Share would be approximately HK\$16.27 and HK\$4.89 respectively. In view of the exchange ratio of 1 Consideration Share for 4 AGP Shares, the AGP Shares are valued at an approximately 17.5% discount as compared to the Shares in terms of the same underlying net assets value.

We note that, as disclosed in Appendix V to this Circular, the exchange ratio is not based on the historical market price of the AGP Shares or the Shares because (i) their respective market prices reflect the pre-Restructuring underlying values of these shares, not the post-Restructuring underlying values, of these shares and (ii) historically AGP Shares have been trading at a significantly higher discount to NAV than the Shares. Nevertheless, in order to assess the fairness of the Ascribed Value, we have conducted the following analysis:

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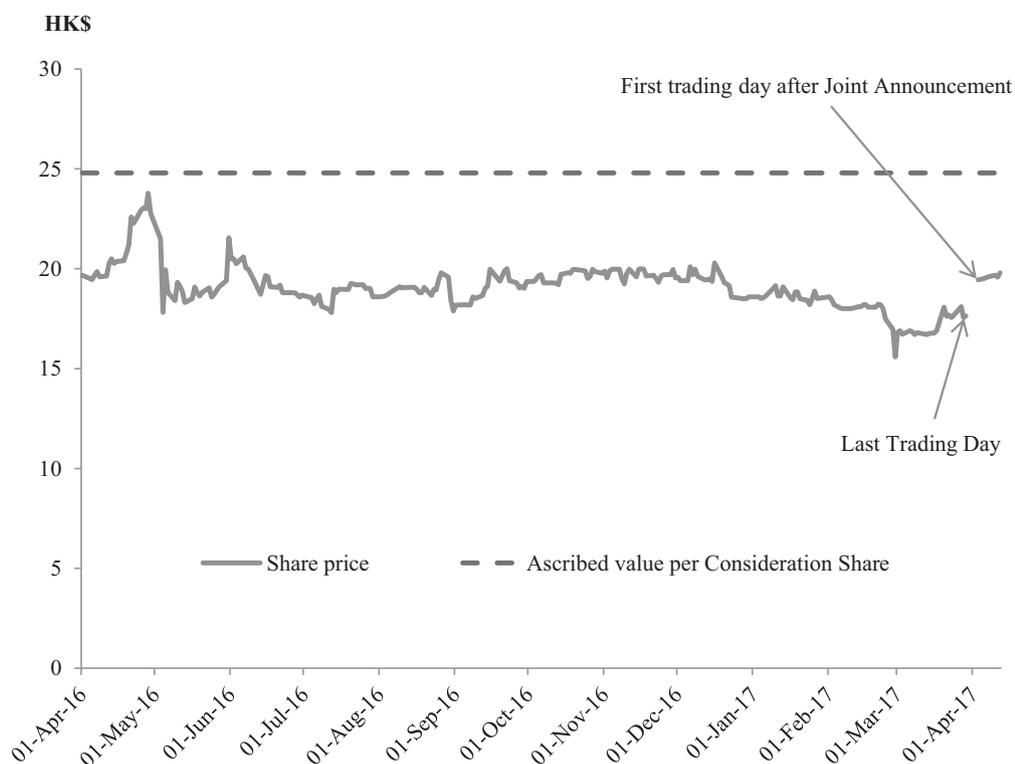
## LETTER FROM BAOQIAO PARTNERS

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### (c) *Share price performance*

#### *Share price performance of SEA*

The chart below illustrates the daily closing prices of the Shares during the period from 1 April 2016 (being approximately one year before the Last Trading Day and Last AGP Trading Day) up to and including the Latest Practicable Date (the “**Review Period**”).



Source: website of the Stock Exchange

Note: Trading of the Shares was suspended from 30 March 2017 to 31 March 2017 pending the release of the Joint Announcement.

#### (i) SEA Pre Joint Announcement Period

During the period from 1 April 2016 and up to the Last Trading Day (the “**SEA Pre Joint Announcement Period**”), the Shares were traded at a general decreasing trend with the highest closing price of HK\$23.78 on 28 April 2016 and the lowest closing price of HK\$15.58 on 28 February 2017. The average closing price was approximately HK\$19.06 per Share during the SEA Pre Joint Announcement Period.

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## LETTER FROM BAOQIAO PARTNERS

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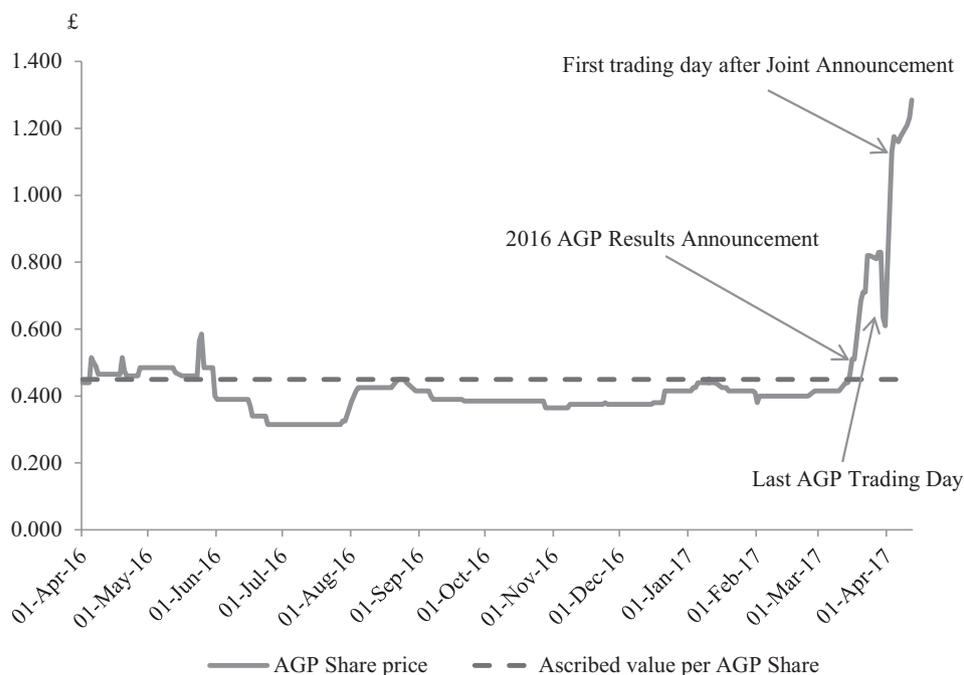
### (ii) SEA Post Joint Announcement Period

From the first trading day of the Shares after the date of the Joint Announcement to the Latest Practicable Date (the “**SEA Post Joint Announcement Period**”), the highest closing price and the lowest closing price of Shares was HK\$19.80 per Share on 12 April 2017 and HK\$19.44 per Share on 3 April 2017 respectively, with an average closing price of approximately HK\$19.59 per Share.

We note that the Implied Consideration Share Price is higher than the closing prices of SEA during the Review Period. As discussed below, the closing prices of AGP shares increased substantially since 10 March 2017 and the closing price of AGP on the Last AGP Trading Day represents a premium of 44.32% to the average closing price of £0.440 (approximately HK\$4.20) per AGP Share during the Review Period.

### Share price performance of AGP

The chart below illustrates the daily closing prices AGP Shares during the Review Period.



Source: Website of LSE.

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## LETTER FROM BAOQIAO PARTNERS

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*(a) AGP Pre Joint Announcement Period*

During the period from 1 April 2016 and up to the Last AGP Trading Day (the “**AGP Pre Joint Announcement Period**”), the AGP Shares were traded at a general increasing trend with an average closing price of £0.416 (approximately HK\$4.06) per AGP Share. During the Pre Joint Announcement Period, the highest closing price was £0.830 (approximately HK\$8.10) on 28 March 2017 and 29 March 2017 and the lowest closing price was £0.315 (approximately HK\$3.07) on each trading day from 24 June 2016 to 27 July 2016.

The closing prices of AGP Shares were traded in a range of £0.38 (approximately HK\$3.71) to £0.415 (approximately HK\$4.05) during the period from 1 February 2017 to 10 March 2017. It surged from £0.415 (approximately HK\$4.05) on 10 March 2017 to the highest of £0.830 (approximately HK\$8.10) on 28 and 29 March 2017 and dropped to £0.635 on the Last AGP Trading Day. We noted from the website of AIM that during the above period, AGP published the announcement of its 2016 AGP Annual Results on 17 March 2017, which includes, among other things, the declaration of a special dividend (“**Special Cash Dividend**”) of HK\$2.25 (approximately £0.231) per common AGP Share for the year ended 31 December 2016 to the AGP Shareholders whose names appear on the register of members of AGP at 4:00 p.m. on 31 March 2017.

*(b) AGP Post Joint Announcement Period*

From the first trading day of the AGP Shares (i.e. 3 April 2017) after the date of the Joint Announcement to the Latest Practicable Date (the “**AGP Post Joint Announcement Period**”), the closing price of the AGP Shares surged to £1.285 (approximately HK\$12.54) per AGP Share on 12 April 2017. The closing prices of AGP Shares remained at a relatively high level with an average closing price of approximately £1.192 (approximately HK\$11.62) per AGP Share from 3 April 2017 up to the Latest Practicable Date.

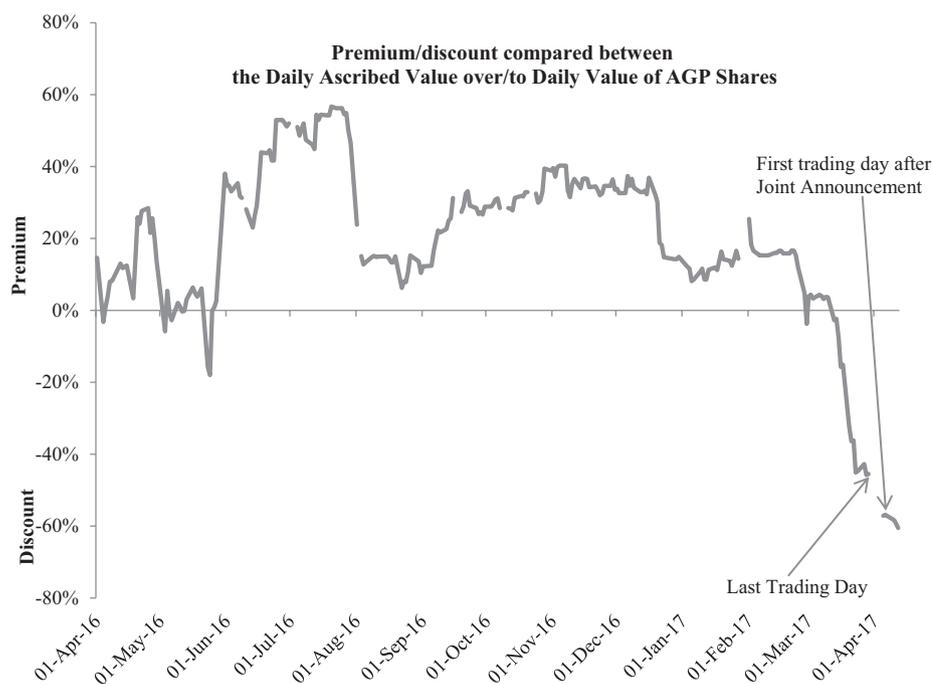
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## LETTER FROM BAOQIAO PARTNERS

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### *Share price performance of the daily ascribed value per AGP Share*

Based on the exchange ratio of 1 Consideration Share for 4 AGP Shares, we have conducted an analysis on the daily ascribed value per AGP Share (equivalent to the daily closing price of the Shares as quoted on the Stock Exchange divided by 4 for each AGP Share) (“**Daily Ascribed Value per AGP Share**”) as compared to the daily closing price of the AGP Shares (“**Daily Value of AGP Shares**”) throughout the Review Period, and the chart below depicts the premium/discount for the Daily Ascribed Value per AGP Share over/to the Daily Value of AGP Shares.



Source: websites of the Stock Exchange and LSE.

Note: Trading of the Shares was halted from 30 March 2017 to 31 March 2017.

As depicted from the above table, the Daily Ascribed Value per AGP Share represented a premium over the Daily Value of AGP Shares during majority of the time before publication of the Joint Announcement. Since 13 March 2017 and up to the Latest Practicable Date, the Daily Ascribed Value per AGP Share represented a discount to the Daily Value of AGP Shares, which is in line with the trading movement of AGP Shares as discussed above during the Review Period.

The Qualifying Shareholders should take into account the substantial increase in the closing prices of the AGP Shares since 10 March 2017. AGP Shares were traded at the highest of £1.285 on 12 April 2017 during AGP Post Announcement Period.

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## LETTER FROM BAOQIAO PARTNERS

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There is no guarantee that the current AGP Share Prices will or will not sustain after the date of this circular and/or during and after the offer period. We strongly suggest the Qualifying Shareholders should closely monitor the market price and the liquidity of AGP Shares after the date of this circular, including and up to close of the offer period.

