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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 TRANSACTIONS

ACQUISITION OF FURTHER INTEREST IN JV COMPANIES PROVISION OF SHAREHOLDER'S LOANS AND GUARANTEE TO JV COMPANIES

The Acquisition

The Board announces that on 17 December 2021, the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor, GAL and SCL entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell and assign, and the Purchaser, GAL and SCL have agreed to purchase and take up the assignment of all the issued shares in each of JV Companies (i.e. Asia Bright, Star Galaxy and Finance Company) held by the Vendor, and all the loans (of approximately HK\$2,857.1 million) advanced by the Vendor free from any encumbrance at an aggregate consideration of approximately HK\$2,086.3 million.

Among the issued shares and loans to be disposed of by the Vendor under the Sale and Purchase Agreement, the Vendor has agreed to sell the Sale Shares, representing 4.5% of the total issued shares of each of JV Companies (in which the Purchaser holds 10% shareholding interests immediately prior to the Acquisition), and to assign the Sale Loans (of approximately HK\$571.4 million) to the Purchaser, and the Purchaser has agreed to acquire such Sale Shares and Sale Loans at an aggregate consideration of approximately HK\$412.5 million.

After completion of the Acquisition which has taken place on 17 December 2021, the Group's shareholding interests in each of the JV Companies has increased from 10% to 14.5%. The JV Companies are special purpose vehicles established for the purpose of owning, developing, financing, marketing and managing the property development project in South West Kowloon known as "Grand Victoria (維港滙)".

The Company and the holding companies of other joint venture parties of Asia Bright have provided guarantees for banking facilities granted to Sky Asia (a direct wholly-owned subsidiary of Asia Bright) on a several basis in proportion to their respective shareholding interests in Asia Bright. As a result of the Acquisition, the Company has to provide 4.5% additional guarantee of the total liabilities under the banking facilities granted to Sky Asia, which amounts to approximately HK\$429.8 million.

Provision of shareholder's loans and guarantee to the JV Companies

Following completion of the Acquisition, the advancement provided by the Group (based on the Group's 14.5% shareholding interests) to Sky Asia and Finance Company in the forms of shareholder's loans and guarantee for banking facilities granted to Sky Asia amounts to HK\$3,303.4 million.

Listing Rules Implications

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition (including the increased amount of guarantee for the banking facilities granted to Sky Asia) exceed 5% but all the applicable ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under 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.

Following completion of the Acquisition, the aggregate amount of advancement in the forms of shareholder's loans and guarantee provided by the Group to Sky Asia and Finance Company (which are affiliated companies of the Group) exceeds 8% under the assets ratio (as defined under Rule 14.07 of the Listing Rules). Such provision of shareholder's loans and guarantee constitute an advance to entities by the Group under Rule 13.13 of the Listing Rules and provision of financial assistance to affiliated companies of the Group under Rule 13.16 of the Listing Rules. This announcement is therefore also made in compliance with Rules 13.13, 13.15 and 13.16 of the Listing Rules.

THE ACQUISITION

The Board announces that on 17 December 2021, the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor, GAL and SCL entered into the Sale and Purchase Agreement pursuant to which the Vendor has agreed to sell and assign, and the Purchaser, GAL and SCL (in the proportion of 20%, 50% and 30%, respectively) have agreed to purchase and take up the assignment of all the issued shares in each of JV Companies (i.e. Asia Bright, Star Galaxy and Finance Company) held by the Vendor, and all the loans (of approximately HK\$2,857.1 million) advanced by the Vendor free from any encumbrance at an aggregate consideration of approximately HK\$2,086.3 million, which shall be payable by the Purchaser (as to approximately HK\$412.5 million), GAL (as to approximately HK\$1,033.1 million) and SCL (as to HK\$640.7 million).

Among the issued shares and loans to be disposed of by the Vendor under the Sale and Purchase Agreement, the Vendor has agreed to sell the Sale Shares, representing 4.5% of the total issued shares of each of JV Companies (in which the Purchaser holds 10% shareholding interests therein immediately prior to the Acquisition), and to assign the Sale Loans (of approximately HK\$571.4 million) to the Purchaser, and the Purchaser has agreed to acquire such Sale Shares and Sale Loans at an aggregate consideration of approximately HK\$412.5 million.

After completion of the Acquisition which has taken place on 17 December 2021, the Group's shareholding interests in each of the JV Companies has increased from 10% to 14.5%.

THE PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised below:

Date

17 December 2021

Parties

- (1) Vendor: the Vendor
- (2) Purchasers: the Purchaser, GAL and SCL

The Vendor, GAL and SCL are the shareholders of the JV Companies (each holding 22.5% shareholding interests in each of the JV Companies immediately prior to the Acquisition).

To the best of Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor, GAL and SCL and their ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has agreed to sell the Sale Shares, representing 4.5% of the total issued shares of each of JV Companies, and to assign the Sale Loans (of approximately of HK\$571.4 million) to the Purchaser, and the Purchaser has agreed to acquire such Sale Shares and Sale Loans at an aggregate consideration of approximately HK\$412.5 million.

