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SEA HOLDINGS LIMITED

爪哇控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 251)

DISCLOSEABLE TRANSACTION

ACQUISITION OF PROPERTY

THE ACQUISITION

The Board is pleased to announce that, on 16 September 2019 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor, among other parties, entered into the Provisional Agreement, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Property at the Purchase Price of HK\$780,000,000 (before the Purchaser's costs and expenses for the Acquisition).

THE PROPERTY

The Property includes all those (i) Shop B on each of the Ground Floor, the Upper Ground Floor, the 1st and 2nd Floors, (ii) Units 02 and 03 on the 3rd to 22nd Floors and (iii) a portion of the roof of Winway Building located at No.50 Wellington Street, Central, Hong Kong.

The Property, which is for commercial use, provides a gross floor area of approximately 34,243 square feet, and is sold subject to the existing tenancies.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but all the applicable percentage ratios are below 25%, the Acquisition constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

**For identification purpose only*

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THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are summarized as follows:

- Date** : 16 September 2019 (after trading hours)
- Parties** : (1) the Purchaser
(2) the Vendor, being the sole legal and beneficial owner of the Property
(3) a third party property agent

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Vendor, the property agent and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

- Property to be acquired** : The Property is being held under a government lease for a term of 999 years commencing from 26 June 1843, and comprises all those pieces or parcels of ground registered in the Land Registry as Section C of Inland Lot No.998 and the Remaining Portion of Section D of Inland Lot No.998, together with the messuages erections and buildings thereon comprising a portion of the building known as "Winway Building", No.50 Wellington Street, Central, Hong Kong.

The Property shall be sold on an "as is" basis free from encumbrances but subject to and with the benefit of all existing tenancies.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of existing tenants of the Property and their ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons as at the date of this announcement.

Consideration and other sums payable; and term of payment

: The Purchase Price for the Property is HK\$780,000,000, which shall be payable by the Purchaser to the Vendor in accordance with the following manner:

- (1) HK\$39,000,000, being the initial deposit, was paid by the Purchaser to the solicitors of the Vendor as stakeholders upon signing of the Provisional Agreement, which shall not be released to the Vendor until completion of the Acquisition;
- (2) a further deposit of HK\$39,000,000 shall be paid by the Purchaser to the solicitors of the Vendor as stakeholders on or before 30 September 2019, which shall not be released to the Vendor until completion of the Acquisition; and
- (3) the balance of the Purchase Price in the sum of HK\$702,000,000 shall be paid by the Purchaser to the Vendor on completion of the Acquisition.

In addition to the Purchase Price, the Purchaser shall also pay to the Vendor the Total Deposits upon completion of the Acquisition.

All rents (and other income) to be received and all outgoings to be discharged in respect of the Property up to and inclusive of the date of completion of the Acquisition and from and after that day shall be apportioned between the Vendor and the Purchaser.

It is expected that the aggregate amount of the Total Deposits and any net sum payable by the Purchaser to the Vendor in respect of any apportionment in accordance with the Provisional Agreement will not be significant.

The total consideration for the Acquisition is intended to be funded by the internal resources of the Group.

Determination basis of the Purchase Price

: The Purchase Price was determined after arm's length negotiations between the Purchaser and the Vendor taking into account, among other things, (i) the location of the Property; (ii) market values of comparable properties in adjacent location; and (iii) expected rental income and potential for rental growth.

Formal Agreement : The Vendor and the Purchaser agreed to enter into a formal agreement for the Acquisition on or before 30 September 2019. The Provisional Agreement is binding on all parties until the formal agreement for the Acquisition has been entered into by the Vendor and the Purchaser.

If the Vendor and the Purchaser are unable to agree on the terms of the formal agreement for the Acquisition, the Provisional Agreement shall constitute the formal agreement for the Acquisition and be binding on all parties.

Condition Precedent : There is no condition precedent to the completion of the Acquisition.

Completion : Completion of the Acquisition shall take place at or before 5:00 p.m. on such date no later than 31 October 2019, upon which the Vendor shall execute one property assignment of the Property to the Purchaser only.

Lease back : Immediately after the completion of the Acquisition, the Vendor and the Purchaser agreed that they shall enter into a tenancy agreement pursuant to which the Purchaser shall grant a tenancy of Units 02 and 03 on 9th Floor of the building of which the Property forms part to the Vendor for a term of one year commencing from the completion date of the Acquisition.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company has always been focused on property development and property investment projects. It is the Group's strategy to review and optimise its property portfolio from time to time with a view to achieving the greatest value for its Shareholders. The Board considers the Acquisition to be an excellent opportunity for the Company to acquire a high quality commercial property at a prime location on the Hong Kong Island with a stable rental income, which would enable the Group to achieve a reasonable return from rental income and provide an opportunity for the Group to expand its property portfolio by the addition of Hong Kong local properties with a view to maximizing its value for the Shareholders.