**(c) Liquidity**

*Trading volume of Shares*

For the purpose of assessing the trading liquidity of the Shares, we set out below the total monthly trading volume, the average daily trading volume per month and the respective percentage of average daily trading volume to total number of the Shares in issue at month end during the Review Period.

Month	Total monthly trading volume <i>(Number of Shares)</i>	Average daily trading volume <i>(Number of Shares)</i>	Percentage of average daily trading volume to total number of Shares in issue at the month end <i>(%)</i>
<b>2016</b>			
April	7,530,451	376,523	0.055%
May	5,597,430	266,544	0.039%
June	2,580,861	122,898	0.018%
July	5,375,645	268,782	0.040%
August	1,454,000	66,091	0.010%
September	2,012,860	95,850	0.014%
October	1,921,265	101,119	0.015%
November	852,430	38,747	0.006%
December	745,645	37,282	0.006%
<b>2017</b>			
January	326,430	17,181	0.003%
February	1,971,240	98,562	0.015%
March	7,505,607	357,410	0.053%
April (Up to Latest Practicable Date)	2,250,000	321,429	0.047%

*Source: website of the Stock Exchange.*

*Note:* Average daily trading volume is calculated by dividing the total trading volume of the Shares for the month by the number of trading days during the month.

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## LETTER FROM BAOQIAO PARTNERS

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The above table demonstrates that during the Review Period, the percentage of the average daily trading volume of the Shares were in the range of approximately 0.003% to 0.055% with an average of approximately 0.025% of the total number of Shares in issue as at the end of the respective month. The above statistics revealed that trading in the Shares was relatively very thin during the Review Period and the trading of the Shares were generally illiquid in the open market.

### *Trading volume of AGP Shares*

For the purpose of assessing the trading liquidity of the AGP Shares, we set out below the total monthly trading volume, the average daily trading volume per month and the respective percentage of average daily trading volume to total number of AGP Shares in issue at month end during the Review Period.

Month	Total monthly trading volume <i>(Number of AGP shares)</i>	Average daily trading volume <i>(Number of AGP Shares)</i>	Percentage of average daily trading volume to total number of AGP Shares in issue at month end <i>(%)</i>
<b>2016</b>			
April	288,700	13,748	0.00155%
May	333,000	15,857	0.00179%
June	69,500	3,159	0.00036%
July	42,900	2,043	0.00023%
August	101,900	4,632	0.00052%
September	27,600	1,255	0.00014%
October	2,200	105	0.00001%
November	40,700	1,850	0.00021%
December	21,100	959	0.00011%
<b>2017</b>			
January	50,200	2,282	0.00026%
February	149,000	7,450	0.00084%
March	679,900	29,561	0.00334%
April (Up to Latest Practicable Date)	983,920	122,990	0.01388%

*Source: website of LSE.*

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## LETTER FROM BAOQIAO PARTNERS

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The above table demonstrates that during the Review Period, the percentage of the average daily trading volume of the AGP Shares were in the range of approximately 0.00001 % to 0.01388% with an average of approximately 0.00179% of the total number of AGP Shares in issue as at the end of the respective month. The above statistics revealed that trading in the AGP Shares was very thin during the Review Period and the trading of the AGP Shares were very illiquid in the open market.

Based on the above liquidity analysis on the Shares and the AGP Shares, the average daily trading volume of the Shares is approximately 13 times higher than that of AGP Shares during the Review Period, though both of which are considered to be low liquidity.

Assuming the Distribution in Specie took place, the AGP Shares would be held as to approximately 28.65% by the public (including the Independent Shareholders) and we are of the view that by implementing the Distribution in Specie, the liquidity of the AGP Shares may increase as a result of the enlarged base of public shareholders. Nevertheless, the Qualifying Shareholders should note that the AGP Shares were generally illiquid during the Review Period and, especially for those with significant shareholdings in AGP after the Distribution in Specie, they might not be able to dispose the AGP Shares in the market without exerting a downward pressure on the market price of the AGP Shares, which may be lower than the ascribed value of HK\$4.14 per AGP Share. The Share Exchange Offer provides an investment alternative for the Qualifying Shareholders to switch their investments to SEA. However, the Qualifying Shareholders should also note that since the trading volume of SEA is also thin, they might not be able to dispose of the Shares in the market, if so desired, without exerting a downward pressure on the market price of the Shares.

*(d) Comparison with other comparable companies*

Based on the ascribed value of HK\$4.41 per AGP Share and the total number of issued AGP Shares of 886,347,812 as at the Latest Practicable Date, AGP is valued at approximately HK\$3,908.79 million. The P/E and P/B ratio of AGP implied by the ascribed value of AGP Shares is approximately 9.19 times (the “**Implied AGP P/E Ratio**”) and 0.92 times (the “**Implied AGP P/B Ratio**”), respectively, based on the profit attributable to AGP Shareholders of approximately HK\$425.38 million for the year ended 31 December 2016 and the unaudited pro forma net assets value attributable to AGP Shareholders of approximately HK\$12,050.98 million as disclosed in the AGP Pro Forma Information.

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## LETTER FROM BAOQIAO PARTNERS

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We have attempted to identify the comparable companies which are (i) listed on AIM; (ii) principally engaged in real estate related business, which is same or similar business as the business of the AGP Group (i.e. property development and investment); and (iii) with market capitalizations over £100 million (given the market capitalization of AGP of approximately £1,139.0 million as at the Latest Practicable Date). Under such selection criteria, 4 comparable companies (the “AGP Comparables”) are identified, which are exhaustive under our selection criteria. Details of our analysis are listed below:

Company Name	Currency	Market capitalization as at the Latest Practicable Date <i>(Note 1)</i> <i>(million)</i>	Profit attributable to equity holders <i>(Note 2)</i> <i>(million)</i>	Net asset value attributable to equity holders <i>(Note 3)</i> <i>(million)</i>	P/E <i>(Note 4)</i> <i>(Note 5)</i>	P/B <i>(Note 6)</i>
Conygar Investment						
Company Plc (the)	GBP	127.7	-5.45	152.04	NA	0.84
Globalworth Real Estate						
Investments Limited	Euro	688.8	11.32	715.39	60.85	0.96
Inland Homes Plc	GBP	124.7	28.74	116.03	4.34	1.07
Summit Germany						
Limited	Euro	470.1	60.07	409.48	7.82	1.15
				Minimum	4.34	0.84
				Maximum	7.82	1.15
				Average	6.08	1.01
				Median	6.08	1.02
AGP					9.19	0.92

*Source: website of the LSE.*

*Note:*

1. The market capitalisation of the AGP Comparables is calculated on the basis of their respective closing prices of the shares and the total number of issued shares as at Latest Practicable Date.
2. The respective profit attributable to equity holders as disclosed in the latest public annual reports and/or annual results announcements on or before the Latest Practicable Date.
3. The respective net asset values attributable to equity holders as disclosed in the latest published annual reports and/or annual results announcements on or before the Latest Practicable Date.

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## LETTER FROM BAOQIAO PARTNERS

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4. The P/E ratios of the AGP Comparables are calculated on the basis of their respective market capitalisation and profit attributable to equity holders as disclosed in the latest public annual reports and/or annual results announcements on or before the Latest Practicable Date.
5. The P/E ratio of Globalworth Real Estate Investments Limited is considered as an outlier due to its extraordinary outcome of P/E ratio, thus it is excluded from calculation.
6. The P/B ratios of the AGP Comparables are calculated on the basis of their respective market capitalisation and net assets value attributable to equity holders as disclosed in the latest public annual reports and/or annual results announcements on or before the Latest Practicable Date.

As shown in the table above, the P/E ratio of the AGP Comparables ranges from approximately 4.34 to approximately 7.82 with an average and median of 6.08 and 6.08 and the P/B ratio of the AGP Comparables ranges from approximately 0.84 to approximately 1.15 with an average and median of 1.01 and 1.02. We noted that the Implied AGP P/E Ratio is higher than the maximum of the P/E ratio of the AGP Comparables. The Implied AGP P/B Ratio is slightly below the average and median and lies within the range of the P/B ratio of the AGP Comparables. Based on the above, we consider the ascribed value per AGP Share is fair and reasonable.

Despite the AGP Shares are valued at an approximately 17.5% discount as compared to the Shares in terms of the same underlying net assets value based on the exchange ratio of 1 Consideration Share for 4 AGP Shares, we consider the share exchange ratio is fair and reasonable as (i) the Ascribed Value is within the range of the lowest and highest closing prices of AGP Shares during the Review Period; (ii) the Daily Ascribed Value represented a premium to the closing prices of AGP Shares for a majority of the time during the Review Period; (iii) the Implied AGP P/E Ratio is higher than the maximum of the P/E ratio of the AGP Comparables and the Implied AGP P/B Ratio lie in the range of the AGP Comparables; and (iv) the relatively low liquidity of the trading of AGP Shares as compared to SEA.

**The Qualifying Shareholders should note the Share Exchange Offer is an offer which does not involve cash. The ascribed value of the AGP Shares under the Share Exchange Offer will change from time to time according to the fluctuations in the price of Shares during the Offer Period, and it is uncertain whether the market prices of the AGP Shares and/or the Shares would rise or not and whether the ascribed value of AGP Shares under the Share Exchange Offer would represent discount or premium to its market prices after the date of this Circular.**

**The purpose for including the above analysis of the Share Exchange Offer is for the Independent Shareholders to make a fully informed decision when assessing the fairness and reasonableness of the Distribution in Specie.**

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## LETTER FROM BAOQIAO PARTNERS

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The Composite Document setting out details of the Share Exchange Offer and advice of the AGP IBC and independent financial adviser to the AGP IBC and attaching therewith the acceptance and transfer forms will be sent to the AGP Qualifying Shareholders in accordance with the Takeovers Code. In this connection, an independent financial adviser to the AGP IBC will be appointed to advise the AGP Independent Shareholders (being AGP Shareholders other than the Offeror and parties acting in concert with it), in particular, as to whether the Share Exchange Offer is, or is not, fair and reasonable and to make a recommendation to the AGP Independent Shareholders as to acceptance in respect of the Share Exchange Offer. AGP Qualifying Shareholders should refer to the Composite Document for the full information of the Share Exchange Offer.

### POSSIBLE FINANCIAL EFFECTS OF THE DISTRIBUTION IN SPECIE (FOLLOWING COMPLETION OF THE ASSET DISTRIBUTION)

Following completion of the Distribution in Specie, the AGP and its subsidiaries will no longer be members of the Group and accordingly, the financial results, assets and liabilities of the AGP Group will cease to be consolidated into the financial statements of the Remaining Group in the future.

#### (i) Revenue and earnings

Based on the unaudited pro forma consolidated income statement as shown in the Appendix IV to the Circular, the turnover and profit from operations before fair value changes of the Remaining Group would decrease from approximately HK\$565.98 million and approximately HK\$170.05 million respectively to approximately HK\$434.33 million and approximately HK\$121.45 million respectively.

As a result of the exclusion of the AGP PRC Properties, there would be a reversal of fair value loss on investment properties for FY2016 and the Remaining Group's net profit would therefore increase from approximately HK\$571.92 million to approximately HK\$829.70 million.

#### (ii) Net assets

The reduction in the net assets of the Remaining Group as a result of the Distribution In Specie is reasonably expected given that the net assets associated with the AGP Group are no longer held by the Remaining Group upon completion of the Distribution in Specie. Notwithstanding that the net assets of the Group will reduce as a result of the successful implementation of the Asset Reorganisation and the Distribution in Specie, all Shareholders will at the same time receive AGP Shares under the Distribution in Specie, the net asset value of which (i.e. approximately HK\$3,816.41 million as per the unaudited pro forma consolidated statement of financial position of the Group as shown in the Appendix IV to the Circular) is not expected to differ materially from the decrease in the net asset value of the Remaining Group.

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## LETTER FROM BAOQIAO PARTNERS

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Based on the unaudited pro forma consolidated statement of financial position of the Group as shown in the Appendix IV to the Circular, the total assets and total liabilities of the Remaining Group (including the effect of the declaration of the AGP Dividend) are expected to decrease by approximately HK\$4,724.44 million and approximately HK\$648.57 million respectively. Therefore, the net assets of the Remaining Group would decrease by approximately HK\$4,075.87 million from approximately HK\$12,332.70 million to HK\$8,256.83 million.

As such, we are of the view that the expected reduction in the Group's net asset value due to the Distribution in Specie is acceptable so far as the Independent Shareholders are concerned.

### RECOMMENDATION

Having considered that (i) the Distribution in Specie is conditional upon, among others, the completion of the Asset Redistribution and the Independent Shareholder's approval on the Distribution in Specie; (ii) each of the Remaining Group and the AGP Group will have greater focus on their respective business activities independently; (iii) the AGP Shares are traded on the open market and the Qualifying Shareholders will have the flexibility to determine the level of their participation in investing in AGP; (iv) the liquidity of AGP Shares will be increased and AGP will have larger shareholder base; (v) the Distribution in Specie will not bring dilutive effect on the interests of the Shareholders; (vi) the Qualifying Shareholders will have an opportunity to directly participate in the investment of and enjoy the return of AGP; and (vii) given the exchange ratio of the Share Exchange Offer is fair and reasonable, the Share Exchange Offer provide the Qualifying Shareholders an alternative exit should they wish not to keep the AGP Shares, we are of the view that the terms of Distribution in Specie are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders to vote in favour of the relevant resolution(s) at the SGM in respect of the Distribution in Specie.