Consideration

The total consideration for the Sale Share and the Sale Loans payable by the Purchaser under the Sale and Purchase Agreement is approximately HK\$412.5 million.

The consideration for the Acquisition has been settled by the Group in full in cash on completion which has taken place on 17 December 2021.

The Consideration was determined based on arm's length negotiations between the Vendor and the Purchaser.

The Group funded the Acquisition from its internal resources.

Condition Precedent

Completion of the Acquisition is subject to and conditional upon the fulfilment of the following:

- a. the issued share capital of each of JV Companies having been enlarged on a pro-rata basis for the purpose of the completion of the Acquisition;
- b. the relevant consent from the financing bank of Sky Asia (a wholly-owned subsidiary of Asia Bright) having been obtained; and
- c. the corresponding supplemental financing documents have been executed.

As at the date of this announcement, the above conditions precedent have been fulfilled.

Completion

Completion has taken place on 17 December 2021.

PROVISION OF ADDITIONAL GUARANTEE

To meet the working capital requirements of the residential development project of “Grand Victoria (維港滙)”, Sky Asia (as borrower) obtained certain banking facilities.

The Company and the holding companies of the other joint venture parties of Sky Asia have provided guarantees in favour of the financing bank (as security agent) on a several basis in proportion to their respective shareholding interests in Asia Bright (the immediate holding company of Sky Asia) for the due performance of the repayment obligations of Sky Asia.

As a result of the Acquisition, the Company has to provide 4.5% additional guarantee of the total liabilities under the banking facilities granted to Sky Asia, which amounts to approximately HK\$429.8 million.

INFORMATION OF THE JV COMPANIES

Asia Bright is a limited liability company incorporated in Hong Kong and is principally engaged in investment holding.

Sky Asia is a limited liability company incorporated in Hong Kong and a direct wholly-owned subsidiary of Asia Bright. The sole business of Sky Asia is to own and develop the residential project known as “Grand Victoria (維港滙)”.

Star Galaxy is a limited liability company incorporated in Hong Kong and is principally engaged in property management. It has not yet commenced business operations since incorporation.

Finance Company is a limited liability company incorporated in Hong Kong and is principally engaged in providing mortgage loan financing.

Set out below are the financial information of (i) Asia Bright for the period from 1 January 2021 to 31 October 2021 and the years ended 31 December 2019 and 2020 and (ii) Finance Company for the period from 4 December 2020 (date of incorporation) to 31 October 2021:

	<u>Asia Bright</u>		<u>Finance Company</u>	
	For the period from 1 January 2021 to 31 October 2021	For the year ended 31 December 2020	For the year ended 31 December 2019	For the period from 4 December 2020 (date of incorporation) to 31 October 2021
	<i>HK\$'000 (unaudited)</i>	<i>HK\$'000 (audited)</i>	<i>HK\$'000 (audited)</i>	<i>HK\$'000 (unaudited)</i>
Net profit (loss) before and after taxation	(82,518)	(52,049)	(531)	(53)

The unaudited net liabilities of Asia Bright and Finance Company as at 31 October 2021 was HK\$504,893 and HK\$52,280, respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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. Following the disposal of several projects in 2021, the Company has been identifying and exploring potential investments with a view of generating revenue and achieving better return to the Shareholders.

The Acquisition presents an excellent opportunity for the Company to further increase its stake in the JV Companies in developing the residential project of "Grand Victoria (維港滙)", which is in line with the Group's business growth and strategies for achieving a reasonable return with a view to maximizing its value for the Shareholders.

The Directors consider that the terms of the Sale and Purchase Agreement and the Acquisition are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP AND THE PARTIES

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 and the United Kingdom.

The Purchaser is a limited liability company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company and its principal activity is investment holding.

The Vendor is a limited liability company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of Shimao Group Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange (stock code: 813)), which is an investment holding company. Shimao Group Holdings Limited and its subsidiaries are principally engaged in the development and investment of residential and commercial properties, property management, commercial properties operation and hotel operation in the PRC.

GAL is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment holding. It is ultimately beneficially owned by Wheelock and Company Limited.

SCL is a limited liability company incorporated in Hong Kong and is principally engaged in investment holding. It is ultimately beneficially owned by Sino Land Company Limited (the shares of which are listed on the Main Board of the Stock Exchange (stock code: 83)), which is an investment holding company and its principal businesses include property development and investment, investment in securities, financing, hotel and building management and services.

PROVISION OF SHAREHOLDER'S LOANS AND GUARANTEE

Following completion of the Acquisition, the Group has provided advancement to Sky Asia and Finance Company (which are affiliated companies of the Group) in the forms of shareholder's loans and guarantee given as securities for the banking facilities granted to Sky Asia in an aggregate amount of HK\$3,303.4 million, which exceeds 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). Such provision of shareholder's loans and guarantee constitute an advance to entities by the Group under Rule 13.13 of the Listing Rules and provision of financial assistance to affiliated companies of the Group under Rule 13.16 of the Listing Rules.