In light of the above, the Directors consider that the terms of the Provisional Agreement and the Acquisition are fair and reasonable and in the interest of the Company and the Shareholders taken as a whole.

INFORMATION ON THE PROPERTY

The Property includes all those (i) Shop B on each of the Ground Floor, the Upper Ground Floor, the 1st and 2nd Floors, (ii) Units 02 and 03 on the 3rd to 22nd Floors and (iii) a portion of the roof of Winway Building located at No.50 Wellington Street, Central, Hong Kong.

The Property provides a gross floor area of approximately 34,243 square feet, accounting for approximately 59% of the gross floor area provided by Winway Building. The Property was completed in September 1998.

Based on information provided by the Vendor, for the year ended 31 December 2018, the net rental income generated from the Property before and after taxation were approximately HK\$18.6 million and approximately HK\$15.5 million, respectively. For the year ended 31 December 2017, the net rental income generated from the Property before and after taxation were approximately HK\$15.6 million and HK\$13.0 million, respectively.

As of 16 September 2019, the Property is fully occupied.

After the completion of the Acquisition, the Company intended to record the Property as an investment property for long term investment purpose in its account at the cost of the Purchase Price (i.e. HK\$780,000,000), exclusive of such costs, outgoings and expenses to be borne by the Purchaser.

INFORMATION ON THE PARTIES

The Purchaser is an indirect wholly-owned subsidiary of the Company and has not previously carried on any business activities. The Company acts as an investment holding company, and the activities of its principal subsidiaries are property investment, property development, hotel operation and financial investment. The Group currently operates in Hong Kong, Australia and the United Kingdom.

The Vendor is an investment company incorporated in Hong Kong.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but all the applicable percentage ratios are below 25%, the Acquisition constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition” the acquisition of the Property by the Purchaser pursuant to the terms and conditions of the Provisional Agreement or (if the Formal Agreement is entered into pursuant to the Provisional Agreement), the Formal Agreement;

“Board” the board of Directors of the Company;

“Company”	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);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Formal Agreement”	the formal agreement (incorporating the terms of the Provisional Agreement and such other terms and conditions as shall be mutually agreed by the Vendor and the Purchaser) to be entered into between the Vendor and the Purchaser for the Acquisition or, if the Vendor and the Purchaser are unable to agree on the terms of the formal agreement for the Acquisition, the Provisional Agreement shall constitute the formal agreement for the sale and purchase of the Property
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchaser”	Easy Mega Investment Limited 順萬投資有限公司, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company;
“Purchase Price”	the purchase price payable by the Purchaser to the Vendor for the Property under the Acquisition, being HK\$780,000,000;
“Property”	all those pieces or parcels of ground registered in the Land Registry as Section C of Inland Lot No.998 and the Remaining Portion of Section D of Inland Lot No.998, together with the messuages erections and buildings thereon comprising a portion of the building known as "Winway Building", No.50 Wellington Street, Central, Hong Kong;

“Provisional Agreement”	a provisional agreement for sale and purchase dated 16 September 2019 entered into between the Purchaser and the Vendor (among other parties) in relation to the Acquisition;
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules;
“Total Deposits”	the total sum of all management fee deposit, public water deposit, public electricity deposit and other public utility deposits (if any) and miscellaneous deposits (if any) which the Vendor has paid or contributed in respect of the Property and are transferrable to the Purchaser, and which the Vendor is supported by the production of relevant receipt(s) or other evidence of payment at completion of the Acquisition;
“Vendor”	Sunny Enterprises Limited, a company incorporated in Hong Kong; and
“%”	per cent.

On behalf of the Board
S E A Holdings Limited
Lu Wing Chi, Jesse
Chairman

Hong Kong, 16 September 2019

The directors of the Company as at the date of this announcement are:

Executive Directors:

Mr. Lu Wing Chi, Jesse (*Chairman*)

Mr. Lambert Lu (*Chief Executive*)

Non-executive Directors:

Mr. Lam Sing Tai

Mr. Lincoln Lu

Independent Non-executive Directors:

Mr. Walujo Santoso, Wally

Mr. Leung Hok Lim

Mr. Chung Pui Lam

Mr. Chan Kwok Wai