Yours faithfully,  
**BaoQiao Partners Capital Limited**

**1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP**

Details of the financial information of the Group for each of the three years ended 31 December 2014, 2015 and 2016 are disclosed in the annual reports of SEA for the years ended 31 December 2014 and 2015 and the annual results announcement of SEA for the year ended 31 December 2016 respectively. These annual reports and annual results announcement are published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and SEA ([www.seagroup.com.hk](http://www.seagroup.com.hk)), and can be accessed by the direct hyperlinks below:

- annual report of SEA for the year ended 31 December 2014, on pages 45 to 106:  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0427/LTN20150427503.pdf>
- annual report of SEA for the year ended 31 December 2015, on pages 55 to 126:  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0426/LTN20160426586.pdf>
- annual results announcement of SEA for the year ended 31 December 2016, on pages 1 to 23:  
<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0327/LTN20170327827.pdf>

**2. WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources available to the Group including internally generated funds and other financial resources, the Group will have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of publication of this circular, in the absence of unforeseeable circumstances.

**3. STATEMENT OF INDEBTEDNESS**

As at 28 February 2017, the Group had outstanding total unguaranteed borrowings in Hong Kong and PRC amounting to HK\$4,217.3 million, which was comprised of secured bank loans of HK\$3,567.3 million and unsecured bank loans of HK\$650.0 million. The secured bank loans were secured by the Group's properties valued at HK\$3,492.8 million (being their carrying amounts as at 31 December 2016) and listed debt securities with a carrying amount as at 28 February 2017 of HK\$1,148.7 million and pledged cash of HK\$537.8 million.

As at 28 February 2017, a subsidiary of the Group operating in Australia had pledged its properties with an aggregate carrying value of HK\$158.4 million as at 31 December 2016 to secure bank loans of HK\$77.4 million which are unguaranteed.

As at 28 February 2017, a subsidiary of the Group operating in United Kingdom pledged its properties with an aggregate carrying value of HK\$61.4 million as at 31 December 2016 to secure bank loans of HK\$39.5 million which are unguaranteed.

In addition, the Group has issued guaranteed notes on 19 January 2017 with a principal amount of US\$200 million (equivalent to HK\$1,552.4 million) maturing on 19 January 2020.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 28 February 2017, have any material outstanding (i) debt securities, whether issued and outstanding, authorized or otherwise created but unissued or term loan, whether guaranteed, unguaranteed, secured (whether the security is provided by the Company or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or finance lease commitments, whether guaranteed, unguaranteed, secured and unsecured; (iii) mortgage or charges; or (iv) guarantees or other material contingent liabilities.

The Directors are not aware of any material change in the indebtedness and contingent liability position of the Group since 28 February 2017.

#### **4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group has significant funds for future investments after the disposal of Dah Sing Financial Centre and various Mainland China property development projects in prior year. The Group will remain skeptically proactive and continue to monitor the property markets of Hong Kong, Mainland China and overseas closely in order to identify potential acquisition targets at opportune times.

Amid an uncertain global economy and a strong Hong Kong dollar, the tourism in Hong Kong will remain to be weak. The one-trip-per-week policy and the depreciation of the yuan will continue to affect the number of Mainland visitors. With the challenging hotel business environment in Hong Kong, Crown Plaza Causeway Bay was able to maintain the market share among the primary competitors. We will continue to strive for market share, improve hotel operation's efficiency and at the same time look for cost saving measures, so as to maintain the return of the operations.

The Group's office properties in Mainland China are facing a challenging environment arising from increasing supply and deprecation of RMB. Having said that, our office properties in Mainland China have been maintaining at relatively high occupancy rate and rent as compared with the market and provides stable cash flows to the Group. We will continue to build on the strong foundation of our leasing portfolio, execute an effective leasing strategy and add value on our properties through asset enhancement initiative.

**5. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited financial statements of SEA have been made up.

The Directors  
SEA Holdings Limited  
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Central, Hong Kong

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F: (852) 2530 0756

EA LICENCE: C-023750  
savills.com

18 April 2017

Dear Sirs,

- Re: (1) Plaza Central, 8 Shunchengda Street, Yanshikou, Jinjiang District, Chengdu, Sichuan Province, the People's Republic of China**
- (2) Office Tower, Westmin Plaza Phase II, 50 Zhongshan 7th Road, Liwan District, Guangzhou, Guangdong Province, the People's Republic of China**
- (3) Commercial Podium in Zone B and 50 Car Parking Spaces on Basements 2 and 3, New Century Plaza, 6 Xiyulong Street, Qingyang District, Chengdu, Sichuan Province, the People's Republic of China**
- (4) Room Nos. B101, 101, 102, 103, 104, 108 and 201 together with 448 Car Parking Spaces, Westmin Plaza Phase II, 48 - 58 Zhongshan 7th Road, Liwan District, Guangzhou, Guangdong Province, the People's Republic of China**

### Instructions

In accordance with your instructions for us to value the captioned properties (the "Properties") situated in the People's Republic of China (the "PRC") in which SEA Holdings Limited (the "Company") or its subsidiaries (collectively referred to the "Group") have interests, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Properties as at 28 February 2017 (the "Valuation Date") for inclusion in a circular.

**Basis of Valuation**

Our valuation is our opinion of the market value of the property concerned which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuation is prepared in compliance with the requirements set out in Rule 11 of the Codes on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong, Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as well as in accordance with The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

**Property Categorization and Valuation Methodology**

The properties in Group I are held by the Group for investment purposes and the property in Group II is held by the Group for sale. In the course of our valuation of the shop and office portions of the Properties in Groups I and II, we have adopted the income capitalization approach whereby the rental incomes of contractual tenancies are capitalized for the unexpired terms of tenancies. We have also taken into account the reversionary market rents after the expiry of tenancies in capitalization.

In the course of our valuation of the car park portion of the Properties in Groups I and II, we have adopted the direct comparison approach and made reference to the sales of comparable properties as available in the market.

**Title Investigation**

We have been provided with copies of extracts of the title documents relating to the Properties. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies provided to us. In the course of our valuation, we have relied to a considerable extent on the information given by the Group and the legal opinion issued by the Group’s legal adviser, JunZeJun Law Offices, regarding the titles to the Properties in the PRC.

**Valuation Assumptions and Source of Information**

In valuing the Properties in the PRC, unless otherwise stated, we have assumed that transferable land use rights of the Properties for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. Unless otherwise stated, we have also assumed that the Group has enforceable titles to the Properties and has free and uninterrupted rights to occupy, use, lease or transfer the Properties for the whole of the respective unexpired terms as granted.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on the information provided to us and are therefore only approximations. No on-site measurements have been taken. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation. We have also sought confirmation from the Group that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

### **Site Inspection**

We have inspected the exterior and where possible, the interior of the Properties. Our inspections were undertaken by our Mr. Anthony Lau, Ms. Joanna Cheung and Ms. Julia Qin in the period between January to March 2017. During the course of our inspections, we did not note any serious defects. Moreover, no structural survey has been made, we are therefore unable to report whether the Properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

### **Potential Tax Liabilities**

For the purpose of compliance with Rule 11.3 of the Codes on Takeovers and Mergers and as advised by the Group, the potential tax liabilities which would arise on the disposal of the properties in the PRC mainly comprise value-added tax at 5.6%, land appreciation tax at progressive rates from 30% to 60%, stamp duty at 0.05% and corporate income tax at 25%.

As advised by the Group, in respect of Property Nos. 1 to 3 in Group I which are held by the Group in the PRC for investment, the Group has no intention to dispose of those properties and it is unlikely that such tax liabilities will be crystallized. For Property No. 4 in Group II in the PRC which is held by the Group for sale, it is likely that the potential tax liability will be crystallized upon sale. As advised by the Group, the total estimated amount of potential tax liability in respect of this property is approximately RMB100 million.

According to our established practice, in the course of our valuation, we have neither verified nor taken into account such tax liability.

**Remarks**

Unless otherwise stated, all money amounts are stated in Renminbi (“RMB”).

We enclose herewith our summary of values and valuation certificate.

Yours faithfully

For and on behalf of

**Savills Valuation and Professional Services Limited**

**Anthony C.K. Lau**

***MRICS MHKIS RPS(GP)***

*Director*

*Note:* Mr. Anthony C.K. Lau is a professional surveyor who has over 24 years’ experience in valuation of properties in Hong Kong and the PRC.

## SUMMARY OF VALUES

No.	Property	Market value in existing state as at 28 February 2017	Interest attributable to the Group	Market value attributable to the Group as at 28 February 2017
<b>Group I — Properties held by the Group for investment purposes</b>				
1.	Plaza Central, 8 Shunchengda Street, Yanshikou, Jinjiang District, Chengdu, Sichuan Province, PRC	RMB1,382,000,000	97.17%	<b>RMB1,342,889,400</b>
2.	Office Tower, Westmin Plaza Phase II, 50 Zhongshan 7th Road, Liwang District, Guangzhou, Guangdong Province, PRC	RMB259,000,000	97.17%	<b>RMB251,670,300</b>
3.	Commercial Podium in Zone B and 50 Car Parking Spaces on Basements 2 and 3, New Century Plaza, 6 Xiyulong Street, Qinyang District, Chengdu, Sichuan Province, PRC	RMB135,900,000	97.17%	<b>RMB132,054,030</b>
<b>Group I Sub-total</b>		RMB1,776,900,000		RMB1,726,613,730
<b>Group II — Property held by the Group for sale</b>				
4.	Room Nos. B101, 101, 102, 103, 104, 108 and 201 together with 448 Car Parking Spaces, Westmin Plaza Phase II, 48-58 Zhongshan 7th Road, Liwang District, Guangzhou, Guangdong Province, PRC	RMB440,000,000	97.17%	<b>RMB427,548,000</b>
<b>Group II Sub-total</b>		RMB440,000,000		RMB427,548,000
<b>Grand Total:</b>		<b>RMB2,216,900,000</b>		<b>RMB2,154,161,730</b>



No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2017
		In addition, the gross floor area of 225 car parking spaces in Basements 2 and 3 and the passage in Basement 1 is approximately 12,229.92 sq.m..		
		The land use rights of the property were granted for a term of 70 years from 7 October 1993 for composite use.		

*Notes:*

1. Pursuant to the State-owned Land Use Certificate - Cheng Guo Yong (1993) Zi Di No. 056 dated 7 October 1993 issued by the State-owned Land Resources Administrative Bureau of Chengdu, the land use rights of a parcel of land with a site area of 7,719.49 sq.m. were granted to Chengdu Huashang House Development Company Limited (成都華商房屋開發有限公司) (“Chengdu Huashang”) for a term of 70 years from 7 October 1993 for composite use. Chengdu Huashang is a 97.17%-owned subsidiary of the Company.
2. Pursuant to the Building Ownership Certificates - Cheng Fang Quan Zheng Jian Zheng Zi Di Nos. 1611210, 1611213, 1611228 and 1611802 issued by the Real Estate Administrative Bureau of Chengdu in November 2007, the building ownership of the property with a total gross floor area of 91,454.99 sq.m. is vested in Chengdu Huashang.
3. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser dated 20 March 2017, which contains, inter alia, the following information:
  - (i) the land use rights and building ownership of the property are legally owned by Chengdu Huashang;
  - (ii) the Building Ownership Certificates - Cheng Fang Quan Zheng Jian Zheng Zi Di Nos. 1611210 and 1611213 of the property are subject to a mortgage in favour of Bank of China Limited Chengdu Kaifaxiqu Branch (中國銀行股份有限公司成都開發西區支行) for a term due to expire on 25 December 2021;
  - (iii) except for the mortgaged portion, Chengdu Huashang is entitled to occupy, use, receive income and dispose of (including but not limited to transfer, lease and mortgage) the property; and
  - (iv) after obtaining the consent from the mortgagee, Chengdu Huashang is entitled to dispose of (including but not limited to transfer, lease and mortgage) the mortgaged portion of the property.
4. We have issued a valuation report to Asian Growth Properties Limited, which is a 97.17%-owned subsidiary of the Company, dated 10 March 2017 for the valuation of the property as at 31 December 2016 for accounting purpose. The market value of the property as at 31 December 2016 is RMB1,382,000,000. We have also issued a valuation report to Asian Growth Properties Limited dated 31 March 2017 for the valuation of the property as at 28 February 2017 for inclusion in a circular. The market value of the property as at 28 February 2017 is RMB1,382,000,000.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2017
2.	Office Tower, Westmin Plaza Phase II, 50 Zhongshan 7th Road, Liwan District, Guangzhou, Guangdong Province, PRC	<p>Phase II of Westmin Plaza comprises 4 residential blocks and an office tower erected on a 5-storey (including 3 basement levels) commercial/car-parking podium. The development was completed in March 2008. The office building is erected on a parcel of land with a site area of approximately 6,547.00 sq.m..</p> <p>The property is situated in Liwan District. Developments in the locality are mainly high-rise office and commercial buildings. Ximenkou Metro Station is about 5 minutes walking distance from the property. Taxis and buses are accessible to the property.</p> <p>The property comprises the whole of the office tower from Levels 3 to 18 (there being no Levels 4 and 14) with a total gross floor area of approximately 16,111.93 sq.m..</p> <p>The land use rights of the property were granted for terms of 70 years, 40 years and 50 years from 23 May 2000 for residential use, commercial, entertainment and tourism use and other use respectively.</p>	<p>As at the Valuation Date, about 99% of the property was leased out and subject to various tenancies with the latest one expiring on 7 April 2020 at a total monthly rental of approximately RMB1,700,000 exclusive of management fees.</p> <p>Office space with gross floor area of 174.00 sq.m. was occupied by the owner whilst the remaining portion was vacant.</p>	<p>RMB259,000,000 (97.17% interest attributable to the Group: RMB251,670,300)</p>

