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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 AT JARDINE'S LOOKOUT, HONG KONG**

#### **ACQUISITION OF PROPERTY**

The Board announces that on 11 October 2021, the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into 15 sets of the Agreement for Sale and Purchase with the Vendors to acquire the Property at Jardine's Lookout comprising of 15 residential units of Loong Fung Terrace located at Nos. 89-93 Tai Hang Road, Hong Kong with an aggregate gross floor area of approximately 22,000 square feet for a total consideration of approximately HK\$627 million (including the amount of land premium of 13 units of the Property as assessed by the Hong Kong Government).

Completion of the Acquisition is subject to the assessment by the Hong Kong Government of the amount of land premium that is payable for the removal of the restrictions on alienation with respect to 13 units of the Property on or before 30 December 2022.

On 2 June 2022, the amount of land premium of the 13 units of the Property was assessed by the Hong Kong Government and has been accepted by all of the relevant 13 Vendors on 6 June 2022.

#### **LISTING RULES IMPLICATIONS**

As at the time of execution of the Agreements for Sale and Purchase, the Group intended to acquire the Property for redevelopment into luxury residence for sale. As one of the principal activities of the Company is property development, the Acquisition was of a revenue nature and was excluded by Rule 14.04(1)(g) from constituting a transaction under Chapter 14 of the Listing Rules. Hence, no announcement was made when the Agreements for Sale and Purchase were executed.

*\*For identification purpose only*

After due consideration of the factors as mentioned in this announcement, the Group subsequently decided it will be most cost effective to hold the redeveloped Property for investment purpose from the outset for financial reporting. Accordingly, the Acquisition shall constitute a notifiable transaction under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules exceeds 5% but below 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **ACQUISITION OF PROPERTY**

The Board announces that on 11 October 2021, the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into 15 sets of the Agreement for Sale and Purchase with the Vendors to acquire the Property at Jardine's Lookout comprising of 15 residential units of Loong Fung Terrace located at Nos. 89-93 Tai Hang Road, Hong Kong with an aggregate gross floor area of approximately 22,000 square feet for a total consideration of approximately HK\$627 million (including the amount of land premium of 13 units of the Property as assessed by the Hong Kong Government).

As at the date of signing the Agreements for Sale and Purchase, the land premium of 2 units of the Property had been paid and the Vendors of the remaining 13 units had applied to the Hong Kong Government for the assessment of the amount of land premium and removal of the restrictions on alienation of the relevant units of the Property.

Completion of the Acquisition is subject to the assessment by the Hong Kong Government of the amount of land premium that is payable for the removal of the restrictions on alienation with respect to 13 units of the Property on or before 30 December 2022.

On 2 June 2022, the amount of land premium of the 13 units of the Property was assessed by the Hong Kong Government and has been accepted by all of the relevant 13 Vendors on 6 June 2022.

## **PRINCIPAL TERMS OF THE AGREEMENTS FOR SALE AND PURCHASE**

### **Date**

11 October 2021

### **Parties**

Purchaser: True Bloom Limited (an indirect wholly-owned subsidiary of the Company)

Vendors: 15 Vendors under the respective Agreements for Sale and Purchase, being the registered owners of the Property

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

## **Consideration and Terms of Payment**

The consideration for the Acquisition under the Agreements for Sale and Purchase is in an aggregate amount of approximately HK\$627 million (including the amount of land premium of 13 units of the Property as assessed by the Hong Kong Government). The consideration for the Acquisition is payable by the Purchaser in the following manner:

- (1) A total amount of approximately HK\$48 million, being the initial deposit of the Acquisition, was paid to the Vendors' solicitor as stakeholder upon signing of the Agreements for Sale and Purchase on 11 October 2021; and
- (2) The balance of consideration (including the amount of land premium of 13 units of the Property as assessed by the Hong Kong Government) in an aggregate amount of approximately HK\$579 million, will be paid within 28 calendar days from the date when the Purchaser has received the demand notes for the land premium of the 13 units of the Property.

The initial deposit of the Acquisition will be released to the Vendors upon completion of the Acquisition.

The consideration for the Acquisition is intended to be funded by the Group's internal resources and/or bank financing.

The consideration for the Acquisition was determined based on arm's length negotiations between the Purchaser and the Vendors, by reference to the market price of comparable properties in the vicinity of the Property and the amount of land premium as assessed by the Hong Kong Government for the removal of the restrictions on alienation of the relevant units of the Property.

## **Condition Precedent**

Under the Agreements for Sale and Purchase, the condition precedent to completion of the Acquisition is the assessment by the Hong Kong Government of the amount of land premium that is payable for the removal of the restrictions on alienation with respect to 13 units of the Property amongst the 15 units on or before 30 December 2022. On 2 June 2022, the amount of land premium of the 13 units of the Property was assessed by the Hong Kong Government and has been accepted by all of the 13 relevant Vendors on 6 June 2022.

## **Completion**

Completion shall take place on the date falling 28 calendar days from the date when the Purchaser has received the demand notes for the land premium of the 13 units of the Property issued by the Hong Kong Government.

## **Licence after Completion**

Each of the Vendors for each unit of the Property shall have the right, by notice served on the Purchaser within 21 days after the date of signing of the Agreements for Sale and Purchase, to be granted with a licence from the Purchaser to stay in the relevant unit for a period of 9 months after the Completion Date. For each unit with which the Vendor exercises such right of licence, the Vendor is required to pay an amount of HK\$1.5 million as security deposit for the grant of such licence by the Purchaser to the Vendor.