Pursuant to Rules 13.13, 13.15 and 13.16 of the Listing Rules, the Company is required to disclose the information as follows:

Name of affiliated companies	Effective equity interests held by the Company	Amount of shareholder's loans to the affiliated companies <i>HK\$ million</i>	Guarantees given by the Company for banking facilities granted to the affiliated companies <i>HK\$ million</i>	Banking facilities utilised by the affiliated companies which are guaranteed by the Company <i>HK\$ million</i>
Sky Asia	14.5%	1,831.6	1,461.5	1,183.5
Finance Company	14.5%	10.3	-	-
Total		1,841.9	1,461.5	1,183.5

Notes:

1. There are no committed capital injection to the above affiliated companies.
2. The shareholder's loans provided by the Company to Sky Asia are unsecured and interest bearing at a rate to be agreed by the joint ventures parties from time to time and have no fixed term of repayment.
3. The shareholder's loans provided by the Company to Finance Company are unsecured and interest free and have no fixed terms of repayment.
4. The above banking facilities were granted to Sky Asia on 28 September 2018 and 17 December 2020 for the development of the property development project of "Grand Victoria (維港滙)".
5. The banking facilities granted to Sky Asia in 2018 will mature on the earlier of (a) the date falling 60 months from 28 September 2018 and (b) the date falling 6 months after issuance of the certificate of compliance from Lands Department, while the banking facilities granted in 2020 have no fixed terms of repayment.
6. The above banking facilities are secured by guarantees provided by the joint venture parties of Sky Asia on a several basis in proportion to their respective shareholding interests in Sky Asia.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition (including the increased amount of guarantee for the banking facilities granted to Sky Asia) exceed 5% but all the applicable ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under 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.

Following completion of the Acquisition, the aggregate amount of advancement in the forms of shareholder's loans and guarantee provided by the Group to the JV Companies (which are affiliated companies of the Group) exceeds 8% under the assets ratio (as defined under Rule 14.07 of the Listing Rules). Such provision of shareholder's loans and guarantee constitute an advance to entities by the Group under Rule 13.13 of the Listing Rules and provision of financial assistance to affiliated companies of the Group under Rule 13.16 of the Listing Rules. This announcement is therefore also made in compliance with Rules 13.13, 13.15 and 13.16 of the Listing Rules.

DEFINITIONS

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

"Acquisition"	the acquisition of Sale Shares and Sale Loans of each of the JV Companies;
"Asia Bright"	Asia Bright Development Limited 加耀發展有限公司, a company incorporated in Hong Kong and its principal activity is investment holding. Asia Bright is the immediate holding company of Sky Asia;
"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 on the Main Board of the Stock Exchange (stock code: 251);
"Completion Date"	17 December 2021;
"Director(s)"	the director(s) of the Company;
"Finance Company"	Grand Victoria Finance Company Limited, a company incorporated in Hong Kong and is principally engaged in providing mortgage loan financing;
"GAL"	Goodwill Ardent Limited, an investment holding company incorporated in the British Virgin Islands and ultimately beneficially owned by Wheelock and Company Limited;

"Group"	the Company and its subsidiaries;
"HK\$"	Hong Kong Dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Third Party(ies)"	any entity(ies) or person(s) which or who is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rules;
"JV Companies"	collectively Asia Bright, Star Galaxy and Finance Company;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	The People's Republic of China;
"Purchaser"	Enlightenment Harmony Limited 啟怡有限公司, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company;
"Sale Loans"	Collectively (i) the sums of HK\$568,426,855.83 advanced by the Vendor to Sky Asia as at the Completion Date and which are unsecured, interest bearing and have no fixed terms of repayment; and (ii) the sums of HK\$2,988,000 advanced by the Vendor to Finance Company as at the Completion Date and which are unsecured, interest free and have no fixed terms of repayment;
"Sale Shares"	450 issued shares of each of JV Companies held by the Vendor as at the Completion Date, to be sold by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement;
"Sale and Purchase Agreement"	the sale and purchase agreement dated 17 December 2021 entered into between the Vendor, the Purchaser, GAL and SCL in relation to the Acquisition;
"SCL"	Sky Champ Limited 紹祥有限公司, an investment holding company incorporated in Hong Kong and a wholly-owned subsidiary of Sino Land Company Limited, shares of which are listed on the Main Board of the Stock Exchange (stock code: 83);
"Shareholder(s)"	holder(s) of the shares of the Company;

"Sky Asia"	Sky Asia Properties Limited 天基置業有限公司, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of Asia Bright. Its principal activities are owning and developing the property development project in South West Kowloon known as "Grand Victoria (維港滙)";
"Star Galaxy"	Star Galaxy Limited 得倫有限公司, a company incorporated in Hong Kong and is principally engaged in property management;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Vendor"	Fortune Spring Ventures Limited, an investment holding company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of Shimao Group Holdings Limited, shares of which are listed on the Main Board of the Stock Exchange (stock code: 813); and
"%"	per cent.

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

Hong Kong, 17 December 2021

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*)
Mr. Yap Shee Liam (*Chief Financial Officer*)

Independent Non-executive Directors:

Mr. Walujo Santoso, Wally
Mr. Chung Pui Lam
Mr. Chan Kwok Wai
Mr. Lo Wai Tung Welman