*Notes:*

1. Pursuant to the Guangzhou Real Estate Ownership Certificate (廣州市房地產權屬證明書) No. B0002691 dated 8 January 2009, the property is held by Guangzhou Yingfat House Property Development Company Limited (廣州市盈發房產發展有限公司) (“Guangzhou Yingfat”) for terms of 70 years, 40 years and 50 years from 23 May 2000 for residential use, commercial, entertainment and tourism use and other use respectively. Guangzhou Yingfat is a 97.17%-owned subsidiary of the Company.
2. Pursuant to the 14 Building Ownership Certificates - Yue Fang Di Quan Zheng Sui Zi Di Nos. 0120146462, 0120146463, 0120146467, 0120146470, 0120146472, 0120146474, 0120146475, 0120146477, 0120146478, 0120146482, 0120146485, 0120146487, 0120146490 and 0120146492 issued by Guangzhou Municipal Land Resources and Housing Administrative Bureau registered on 11 October 2010, the building ownership of the property with a total gross floor area of 16,111.93 sq.m. is vested in Guangzhou Yingfat.
3. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser dated 23 March 2017, which contains, inter alia, the following information:
  - (i) the land use rights and the building ownership of the property are legally owned by Guangzhou Yingfat;
  - (ii) the 14 Building Ownership Certificates of the property are subject to a mortgage in favour of Bank of China Limited Guangzhou Liwan Branch (中國銀行股份有限公司廣州荔灣支行) for a term due to expire on 21 April 2021; and
  - (iii) after obtaining the consent from the mortgagee, Guangzhou Yingfat is entitled to dispose of (including but not limited to transfer, lease and mortgage) the property.
4. We have issued a valuation report to Asian Growth Properties Limited, which is a 97.17%-owned subsidiary of the Company, dated 10 March 2017 for the valuation of the property as at 31 December 2016 for accounting purpose. The market value of the property as at 31 December 2016 is RMB259,000,000. We have also issued a valuation report to Asian Growth Properties Limited dated 31 March 2017 for the valuation of the property as at 28 February 2017 for inclusion in a circular. The market value of the property as at 28 February 2017 is RMB259,000,000.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2017
3.	Commercial Podium in Zone B and 50 Car Parking Spaces on Basements 2 and 3, New Century Plaza, 6 Xiyulong Street, Qingyang District, Chengdu, Sichuan Province, PRC	<p data-bbox="456 331 751 591">New Century Plaza is a 35-storey plus a 3-level basement commercial/office building. The development was completed in about 2003 and is erected on a parcel of land with a site area of approximately 6,725.82 sq.m..</p> <p data-bbox="456 634 751 959">The property is situated in Yanshikou, Jinjiang District. Developments in the locality are mainly medium to high-rise residential and commercial buildings. Luomashi Metro Station is about 5 to 10 minutes walking distance from the property. Taxis and buses are accessible to the property.</p> <p data-bbox="456 1002 751 1193">The property comprises the entire commercial spaces on Levels 1 to 5 and Basement 1 in Zone B, and 50 car parking spaces on Basements 2 and 3 of the development.</p> <p data-bbox="456 1236 751 1364">The total gross floor area of the property (excluding the car parking area) is approximately 16,280.02 sq.m..</p> <p data-bbox="456 1406 751 1596">The land use rights of the property were granted for a term expiring on 18 May 2063 for commercial and other commercial service (office) uses.</p>	The commercial podium is leased for a term expiring on 19 June 2027 at a monthly rent of RMB45/sq.m. (exclusive of management fee) for the first three years and it will be increased by 8% for every three years until the tenancy expires.	RMB135,900,000 (97.17% interest attributable to the Group: RMB132,054,030)

*Notes:*

1. Pursuant to the State-owned Land Use Certificate - Cheng Guo Yong (2008) Zi Di No. 300 dated 21 March 2008 issued by the State-owned Land Resources Administrative Bureau of Chengdu, the land use rights of a parcel of land with a site area of 1,638.59 sq.m. were granted to Sino Harvest Real Estate Development (Chengdu) Company Limited (漢泰房地產開發(成都)有限公司) (“Sino Harvest Chengdu”) for a term expiring on 18 May 2063 for commercial and other commercial service (office) uses. Sino Harvest Chengdu is a 97.17%-owned subsidiary of the Company.
2. Pursuant to the Building Ownership Certificate - Cheng Fang Quan Zheng Jian Zheng Zi Di No. 1629268 dated 7 January 2008 issued by the Real Estate Administrative Bureau of Chengdu, the building ownership of the property with a total gross floor area of 19,261.34 sq.m. is vested in Sino Harvest Chengdu.
3. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser dated 20 March 2017, which contains, inter alia, the following information:
  - (i) the land use rights and building ownership of the property are legally owned by Sino Harvest Chengdu;
  - (ii) the Building Ownership Certificate of the property is subject to a mortgage in favour of Bank of China Limited Chengdu Kaifaxiqu Branch (中國銀行股份有限公司成都開發西區支行) for a term due to expire on 9 June 2025; and
  - (iii) after obtaining the consent from the mortgagee, Sino Harvest Chengdu is entitled to dispose of (including but not limited to transfer, lease and mortgage) the property.
4. We have issued a valuation report to Asian Growth Properties Limited, which is a 97.17%-owned subsidiary of the Company, dated 10 March 2017 for the valuation of the property as at 31 December 2016 for accounting purpose. The market value of the property as at 31 December 2016 is RMB135,900,000. We have also issued a valuation report to Asian Growth Properties Limited dated 31 March 2017 for the valuation of the property as at 28 February 2017 for inclusion in a circular. The market value of the property as at 28 February 2017 is RMB135,900,000.

## Group II — Property held by the Group for sale

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2017
4.	Room Nos. B101, 101, 102, 103, 104, 108 and 201 together with 448 Car Parking Spaces, Westmin Plaza Phase II, 48-58 Zhongshan 7th Road, Liwan District, Guangzhou, Guangdong Province, PRC	<p>Phase II of Westmin Plaza (the “Development”) comprises 4 residential blocks and an office tower erected on a 5-storey (including 3 basement levels) commercial/car-parking podium. The development was completed in March 2008.</p> <p>The property is situated in Liwan District. Developments in the locality are mainly high-rise office and commercial buildings. Ximenkou Metro Station is about 5 minutes walking distance from the property. Taxis and buses are accessible to the property.</p> <p>The property comprises the commercial spaces on Basement 1, Levels 1 and 2 of the podium with a total gross floor area of approximately 26,403.74 sq.m. and 448 car parking spaces on both Basements 2 and 3.</p> <p>The land use rights of the property were granted for terms of 70 years, 40 years and 50 years from 23 May 2000 for residential use, commercial, entertainment and tourism use and other use respectively.</p>	<p>As at the Valuation Date, portion of the property with a gross floor area of 217.53 sq.m. was leased out and subject to two tenancies with the latest one expiring on 19 November 2028 at a total monthly rental of approximately RMB78,000 exclusive of management fees.</p> <p>The car parking spaces of the property on Basements 2 and 3 were let on either monthly or hourly basis.</p> <p>The remaining portion of the property was vacant.</p>	<p>RMB440,000,000 (97.17% interest attributable to the Group: RMB427,548,000)</p>

*Notes:*

1. Pursuant to the Guangzhou Real Estate Ownership Proof Certificate (廣州市房地產權屬證明書) Nos. B0002690 and B0002691 registered on 8 January 2009, the property is held by Guangzhou Yingfat House Property Development Company Limited (廣州市盈發房產發展有限公司) (“Guangzhou Yingfat”) for terms of 70 years, 40 years and 50 years from 23 May 2000 for residential use, commercial, entertainment and tourism use and other use respectively. Guangzhou Yingfat is a 97.17%-owned subsidiary of the Company.
2. Pursuant to the Building Ownership Certificates - Yue Fang Di Quan Zheng Sui Zi Di Nos. 0620029299, 0620029304, 0620029303, 0620029300 and 0620029125 issued by Guangzhou Municipal Land Resources and Housing Administrative Bureau on 31 October 2012 and 2 November 2012, the building ownership of Room Nos. B101, 101, 103, 104 and 201 of the property with a total gross floor area of 23,282.57 sq.m. is vested in Guangzhou Yingfat.  
  
As advised by the Group, the building ownership of Room Nos. 102 and 108 of the property with a total gross floor area of 3,121.17 sq.m. is held by Guangzhou Yingfat as evidenced by the Ownership Proof Certificate as mentioned in Note 1.
3. Pursuant to 448 Building Ownership Certificates issued by Guangzhou Municipal Land Resources and Housing Administrative Bureau registered in February 2011, the building ownership of 448 car parking spaces is vested in Guangzhou Yingfat.
4. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser dated 23 March 2017, which contains, inter alia, the following information:
  - (i) the land use rights and building ownership of the property are legally held by Guangzhou Yingfat;
  - (ii) Guangzhou Yingfat is entitled to occupy, use, receive income and dispose of (including but not limited to transfer, lease and mortgage) the property;
  - (iii) there are no legal impediments for the Group to obtain the Building Ownership Certificates of Room Nos. 102 and 108 of the property with a total gross floor area of 3,121.17 sq.m.; and
  - (iv) the property is free from any mortgages.
5. We have issued a valuation report to Asian Growth Properties Limited, which is a 97.17%-owned subsidiary of the Company, dated 10 March 2017 for the valuation of the property as at 31 December 2016 for accounting purpose. The market value of the property as at 31 December 2016 is RMB440,000,000. We have also issued a valuation report to Asian Growth Properties Limited dated 31 March 2017 for the valuation of the property as at 28 February 2017 for inclusion in a circular. The market value of the property as at 28 February 2017 is RMB440,000,000.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to SEA. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### (a) Long positions in shares of the Company

Name of Directors	Number of ordinary shares held			Number of underlying shares held under equity derivatives	Total interests	Approximate % of interest in the issued share capital
	Personal interests (held as beneficial owner)	Corporate interests (held by controlled corporations)	Family interests (interests of spouse)	Personal interests (held as beneficial owner)		
Lu Wing Chi	10,877,285	447,617,089 <sup>(i)</sup>	—	2,230,000	460,724,374	67.89
Lincoln Lu	18,480,002	—	—	—	18,480,002	2.72
Lambert Lu	17,658,002	—	—	—	17,658,002	2.60
Lam Sing Tai	3,221,739	—	5,739	—	3,227,478	0.48
Walujo Santoso, Wally	1,200,000	—	—	—	1,200,000	0.18
Leung Hok Lim	1,856,928	—	—	—	1,856,928	0.27
Chung Pui Lam	434,928	—	—	222,000	656,928	0.10

*Notes:*

- (i) Among these shares, 4,130,800 shares were held by NYH and 443,486,289 shares were held by NLI. NLI is 63.58% owned by JCS and 30% owned by Mr. Lu Wing Chi. NYH is 100% owned by Mr. Lu Wing Chi. By virtue of Mr. Lu Wing Chi's interest in JCS (as disclosed in the paragraph 2(b) below) and NYH, he is deemed to be interested in these shares.
- (ii) The interests in underlying shares held under equity derivatives represented interests in share options granted to the Directors under the share option scheme approved by the Company on 19 August 2005.
- (iii) The total number of issued shares of the Company as at the Latest Practicable Date is 678,614,726 shares.

**(b) Long positions in shares of associated corporations**

Name of associated corporations	Name of Directors	Number of ordinary shares held		Total interests	Approximate % of interest in the issued share capital
		Personal interests (held as beneficial owner)	Corporate interests (held by controlled corporations)		
JCS	Lu Wing Chi	22,540	—	22,540	49.00
	Lincoln Lu	11,730	—	11,730	25.50
	Lambert Lu	11,730	—	11,730	25.50
NLI	Lu Wing Chi	46,938	99,480 <sup>(Note)</sup>	146,418	93.58
	Lincoln Lu	5,021	—	5,021	3.21
	Lambert Lu	5,021	—	5,021	3.21

*Note:*

These shares are beneficially held by JCS and by virtue of Mr. Lu Wing Chi's interests in JCS (as disclosed in note (i) above), he is deemed to be interested in these shares.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of SEA and its associated corporations (within the meaning of Part XV of the SFO) (i) where were required to be notified to SEA and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to SEA and the Stock Exchange pursuant to the Model Code.

### 3. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at the Latest Practicable Date, so far as is known to the Directors, the following substantial Shareholders and other persons (other than Directors) had interests or short positions in the shares and underlying shares of SEA as recorded in the register required to be kept under Section 336 of the SFO:

#### Long positions in shares of the Company

Name of Shareholders	Number of ordinary shares		Total interests	Approximate % of interest in the issued share capital
	Held as beneficial owner	Held by controlled corporations		
JCS	—	443,486,289 <sup>(i)</sup>	443,486,289	65.35
NLI	443,486,289	—	443,486,289	65.35

Notes:

- (i) JCS holds about 63.58% of the issued shares in NLI. The above 443,486,289 shares held by NLI are also deemed to be JCS's interest and such shares are, therefore, duplicated between these two shareholders for the purpose of the SFO.
- (ii) Messrs. Lu Wing Chi, Lincoln Lu and Lambert Lu, all being Directors, are also directors of JCS and NLI.

Saved as disclosed herein, as at the Latest Practicable Date, none of the substantial Shareholders and other persons (other than Directors) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

### 4. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, the following Directors and their associates (as defined in the Listing Rules) are considered by the Company to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where such Directors have been appointed to represent the interests of the Company and/or other members of the Group:

- (i) Mr. Lu Wing Chi, the Chairman and Managing Director, has shareholdings (for himself and on behalf of his associates) and holds directorships in a number of private companies controlled by, or owned in conjunction with, his close relatives and associates. From time to time, such companies are involved in real estate development and investment. In this regard, Mr. Lu is considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

- (ii) Messrs. Lincoln Lu and Lambert Lu, both Executive Directors, are the sons of Mr. Lu Wing Chi. In this regard, Messrs. Lincoln Lu and Lambert Lu are considered to have interests in the competing businesses in which Mr. Lu Wing Chi is deemed interested. Messrs. Lincoln Lu and Lambert Lu also have shareholdings (for themselves and on behalf of their associates) and hold directorships in certain private companies controlled by, or owned in conjunction with, their close relatives and associates. From time to time, such companies are involved in real estate development and investment. In this regard, Messrs. Lincoln Lu and Lambert Lu are considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

However, the Board presently comprises seven members including one Non-executive Director and three Independent Non-executive Directors whose views carry significant weight in the Board's decisions. Fundamentally, it is independent of the above individuals and the respective boards of directors of the above companies in which the relevant directors have personal interests. Further, all the Directors are fully aware of, and have been discharging, their fiduciary duty to the Company and have acted and will continue to act in the best interest of the Company and its Shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the said competing businesses.

#### **5. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors entered or proposed to enter into any service contract with any member of the Group, which will not expire or is not terminable by such member of the Group within one year without payment of compensation, other than statutory compensation.

#### **6. DISCLOSURE OF OTHER INTEREST**

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group; and
- (b) none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2016 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

**7. LITIGATION**

So far as the Directors are aware, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries as at the Latest Practicable Date.

**8. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by the members of the Group within the two years immediately preceding the issue of this circular and are or may be material:

- (i) the SP Agreement.
- (ii) a sale and purchase agreement dated 7 November 2016 entered into between Tycoon Honour Limited as first buyer and Worthy Merit Limited as second buyer (both of which are indirect wholly-owned subsidiaries of AGP), PFM EuroSelect Elf GmbH & Co KG as first seller, Lapis Grundstücksverwaltungs-GmbH as second seller, Moorgate I Limited as first trustee and Moorgate II Limited as second trustee relating to the acquisition of the entire issued units in a trust that owns the property known as 20 Moorgate, London, EC2R 6DA a total consideration of approximately £154 million (approximately HK\$1,491 million).
- (iii) a sale and purchase agreement dated 22 August 2016 entered into between Benefit Strong Group Limited (a direct wholly-owned subsidiary of AGP) as vendor and Creative Charm Investments Limited as purchaser to sell the entire issued share capital of Healthy Time International Limited, which wholly owns the beneficial interest in the property development project located in Chengdu, Sichuan Province, the PRC for a consideration of HK\$890 million in cash.
- (iv) a sale and purchase agreement dated 3 August 2016 entered into between Fancy Luck Enterprises Limited (an indirect wholly-owned subsidiary of AGP) as seller, the Company as seller's guarantor and Great Group Development Limited as purchaser to sell the entire issued share capital of Rich Motion Development Limited, which wholly owns the entire registered capital of the investment company of a property development project located at Huangshan, Anhui Province, the PRC for a consideration of HK\$2 million in cash.
- (v) a sale and purchase agreement dated 19 April 2016 entered into between Benefit Strong Group Limited (a direct wholly-owned subsidiary of AGP) as vendor, Blackbird BB Limited as purchaser, and HEC Capital Limited as purchaser's guarantor, pursuant to which the Group agreed to sell the entire issued share of New Insight Holdings Limited, which wholly owns the issued shares of all investment companies (the beneficial owners of a property development project at Kaifeng Nova City, Henan Province, the PRC), to the independent third party at an aggregate consideration of HK\$900 million in cash.

- (vi) The agreement relating to the disposal of 10,000 ordinary shares of HK\$10.00 each in the share capital of SEA (BVI) Limited, being all the issued shares of that company, entered into on 25 February 2016 between Giant Well Enterprises Limited, AGP, Gao Sheng Global Limited and China Everbright Holdings Company Limited at an aggregate consideration of HK\$10,000 million. SEA (BVI) Limited, through its wholly-owned subsidiary, owned the property of Dah Sing Financial Centre.
- (vii) An option agreement and a sale agreement both dated 30 September 2015 entered into between the Group and independent third parties, relating to the sale of all the issued share capital of Ever Reality Limited and the assignment of loans owed to the Group at a gross consideration of HK\$1,400 million. Ever Reality Limited, through its wholly-owned subsidiary, held the development land at Fo Tan, New Territories, Hong Kong.

## 9. EXPERTS AND CONSENT

The following are the qualifications of the experts who have given opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
BaoQiao Partners	A corporation licensed to carry out type 1 (dealing in securities) and 6 (advising on corporate finance) regulated activities under the SFO
Savills Valuation and Professional Services Limited	Professional property surveyors and valuers
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the Latest Practicable Date, each of the above experts have given and have not withdrawn their written consents to the issue of this circular with the inclusion herein of their letters and reports and references to their names in the form and context in which they appear.

As at the Latest Practicable Date, each of the above experts did not have any interest, either direct or indirect, in any assets which have been, since 31 December 2016 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group nor had any shareholding in any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the principal place of business of SEA in Hong Kong at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong, during normal business hours on any weekday (except public holidays) from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and the bye-laws of SEA;
- (b) the annual reports of SEA for the years ended 31 December 2013, 2014 and 2015;
- (c) the material contracts referred to in the paragraph headed “Material contracts” in this appendix;
- (d) the letter of advice from BaoQiao Partners, the text of which is set out on pages 20 to 47 of this circular;
- (e) the written consents from the experts referred in the section headed “9. Experts and consent” of this appendix;
- (f) the valuation report of the AGP PRC Properties, the full text of which is set out in Appendix II of this circular; and
- (g) this circular.

**11. MISCELLANEOUS**

- (a) The registered office of SEA is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is located at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong.
- (b) The company secretary of SEA is Ms. Chow Siu Yin, Dora, an associate of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom.
- (c) The Hong Kong Branch Registrar of SEA is Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (d) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.

**A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING  
GROUP****Introduction**

The accompanying unaudited pro forma financial information (the “Unaudited Pro Forma Financial Information”) of the remaining group of S E A Holdings Limited (the “Company”) and its subsidiaries (hereafter collectively referred to as the “Remaining Group”), after the Distribution in Specie, comprising the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2016, the unaudited pro forma consolidated statement of profit or loss and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2016, has been prepared by the directors of the Company (the “Directors”) in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of illustrating the effect of the proposed Distribution in Specie.

The preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group is based on the audited consolidated statement of financial position of the Group as at 31 December 2016 which has been extracted from the published 2016 annual results announcement of the Group dated 27 March 2017 for the year ended 31 December 2016; and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Distribution in Specie had been completed on 31 December 2016.

The preparation of the unaudited pro forma consolidated statement of profit or loss and the unaudited pro forma consolidated statement of cash flows of the Remaining Group is based on the audited consolidated statement of profit or loss and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2016 which have been extracted from the published 2016 annual results announcement of the Group dated 27 March 2017 for the year ended 31 December 2016, adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Distribution in Specie had been completed on 1 January 2016.

A narrative description of the pro forma adjustments of the Distribution in Specie that are directly attributable to the transactions and factually supportable, is summarised in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared based on a number of assumptions, estimates, uncertainties, currently available information and are prepared for illustrative purpose only. Because of its hypothetical nature, it may not purport to describe the results of operations, financial positions or cash flows of the Remaining Group had the Distribution in Specie been completed as at the respective dates to which it is made up to or at any future dates.

Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Remaining Group's future results of operations, financial positions or cash flows. The Unaudited Pro Forma Financial Information should be read in the conjunction with the financial information of the Group, the published 2016 annual result announcement of the Company dated 27 March 2017 for the year ended 31 December 2016, the Company's announcement dated 31 March 2017 and other financial information included elsewhere in this circular. The Unaudited Pro Forma Financial Information does not take into account any trading or other transactions subsequent to the dates of the respective financial statements of the companies comprising the Remaining Group.

**Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group**

	Audited consolidated statement of financial position of the Group as at 31 December 2016 <i>HK\$'000</i> <i>Note 1</i>	Pro forma adjustments		Unaudited pro forma consolidated statement of financial position of the Remaining Group after the pro forma adjustments <i>HK\$'000</i>
		Adjustment 1 Special Dividend HK\$10.35 per share to be declared by AGP <i>HK\$'000</i> <i>Note 2</i>	Adjustment 2 Distribution in Specie by SEA of its AGP shares <i>HK\$'000</i> <i>Note 3</i>	
<b>Non-current assets</b>				
Investment properties	3,679,641	—	(1,951,237) #	1,728,404
Property, plant and equipment	699,280	—	(33,148)	666,132
Club memberships	6,899	—	—	6,899
Loan receivables	3,160	—	—	3,160
Note receivables	38,773	—	—	38,773
Available-for-sale investments	1,377,434	—	(7,756)	1,369,678
Restricted bank deposits	5,589	—	(5,589)	—
	<u>5,810,776</u>	<u>—</u>	<u>(1,997,730)</u>	<u>3,813,046</u>

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**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	Pro forma adjustments			Unaudited pro forma consolidated statement of financial position of the Remaining Group after the pro forma adjustments HK\$'000
	Audited consolidated statement of financial position of the Group as at 31 December 2016 HK\$'000 Note 1	Adjustment 1 Special Dividend HK\$10.35 per share to be declared by AGP HK\$'000 Note 2	Adjustment 2 Distribution in Specie by SEA of its AGP shares HK\$'000 Note 3	
<b>Current assets</b>				
Properties held for sale				
Completed properties	192,098	—	(192,098) <sup>@</sup>	—
Inventories	1,196	—	—	1,196
Loan receivables	376	—	—	376
Note receivables	15,509	—	—	15,509
Available-for-sale investments	137,204	—	(3,877)	133,327
Receivables, deposits and prepayments	587,311	—	(521,439) *	65,872
Tax recoverable	3,120	—	—	3,120
Amounts due from non-controlling interests	38	—	—	38
Pledged bank deposits	533,105	—	—	533,105
Bank balances and cash	9,999,155	(259,464)	(1,749,831)	7,989,860 <sup>(note4)</sup>
	<u>11,469,112</u>	<u>(259,464)</u>	<u>(2,467,245)</u>	<u>8,742,403</u>

**APPENDIX IV**
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	Audited consolidated statement of financial position of the Group as at 31 December 2016 <i>HK\$'000</i> <i>Note 1</i>	Pro forma adjustments		Unaudited pro forma consolidated statement of financial position of the Remaining Group after the pro forma adjustments <i>HK\$'000</i>
		Adjustment 1 Special Dividend HK\$10.35 per share to be declared by AGP <i>HK\$'000</i> <i>Note 2</i>	Adjustment 2 Distribution in Specie by SEA of its AGP shares <i>HK\$'000</i> <i>Note 3</i>	
<b>Current liabilities</b>				
Payables, rental deposits and accrued charges	188,421	—	(84,814)	103,607
Tax liabilities	9,056	—	(2,514)	6,542
Amounts due to non-controlling interests	87,754	—	(87,754)	—
bank borrowings-due within one year	2,186,719	—	(45,346)	2,141,373
	<u>2,471,950</u>	<u>—</u>	<u>(220,428)</u>	<u>2,251,522</u>
<b>Net current assets</b>	<u>8,997,162</u>	<u>(259,464)</u>	<u>(2,246,817)</u>	<u>6,490,881</u>
<b>Total assets less current liabilities</b>	<u><u>14,807,938</u></u>	<u><u>(259,464)</u></u>	<u><u>(4,244,547)</u></u>	<u><u>10,303,927</u></u>

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**UNAUDITED PRO FORMA FINANCIAL  
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	Audited consolidated statement of financial position of the Group as at 31 December 2016 <i>HK\$'000</i> <i>Note 1</i>	Pro forma adjustments		Unaudited pro forma consolidated statement of financial position of the Remaining Group after the pro forma adjustments <i>HK\$'000</i>
		Adjustment 1 Special Dividend HK\$10.35 per share to be declared by AGP <i>HK\$'000</i> <i>Note 2</i>	Adjustment 2 Distribution in Specie by SEA of its AGP shares <i>HK\$'000</i> <i>Note 3</i>	
<b>Capital and reserves</b>				
Share capital	67,656	—	—	67,656
Reserves	11,983,321	—	(3,797,817)	8,185,504
Equity attributable to the Company's shareholders	12,050,977	—	(3,797,817)	8,253,160
Non-controlling interests	281,727	(259,464)	(18,589)	3,674
<b>Total equity</b>	<u>12,332,704</u>	<u>(259,464)</u>	<u>(3,816,406)</u>	<u>8,256,834</u>
<b>Non-current liabilities</b>				
Bank borrowings-due after one year	2,103,935	—	(90,902)	2,013,033
Deferred taxation	371,299	—	(337,239)	34,060
	<u>2,475,234</u>	<u>—</u>	<u>(428,141)</u>	<u>2,047,093</u>
	<u>14,807,938</u>	<u>(259,464)</u>	<u>(4,244,547)</u>	<u>10,303,927</u>

**Unaudited Pro Forma Consolidated Statement of Profit or Loss of the Remaining Group**

	Pro forma adjustment		
	Audited consolidated statement of profit or loss of the Group for the year ended 31 December 2016 <i>HK\$'000</i> <i>Note 5</i>	Exclusion of AGP and its PRC Assets <i>HK\$'000</i> <i>Note 6</i>	
Revenue	565,979	(131,645)	434,334
Other income	18,412	(15,286)	3,126
Costs:			
Property and related costs	(41,519)	33,626	(7,893)
Staff costs	(175,051)	15,141	(159,910)
Depreciation and amortisation	(38,449)	9,530	(28,919)
Other expenses	(159,320)	40,029	(119,291)
	(414,339)	98,326	(316,013)
Profit from operations before fair value changes on investment properties	170,052	(48,605)	121,447
Fair value changes on investment properties	(104,625)	100,671	(3,954)
Profit from operations after fair value changes on investment properties	65,427	52,066	117,493
Other gains and losses	520,284	277,101	797,385
Finance costs	(89,136)	20,686	(68,450)
Profit before taxation	496,575	349,853	846,428
Income tax credit charge	75,346	(92,073)	(16,727)
Profit for the year	571,921	257,780	829,701

**Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group**

	Audited consolidated statement of cash flows of the Group for the year ended 31 December 2016 <i>HK\$'000</i> <i>Note 5</i>	Pro forma adjustment		Unaudited pro forma consolidated statement of cash flows of the Remaining Group <i>HK\$'000</i>
		Special Dividend HK\$10.35 per share to be declared by AGP <i>HK\$'000</i> <i>Note 2</i>	Exclusion of AGP and its PRC Assets <i>HK\$'000</i> <i>Note 6</i>	
<b>Operating activities</b>				
Profit before taxation	496,575	—	349,853	846,428
Adjustments for:				
Interest expenses	81,335	—	(20,201)	61,134
Depreciation and amortisation	38,449	—	(9,530)	28,919
Fair value changes on				
investment properties	104,625	—	(100,671)	3,954
Write off of bad debts from tenants	14,115	—	(14,115)	—
Write off of other receivables	353,127	—	(353,127)	—
Reversal of relocation costs	(71,721)	—	71,721	—
Gain on disposal of subsidiaries	(801,690)	—	4,305	(797,385)
Gain on disposal of				
club membership	(698)	—	—	(698)
Interest income	(5,409)	—	4,935	(474)
Gain on disposal of				
property, plant and equipment	(19)	—	(18)	(37)
Share-based payment expenses	5,462	—	—	5,462
Operating cash flows before				
movements in working capital	214,151	—	(66,848)	147,303
Decrease in properties				
held for sale	195	—	235	430
Decrease in inventories	55	—	—	55
Increase in receivables,				
deposits and prepayments	(56,504)	—	(3,905)	(60,409)
Decrease in guaranteed				
bank balances	3,094	—	(3,094)	—
Increase in payables, rental deposits				
and accrued charges	119,227	—	(114,171)	5,056
Increase in sales deposits	4,507	—	(4,507)	—

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**UNAUDITED PRO FORMA FINANCIAL  
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	Audited consolidated statement of cash flows of the Group for the year ended 31 December 2016 <i>HK\$'000</i> <i>Note 5</i>	Pro forma adjustment		Unaudited pro forma consolidated statement of cash flows of the Remaining Group <i>HK\$'000</i>
		Special Dividend HK\$10.35 per share to be declared by AGP <i>HK\$'000</i> <i>Note 2</i>	Exclusion of AGP and its PRC Assets <i>HK\$'000</i> <i>Note 6</i>	
Cash generated from operations	284,725	—	(192,290)	92,435
Interest paid	(91,994)	—	25,223	(66,771)
Tax paid	(18,639)	—	14,721	(3,918)
Tax refunded	10,884	—	(6,052)	4,832
<b>Net cash from (used in) operating activities</b>	<b>184,976</b>	<b>—</b>	<b>(158,398)</b>	<b>26,578</b>
<b>Investing activities</b>				
Acquisition of and additional cost on properties for development	(45,759)	—	45,759	—
Interest received	7,759	—	(7,085)	674
Decrease in loan receivables	624	—	—	624
Increase in fixed deposits	(4,460,201)	—	106,201	(4,354,000)
Increase in restricted bank deposits	(347)	—	347	—
Increase in pledged bank deposits	(533,105)	—	—	(533,105)
Fixed deposits refunded	364,048	—	(351,313)	12,735
Purchase of property, plant and equipment	(3,035)	—	115	(2,920)
Purchase of investment properties	(1,505,213)	—	—	(1,505,213)
Proceeds on disposals of property, plant and equipment	60	—	—	60
Proceeds on disposals of club membership	2,578	—	—	2,578
Disposal of available-for-sale investments	15,122	—	—	15,122
Additional interest in available-for-sale investments	(1,388,144)	—	—	(1,388,144)
Net consideration received on disposal of subsidiaries	10,995,075	—	(1,088,454)	9,906,621
<b>Net cash from investing activities</b>	<b>3,449,462</b>	<b>—</b>	<b>(1,294,430)</b>	<b>2,155,032</b>

**APPENDIX IV**
**UNAUDITED PRO FORMA FINANCIAL  
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	Audited consolidated statement of cash flows of the Group for the year ended 31 December 2016 <i>HK\$'000</i> <i>Note 5</i>	Pro forma adjustment		Unaudited pro forma consolidated statement of cash flows of the Remaining Group <i>HK\$'000</i>
		Special Dividend HK\$10.35 per share to be declared by AGP <i>HK\$'000</i> <i>Note 2</i>	Exclusion of AGP and its PRC Assets <i>HK\$'000</i> <i>Note 6</i>	
<b>Financing activities</b>				
Draw down of bank loans	3,491,280	—	(11,924)	3,479,356
Repayments of bank loans	(3,501,983)	—	273,723	(3,228,260)
Payment of front-end fee	(10,159)	—	—	(10,159)
Issue of new shares	31,993	—	—	31,993
Repurchase of ordinary shares	(165,936)	—	—	(165,936)
Advances to non-controlling interests	(38)	—	—	(38)
Dividends paid	(1,429,658)	—	—	(1,429,658)
Dividends paid to non-controlling interests	(47,978)	(259,464)	47,978	(259,464)
<b>Net cash (used in) from financing activities</b>	<b>(1,632,479)</b>	<b>(259,464)</b>	<b>309,777</b>	<b>(1,582,166)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,001,959</b>	<b>(259,464)</b>	<b>(1,143,051)</b>	<b>599,444</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>3,555,870</b>	<b>—</b>	<b>(505,460)</b>	<b>3,050,410</b>
Effect of foreign exchange rate changes	(18,875)	—	4,881	(13,994)
<b>Cash and cash equivalents at end of the year</b>	<b>5,538,954</b>	<b>(259,464)</b>	<b>(1,643,630)</b>	<b>3,635,860</b>
Represented by:				
Bank balances and cash	9,999,155			7,989,860
Less: Fixed deposits with original maturity date more than 3 months and not exceeding 1 year	(4,460,201)			(4,354,000)
	<u>5,538,954</u>			<u>3,635,860</u>

**Notes to Unaudited Pro Forma Financial Information of the Remaining Group**

- (1) The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2016, as set out in the published 2016 annual results announcement of the Company for the year ended 31 December 2016 dated 27 March 2017.
- (2) A special dividend of HK\$10.35 per share totaling HK\$9,173,700,000 to be declared by AGP (being one of the completion conditions of the Distribution in Specie), assuming the Restructuring had been taken place as at 31 December 2016, of which HK\$259,464,000 represents the dividend paid to the minority shareholders of AGP in relation to such special dividend.
- (3) The adjustment reflects the exclusion of the assets and liabilities of the AGP PRC Properties business as if the Distribution in Specie had been taken place on 31 December 2016. The assets and liabilities of the AGP PRC Properties business as at 31 December 2016 have been extracted from the underlying accounting records of AGP and its subsidiaries as at 31 December 2016.
- (4) The unaudited pro forma consolidated statement of financial position of the Remaining Group have not taken into account the following material cash movements subsequent to 31 December 2016:
  - (a) Net proceeds of HK\$1,537,876,000 were received from the issuance of US\$200 million 4.5% fixed interest rate guarantee notes on 19 January 2017.
  - (b) A special dividend of HK\$2.25 per AGP Share was declared by AGP on 17 March 2017 on the issued share capital of 886,347,812 AGP Shares, totaling HK\$1,994,283,000 and payable in cash. As AGP is a 97.17% owned subsidiary of the Group, there is a cash outflow of HK\$56,438,000 representing the dividend paid to the minority shareholders of AGP.

If the above cash movement is taken into account, the bank balance and cash will be HK\$9,471,298,000.

- (5) The amounts are extracted from the audited consolidated statement of profit or loss and audited consolidated statement of cash flows of the Group for the year ended 31 December 2016, as set out in the published 2016 annual results announcement of the Company dated 27 March 2017.
- (6) The adjustment reflects the exclusion of the results and cash flows of AGP and its subsidiaries holding the AGP PRC Properties business for the year ended 31 December 2016, which is extracted from the underlying accounting records of AGP and its subsidiaries for the year ended 31 December 2016, assuming the Distribution in Specie had been taken place on 1 January 2016.

## APPENDIX IV

## UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

# Market value of the Properties under PRC Assets as at 28 February 2017 as set out in the valuation report is as follows.

	Market Value			Total HK\$'000
	Chengdu Plaza Central HK\$'000	Chengdu New Century Plaza HK\$'000	Guangzhou Westmin Plaza II- Office HK\$'000	
<b>Classification</b>				
Investment properties portion	1,512,964	151,923	286,350	1,951,237
Property, plant and equipment ( <i>note</i> )	31,972	—	3,186	35,158
Total	<u>1,544,936</u>	<u>151,923</u>	<u>289,536</u>	<u>1,986,395</u>
Fair value at RMB (@1.1179)	<u>1,382,000</u>	<u>135,900</u>	<u>259,000</u>	<u>1,776,900</u>

*Note:* A portion of Chengdu Plaza Central and Guangzhou Westmin Plaza II-Office are occupied by the Group for own use, which are classified under property, plant and equipment with an aggregate carrying amount of HK\$30.6 million as at 31 December 2016.

@ The Properties held for sale - Completed properties with carrying amount of HK\$192.1 million represented Room Nos. B101, 101, 102, 103, 104, 108 and 201 together with 448 Car Parking Spaces, Westmin Plaza Phase II, 48-58 Zhongshan 7th Road, Liwan District, Guangzhou, Guangdong Province, PRC, of which the market value was RMB440 million as at 28 February 2017 as out in the valuation report.

\* Details of Receivable, deposits and prepayments as below:

	<i>HK\$'000</i>
Accrued income	71,800
Deposits and prepayments	1,400
Trade receivables	2,700
Amount receivables from disposal of subsidiaries	445,000
Others	539
	<u>521,439</u>

**B. ACCOUNTANTS' REPORT FROM THE REPORTING ACCOUNTANTS ON  
UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING  
GROUP**

*The following is the text of a report received from our reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of pro forma financial information of the Remaining Group.*

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION****To the Directors of S E A Holdings Limited**

We have completed our assurance engagement to report on the compilation of pro forma financial information of S E A Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2016, the unaudited pro forma consolidated statement of profit or loss for the year ended 31 December 2016, the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2016 and related notes as set out on pages IV-1 to IV-11 of the circular issued by the Company dated 18 April 2017 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages IV-1 to IV-11 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed Distribution in Specie (as defined in the Circular), on the Group's financial position as at 31 December 2016 and its financial performance and cash flows for the year ended 31 December 2016 as if the transaction had taken place at 31 December 2016 and 1 January 2016, respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2016, on which the annual result announcement has been published.

The unaudited pro forma financial information is also regarded as a profit forecast under Rule 10 of the Code on Takeovers and Mergers issued by the Securities and Future Commission (the "Takeover Code").

**Directors' Responsibilities for the Pro Forma Financial Information**

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as relevant requirements under Rule 10 of the Takeover Code.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We are also required to report to you on the accounting policies and calculations of the unaudited pro forma financial information under Rule 10 of the Takeover Code. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA and whether, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the unaudited pro forma financial information on the basis of preparation on pages IV-1 to IV-11 in Appendix IV described in the Circular.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2016 or 1 January 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

In connection with reporting under Rule 10 of the Takeover Code, so far as the accounting policies and calculations are concerned, the unaudited pro forma financial information has been properly compiled in accordance with the basis adopted by the Directors as stated on pages IV-1 to IV-11 in Appendix IV in the Circular, in particular, the unaudited pro forma consolidated statement of financial position as at 31 December 2016 is prepared in accordance with the accounting policies adopted by the Group as set out in the annual report of the Company for year ended 31 December 2016, and the unaudited pro forma consolidated statement of profit or loss for the year ended 31 December 2016 and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2016 are prepared in accordance with the accounting policies adopted by the Group as set out in the annual report of the Company for the year ended 31 December 2016.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong, 18 April 2017

**C. REPORT FROM BAOQIAO PARTNERS ON UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

*The following is the text of a report from BaoQiao Partners Capital Limited, prepared for the purpose of inclusion in this circular.*



Unit 501, 5/F, Tower 1, Admiralty Centre,  
18 Harcourt Road, Admiralty, Hong Kong

18 April 2017

The Board of Directors  
**SEA Holdings Limited**

Dear Sirs,

We refer to the circular issued by the Company dated 18 April 2017 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless otherwise specified.

We refer to the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2016, the unaudited pro forma consolidated statement of profit or loss of the Remaining Group for the year ended 31 December 2016 and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2016 contained in the unaudited pro forma financial information of the Remaining Group (the “**Unaudited Pro Forma Financial Information**”), which are treated as profit forecast pursuant to Rule 10 of the Takeovers Code as set out in section A of Appendix IV to the Circular. We have discussed with the Directors the bases of preparation of the Unaudited Pro Forma Financial Information. We have also considered the report issued by Deloitte Touche Tohmatsu, the reporting accountant of the Company, relating to the Unaudited Pro Forma Financial Information as set out in section B of Appendix IV to the Circular (“**Deloitte’s Report**”). Pursuant to Deloitte’s Report, Deloitte Touche Tohmatsu is of the opinion that (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated; (b) such basis is consistent with the accounting policies of the Group; and (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Based on the above, we are of the opinion that the Unaudited Pro Forma Financial Information, for which the Directors are solely responsible, has been prepared after due and careful consideration.

Yours faithfully,  
For and on behalf of  
**BaoQiao Partners Capital Limited**  
**Monica Lin**  
*Managing Director*

*Information contained in this appendix is reproduced from the Joint Announcement, for the purpose of providing the Independent Shareholders with reference in respect of the key terms of the Share Exchange Offer.*

**Information reproduced from the Joint Announcement reflects the situation as of the date of the Joint Announcement.** To the best of the Directors' knowledge and belief after all reasonable enquiries, there is no material change to the information contained in this appendix since the date of the Joint Announcement. Detailed terms of the Share Exchange Offer were set out in the Joint Announcement. All details of the Share Exchange Offer required under the Takeovers Code will be further set out in the Composite Document and Independent Shareholders are advised to pay attention to the Composite Document to be despatched.

The Joint Announcement also contains the following responsibility statements:

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

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it (excluding the Group)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading."*

#### **VOLUNTARY CONDITIONAL SHARE EXCHANGE OFFER BY THE OFFEROR TO EXCHANGE AGP SHARES FOR SEA SHARES**

Pursuant to the Distribution in Specie, AGP Shares will be distributed to the Shareholders by way of a special dividend in specie. In view of the fact that AGP Shares are admitted to trading on AIM, and recognising that the SEA Qualifying Shareholders (other than the Offeror) may not wish to hold the AGP Shares, the Offeror, as a means to provide enhanced liquidity in the AGP Shares has agreed to make a voluntary Share Exchange Offer to the AGP Qualifying Shareholders to exchange their AGP Shares for certain SEA Shares held by the Offeror, subject to the Pre-condition being satisfied.

The Share Exchange Offer provides the AGP Qualifying Shareholders (which include the SEA Qualifying Shareholders) (other than the Offeror) an option to exchange their AIM traded AGP Shares into SEA Shares listed on the Stock Exchange should they choose not to hold AGP Shares.

**Terms of the Share Exchange Offer**

Subject to the Pre-condition being satisfied, the Offeror intends to make an offer to all AGP Qualifying Shareholders following the completion of the Distribution in Specie to acquire all the AGP Shares, other than those already held or owned by the Offeror (pursuant to the Distribution in Specie), for SEA Shares by way of share exchange on the basis of 1 Consideration Share held by the Offeror for every 4 AGP Shares to be held by the AGP Qualifying Shareholders. The Share Exchange Offer will be made in accordance with the Takeovers Code on the following basis:

For every 4 AGP Shares..... 1 Consideration Share  
(being an issued SEA Share held by the Offeror)

Number of AGP Shares under the Share Exchange Offer.....323,211,813 or such number  
of AGP Shares held by  
the AGP Shareholders other than  
the Offeror upon completion  
of the Distribution in Specie

As at the date of this joint announcement, there are 886,347,812 AGP Shares in issue. There are no outstanding options, warrants, derivatives or other securities that are convertible or exchangeable into AGP Shares or other types of securities in AGP which will be subject to the Share Exchange Offer as at the date of this joint announcement.

As at the date of this joint announcement, the Offeror, through SEA (being a party acting in concert with the Offeror pursuant to the Takeovers Code), indirectly holds 861,278,857 AGP Shares, representing approximately 97.17% of the total issued share capital of the Offeree Company. Based on an exchange ratio of 1 Consideration Share for every 4 AGP Shares and 323,211,813 AGP Shares subject to the Share Exchange Offer and assuming that (i) all AGP Qualifying Shareholders validly accept the Share Exchange Offer; and (ii) there will be no change in the issued share capital of AGP since the date of this joint announcement and up to the Closing Date, the maximum number of Consideration Shares which may be exchanged for AGP Shares is 80,802,953. This represents approximately 11.91% of the 678,614,726 existing issued SEA Shares as at the date of this joint announcement.

The exchange ratio of 1 Consideration Share for every 4 AGP Shares was determined by the Offeror based on the fair market value per AGP Share following the Restructuring and the fair market value per SEA Share following the Restructuring. The fair market values of the AGP Shares and the SEA Shares are calculated based on the respective net asset values of AGP and SEA respectively and adjusted by the fair market values as at 28 February 2017 of the properties held by AGP and SEA as determined by independent third party valuers. Ample Capital has been appointed by the Offeror as its financial adviser in respect of the Share Exchange Offer.

Save for the Offeror's indirect interest (through SEA) in the 861,278,857 AGP Shares, neither the Offeror nor SEA nor parties acting in concert with them owns or has control or direction over any other AGP Shares or holds any convertible securities, warrants, options or derivatives in respect of any AGP Shares as at the date of this joint announcement.

**Comparisons of value**

As set out above, the exchange ratio of 1 Consideration Share for every 4 AGP Shares was determined based on the fair market value per AGP Share following the Restructuring and the fair market value per SEA Share following the Restructuring. The exchange ratio is not based on the historical market price per share of either AGP Shares or SEA Shares as (i) their respective market prices reflect the pre-Restructuring underlying values of those shares, not the post-Restructuring underlying values, and (ii) historically, AGP Shares have been trading at a significantly higher discount to net asset value than SEA Shares. The historical share prices prior to 17 March 2017 also have not taken into account the various cash dividends announced by AGP and SEA since 17 March 2017.

However, for the purposes of illustration, the ascribed value of HK\$4.41 (approximately £0.45) per AGP Share (equivalent to the closing price of each SEA Share of HK\$17.64 as quoted on the Stock Exchange on the Last Trading Day dividend by 4 for each AGP Share) represents:

- (i) a discount of approximately 29.1% to the closing price of AGP Shares of £0.635 (approximately HK\$6.2), as quoted on AIM on 30 March 2017, being the Last AGP Trading Day;
- (ii) a discount of approximately 43.0% to the average closing price of approximately £0.79 (approximately HK\$7.7) per AGP Share as quoted on AIM for the five consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (iii) a discount of approximately 39.2% to the average closing price of approximately £0.74 (approximately HK\$7.2) per AGP Share as quoted on AIM for the 10 consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (iv) a discount of approximately 23.8% to the average closing price of approximately £0.59 (approximately HK\$5.8) per AGP Share as quoted on AIM for the 20 consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (v) a discount of approximately 15.1% to the average closing price of approximately £0.53 (approximately HK\$5.2) per AGP Share as quoted on AIM for the 30 consecutive trading days immediately prior to and including the Last AGP Trading Day; and
- (vi) a discount of approximately 69.6% to the audited consolidated net assets per AGP Share attributable to the AGP Shareholders of approximately 147.90 pence (approximately HK\$14.43) as at 31 December 2016 (being the date to which the latest audited consolidated annual results of AGP were made up), calculated based on AGP's audited consolidated net assets attributable to the AGP Shareholders of approximately £1,310,952,000 (approximately HK\$12,789,513,000) as at 31 December 2016 and 886,347,812 existing AGP Shares in issue as at the date of this joint announcement.

For the purposes of illustration, the ascribed value of HK\$24.8 (approximately £2.5) per Consideration Share (equivalent to the closing price of each AGP Share of £0.635 (approximately HK\$6.2) as quoted on AIM on the Last AGP Trading Day multiplied by 4 for each Share) represents:

- (i) a premium of approximately 40.6% over the closing price of SEA Shares of HK\$17.64, as quoted on the Stock Exchange on 29 March 2017, being the Last Trading Day;
- (ii) a premium of approximately 40.0% over the average closing price of approximately HK\$17.71 per SEA Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 41.2% over the average closing price of approximately HK\$17.56 per SEA Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 44.4% over the average closing price of approximately HK\$17.17 per SEA Share as quoted on the Stock Exchange for the 20 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 43.4% over the average closing price of approximately HK\$17.30 per SEA Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (vi) a premium of approximately 39.6% over the audited consolidated net assets per SEA Share attributable to the Shareholders of approximately HK\$17.76 as at 31 December 2016 (being the date to which the latest audited consolidated annual results of SEA were made up), calculated based on SEA's audited consolidated net assets attributable to the Shareholders of approximately HK\$12,050,977,000 as at 31 December 2016 and 678,614,726 existing SEA Shares in issue as at the date of this joint announcement.

#### **Highest and Lowest Prices of AGP Shares**

During the six months immediately preceding the Last Trading Day, the highest closing price of the AGP Shares as quoted on AIM was £0.83 (approximately HK\$8.1) on 28 March and 29 March 2017, and the lowest closing price of the AGP Shares as quoted on AIM was £0.365 (approximately HK\$3.6) on 28 October, 31 October, 1 November, 2 November, 3 November, 4 November and 7 November 2016.

#### **Value of the Share Exchange Offer**

As at the date of this joint announcement, the Offeror is directly holding 443,486,289 SEA Shares and the Offeror, together with parties acting in concert with it, holds 494,632,378 SEA Shares. If the Share Exchange Offer proceeds, a maximum of 80,802,953 Consideration Shares would be required to satisfy the consideration for the full acceptance of the Share Exchange Offer. Ample Capital, the financial adviser to the Offeror as to the Share Exchange Offer, is satisfied that sufficient Consideration Shares and sufficient funds are available for the Offeror to satisfy the consideration and sellers' and buyers' ad

valorem stamp duty (calculated with reference to the latest closing price of HK\$17.64 per SEA Share on the Last Trading Day, further details of which are set out in the sub-paragraph headed “Stamp duty” of this joint announcement) for full acceptance of the Share Exchange Offer. The Consideration Shares are fully paid and free from all liens, equities, charges and encumbrances and together with all rights now and thereafter attaching thereto, including the right to receive and retain all dividends and other distributions declared, made or paid thereafter.

As at the date of this joint announcement, the Offeror has not received any indication or irrevocable commitment from any AGP Shareholder (or any person who will become an AGP Shareholder upon completion of the Distribution in Specie) that he/she/it will accept or reject the Share Exchange Offer.

#### **Pre-condition of the Share Exchange Offer**

The making of the Share Exchange Offer is pre-conditional upon the completion of the Distribution in Specie.

This Pre-condition is not capable of being waived. If the Pre-condition is not satisfied by 30 June 2017, the Share Exchange Offer will not be made. In that case, the Offeror, AGP and SEA will jointly issue an announcement as soon as practicable thereafter.

If the Pre-condition is satisfied on or before 30 June 2017, holders of the AGP Shares will be notified by an announcement as soon as practicable thereafter in accordance with the Takeovers Code. The Offeror will issue an announcement in relation to the revision, extension or lapse of the Share Exchange Offer or the fulfillment of the Pre-condition in accordance with the Takeovers Code and the Listing Rules.

**As the Share Exchange Offer will only be made subject to Pre-Condition being fulfilled, the making of the Share Exchange Offer may or may not proceed and, as such is only a possibility. Shareholders, AGP Shareholders and potential investors in the Company and AGP should exercise caution when dealing in the securities of the Company and AGP, and if they are in any doubt about their position, they should consult their professional advisers. Shareholders, AGP Shareholders and potential investors in the Company and AGP should also note that, in the event the Pre-Condition is not satisfied, the Share Exchange Offer will not be completed.**

#### **Effects of accepting the Share Exchange Offer**

By accepting the Share Exchange Offer, the relevant AGP Qualifying Shareholders will (i) sell their respective AGP Shares to the Offeror free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the Closing Date, and (ii) acquire Consideration Shares from the Offeror free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the Closing Date (including the Special Cash Dividend).

**Composite Document**

The Composite Document setting out details of the Share Exchange Offer and advice of the AGP IBC and independent financial adviser to the AGP IBC and attaching therewith the acceptance and transfer forms will be sent to the AGP Qualifying Shareholders in accordance with the Takeovers Code. In this connection, an independent financial adviser to the AGP IBC will be appointed to advise the AGP Independent Shareholders (being AGP Shareholders other than the Offeror and parties acting in concert with it), in particular, as to whether the Share Exchange Offer is, or is not, fair and reasonable and to make a recommendation to the AGP Independent Shareholders as to acceptance in respect of the Share Exchange Offer. A further announcement will be made upon the appointment of the independent financial adviser.

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document containing, amongst other things, the terms and conditions of the Share Exchange Offer and the forms of acceptance and transfer to the AGP Shareholders within 35 days of the date of this joint announcement. Since the Share Exchange Offer is conditional upon the fulfillment of the Pre-condition and more time is required to finalise the information to be included in the Composite Document, the Offeror will apply to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code.

**AGP Overseas Shareholders**

As at 28 March 2017, there were 436 AGP Overseas Shareholders whose addresses are located in New Zealand, the United Kingdom, Australia, the United States, Spain, Samoa, BVI, Guernsey and the Netherlands respectively. The Offeror and AGP will seek legal advice on the regulatory and documentation requirements of sending the Composite Document to each such overseas address. For those jurisdictions requiring unduly onerous or burdensome regulatory and documentary requirements, the Offeror has applied to the Executive for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code, so that subject to the consent of the Executive, the Composite Document will not be sent to the overseas address of the AGP Excluded Shareholders in those jurisdictions.

Whether or not the Composite Document is sent to the AGP Excluded Shareholders, the Composite Document will be published on the website of AGP. The acceptance of the Share Exchange Offer by the AGP Excluded Shareholders may be subject to the laws of the relevant jurisdictions and may or may not be prohibited. It is the sole responsibility of each relevant AGP Excluded Shareholder who wishes to accept the Share Exchange Offer to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required in compliance with all necessary formalities or legal requirements and the payment of any transfer or other taxes due in such relevant jurisdictions.

**Stamp duty**

Given that AGP is a company incorporated in the BVI and redomiciled to Bermuda where its register of members is located and maintained, no Hong Kong stamp duty is payable on any transfer of the AGP Shares.

Given that the AGP Shares are (i) admitted to trading on AIM (being a recognised growth market) and (ii) not admitted to trading and officially listed on AIM or any other market or exchange, neither United Kingdom stamp duty nor United Kingdom stamp duty reserve tax would be chargeable on (i) a transfer of or agreement to transfer the AGP Shares; or (ii) a transfer of or agreement to transfer validly constituted CREST depository interests representing the AGP Shares.

Seller's and buyers' ad valorem stamp duty for the SEA Shares on the Hong Kong branch share register arising in connection with the acceptances of the Share Exchange Offer, amounting to HK\$1.00 for every HK\$1,000 or part thereof of the higher of (i) the consideration payable in respect of the relevant acceptances, or (ii) the market value of the SEA Shares tendered for acceptance, will be borne by the Offeror.

**Odd lots**

AGP Qualifying Shareholders should note that acceptance of the Share Exchange Offer may result in their holding odd lots of the SEA Shares. Accordingly, it is intended that a designated broker will be appointed by the Offeror to match sales and purchases of odd lot holdings of the SEA Shares in the market for a reasonable time period following the completion of the Share Exchange Offer to enable such AGP Qualifying Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots.

Details of such arrangement will be disclosed in the Composite Document.

**Settlement**

Settlement of the Consideration Shares in respect of acceptances of the Share Exchange Offer by way of despatch of the certificates of the Consideration Shares will be made as soon as possible but in any event within seven (7) Business Days following the date of receipt of duly completed and valid acceptances in respect of the Share Exchange Offer.

**Fractional entitlement to the Consideration Shares**

Fractions of Consideration Shares will not be transferred under the Share Exchange Offer. The full terms and conditions of the Share Exchange Offer will be set out in the Composite Document and the accompanying Form of Acceptance. The Share Exchange Offer will be made in compliance with the Takeovers Code.

**Other arrangements**

As at the date of this joint announcement:

- (i) AGP has no outstanding securities, options, warrants or derivatives which are convertible into or confer rights to require the issue of the AGP Shares;
- (ii) the Offeror and parties acting in concert with it have not entered into any agreements in relation to the issue of any convertible securities, options, warrants or derivatives of AGP;
- (iii) the Offeror and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in AGP; and
- (iv) the Offeror and parties acting in concert with it have not received any irrevocable commitment to accept the Share Exchange Offer.

The Offeror confirms that there are no other arrangements (whether by way of option, indemnity or otherwise) in relation to the AGP Shares or shares of the Offeror and which might be material to the Share Exchange Offer. The Offeror further confirms that save for the conditions disclosed in the paragraph headed “Pre-condition of the Share Exchange Offer” above, there are no other agreements or arrangements to which the Offeror is a party and which relate to the circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Share Exchange Offer.

Shareholders who wish to retain their shareholdings in AGP after the completion of the Distribution in Specie can choose not to accept the Share Exchange Offer and continue to hold the AGP Shares.

**AGP Shareholders are reminded to read the advice of an independent financial adviser in respect of the Share Exchange Offer that will be included in the Composite Document before deciding whether or not to accept the Share Exchange Offer.**

**Background of the Offeror**

The Offeror is the single largest Shareholder holding 443,486,289 SEA Shares, representing approximately 65.35% of the entire issued share capital of SEA as at the date of this joint announcement. The Offeror is held as to approximately 63.58% by JCS Limited, which is in turn owned by Mr. Lu Wing Chi, Mr. Lincoln Lu and Mr. Lambert Lu, each an executive director of SEA and the Offeree Company respectively, as to approximately 49%, 25.5% and 25.5%, respectively as at the date of this joint announcement. The remaining approximately 36.42% of the issued share capital of the Offeror is held directly and beneficially as to approximately 30%, 3.21% and 3.21% by Mr. Lu Wing Chi, Mr. Lincoln Lu and Mr. Lambert Lu respectively.

**Information on AGP**

As at the date of this joint announcement, AGP is principally engaged in the business as an investor and developer of commercial office, retail and residential properties as well as a hotel owner and operator. While in recent years the Group has focused its investment in the PRC, there is no geographical limitation to its sphere of activities. The AGP Shares have been admitted to trading on AIM since 16 January 2006 (and were readmitted to AIM on 7 December 2016 after AGP completed its migration from the BVI to Bermuda). As at the date of this joint announcement, the issued AGP Shares are held as to approximately 97.17% by SEA.

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## NOTICE OF SGM

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S E A HOLDINGS LIMITED

爪哇控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 251)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of S E A Holdings Limited (“SEA”) will be held at the Board Room, 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong at 4:00 p.m. on Thursday, 4 May 2017 for the purpose of considering and, if thought fit, with or without amendments, passing the following resolutions as ordinary resolutions:

#### ORDINARY RESOLUTIONS

- (1) “**THAT**, subject to satisfaction of conditions (a) to (c) as set out under the section headed “Conditions to the Distribution in Specie” in the Letter from the Board in the circular of SEA dated 18 April 2017 (the “**Circular**”) upon, the Distribution in Specie in the following manner be and is hereby approved:
  - (i) all AGP Shares held indirectly by SEA through its wholly-owned subsidiaries be distributed to the Qualifying Shareholders whose names appear on the register of members of SEA at 4:00 p.m. on the Record Date on the basis of 1,268 AGP Shares for every 1,000 Shares held by such Qualifying Shareholders out of the retained earnings of SEA; and
  - (ii) for the Non-Qualifying Shareholders, arrangement will be made for the AGP Shares which would otherwise be distributed to the Non-Qualifying Shareholders to be sold in the market as soon as practicable, and the proceeds of such sale, after deduction of expenses, if more than HK\$100 per each Non-Qualifying Shareholder will be distributed in Hong Kong dollars to the relevant Non-Qualifying Shareholders at their own risk, except that net proceeds less than HK\$100 per each Non-Qualifying Shareholder will be retained for the benefit of SEA; and
  - (iii) the directors of SEA be and are hereby authorised to take all such actions and execute all such documents on behalf of SEA in accordance with the Bye-laws of SEA (including under seal where necessary) as they may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the foregoing in respect of the Distribution in Specie and the transactions contemplated thereunder.”

\* For identification purpose only

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## NOTICE OF SGM

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- (2) “**THAT**, subject to satisfaction of conditions (a) to (b) as set out under the section headed “Conditions of the Payment of the Special Cash Dividend” in the Letter from the Board in the Circular, the Special Cash Dividend in the following manner be and is hereby approved:
- (i) a special dividend of HK\$3.0 per Share be paid out of the retained earnings of SEA pursuant to the bye-laws of SEA and the Bermuda Companies Act (the “**Special Cash Dividend**”) to shareholders of SEA whose names appear on the register of members of SEA on the record date fixed by the board of directors of SEA (the “**Board**”) for determining the entitlements to the Special Cash Dividend; and
  - (ii) the directors of SEA be and are hereby authorised to take all such actions and execute all such documents on behalf of SEA in accordance with the Bye-laws of SEA (including under seal where necessary) as they may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the foregoing in respect of the Special Cash Dividend and the transactions contemplated thereunder.”

By Order of the Board  
**S E A Holdings Limited**  
**Chow Siu Yin, Dora**  
*Company Secretary*

Hong Kong, 18 April 2017

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

*Principal Office:*  
26th Floor  
Dah Sing Financial Centre  
108 Gloucester Road, Wanchai  
Hong Kong

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## NOTICE OF SGM

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*Notes:*

1. Any shareholder of SEA entitled to attend and vote at the above meeting (or at any adjournment thereof) (the “SGM”) is entitled to appoint one proxy (or, if he holds two or more shares, more than one proxy) to attend and vote instead of him. A proxy need not be a shareholder of SEA.
2. To be valid, a completed and signed form of proxy (together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority) must be lodged at the principal office of SEA at 26th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder from attending the SGM and voting in person if he so wishes.
3. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the resolution(s) set out in this notice and other resolution(s) properly put to the SGM will be voted by way of poll.
4. For the purpose of ascertaining the shareholders’ entitlements to attend and vote at the SGM, all duly completed and stamped transfer documents accompanied by the relevant share certificates must be lodged for registration with SEA’s Hong Kong Branch Registrar, Tricor Standard Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 2 May 2017.

For the purpose of ascertaining the shareholders’ entitlements to the Distribution in Specie and the Special Cash Dividend, all duly completed and stamped transfer documents accompanied by the relevant share certificates must be lodged for registration with SEA’s Hong Kong Branch Registrar, Tricor Standard Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Monday, 15 May 2017. Subject to the passing of Resolution No. 2 at the SGM, the special cash dividend will be payable on Wednesday, 21 June 2017.