Upon the expiry of the licence, the Purchaser is required to return such security deposit to the relevant Vendor on the condition that the Vendor has complied with the terms of the licence during the licence period.

As at the date of this announcement, the relevant Vendors for 13 units of the Property served notice on the Purchaser to request for a grant of such licence from the Purchaser under the Agreements for Sale and Purchase.

## **INFORMATION OF THE PROPERTY**

The Property at Jardine's Lookout is known as Loong Fung Terrace located at Nos. 89-93 Tai Hang Road, Hong Kong registered in the Land Registry of Hong Kong as Inland Lot No. 7384. The Property is a residential building, among others, comprises a total of 15 residential units with an aggregate gross floor area of approximately 22,000 square feet.

## **REASONS FOR AND BENEFIT OF THE ACQUISITION**

As at the time of execution of the Agreements for Sale and Purchase, the Group intended to acquire the Property for redevelopment into luxury residence for sale. The target market for the Property is high-end users (particularly from Mainland China). Since the beginning of this year, there have been increasing reports of professionals and senior management people who are upper-income and high-net worth individuals leaving Hong Kong and might not return again. Further, the opening of the border with China was delayed due to COVID-19 pandemic.

On top of this, the unexpected Russia/Ukraine war and its knock-on effect on global economies (including China and Hong Kong) is a significant cause for concern. The demand for high-end properties has weakened considerably. The target market for these properties may continue to be weak for a prolonged period.

In recent months, there have been reports that the Hong Kong Government might revive the "Special Rates" on vacant first-hand private residential units which might have a negative impact on the Group if it cannot sell the redeveloped units expeditiously. Also, if the Group then decides to change the use of the units into long-term investment properties, the Group has been advised that it will have to pay tax upon the time of the change of use.

After due consideration of the above factors, the Group subsequently decided to redevelop the Property into a luxury residence as a long term investment for lease from the outset as it is the most cost-effective option.

Property development and property investment are among the principal activities of the Group. The Acquisition will provide a valuable investment opportunity which is in line with the Group's business development strategy. In view of the prime and convenient location of the Property linked with good public transportation to the nearby areas like the Central and Causeway Bay, the Board considers that the Acquisition enhances the Group's investment property portfolio and will generate reasonable rental income for the Group.

The Board believes that the terms of the Agreements for Sale and Purchase 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 RELATING TO THE GROUP, THE PURCHASER AND THE VENDORS**

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 an indirect wholly-owned subsidiary of the Company and its principal activity is investment holding.

The Vendors of 14 units of the Property are individuals who are Hong Kong residents. The remaining Vendor is a company with limited liability incorporated in Hong Kong. According to the information available to the Company, the said Vendor is beneficially owned as to 50% by each of Ms. Chan Cheuk Yee Jacqueline and Ms. Chan Siu Han Magdalen and its principal activity is investment holding.

## **LISTING RULES IMPLICATIONS**

As at the time of execution of the Agreements for Sale and Purchase, the Group intended to acquire the Property for redevelopment into luxury residence for sale. As one of the principal activities of the Company is property development, the Acquisition was of a revenue nature and was excluded by Rule 14.04(1)(g) from constituting a transaction under Chapter 14 of the Listing Rules. Hence, no announcement was made when the Agreements for Sale and Purchase were executed.

After due consideration of the factors as mentioned in this announcement, the Group subsequently decided it will be most cost effective to hold the redeveloped Property for investment purpose from the outset for financial reporting. Accordingly, the Acquisition shall constitute a notifiable transaction under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules exceeds 5% but below 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

"Acquisition"	the acquisition of 15 residential units of the Property pursuant to the Agreements for Sale and Purchase;
"Board"	the board of Directors;
"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);
"Completion Date"	the date falling 28 calendar days from the date when the Purchaser has received the demand notes for the land premium of all the 13 units of the Property;
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"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;
"Property"	a residential building at Jardine's Lookout known as Loong Fung Terrace located at Nos. 89-93 Tai Hang Road, Hong Kong that situates on the parcel of land registered in the Land Registry of Hong Kong as Inland Lot No.7384;
"Purchaser"	True Bloom Limited 興隆有限公司, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company;
"Agreement(s) for Sale and Purchase "	15 sets of agreement for sale and purchase all dated 11 October 2021 in respect of sale and purchase of 15 units comprising all of the units of the Property;
"Shareholders"	holder(s) of the shares of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and

"Vendor(s)"

15 groups of individuals (as registered owners of the Property) who signed the Agreements for Sale and Purchase as vendors are as follows:

1. Yuen Man Lee (袁曼梨)
2. Ma Wing Kai William (馬榮楷) and So Oi Kwan Christina (蘇愛群)
3. Salleh Yu So May (余素薇)
4. So Yu Ho Peter (蘇予可)
5. Lau King Shui (劉景瑞)
6. Wong Ching Mun Ada (黃貞敏)
7. Au Yeung Pak Wai (歐陽伯偉)
8. Ho Lai Ching (何麗貞)
9. Luk Winkit Charles (陸榮傑)
10. Leung Kam Wing (梁錦榮)
11. Chan Pui Yee (陳佩儀)
12. Law Sau Wan (羅修宏)
13. Wong Sum Chuen (黃森泉)
14. Tam Mee Ling Bonnie (譚美玲)
15. The Australian Club Limited

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

Hong Kong, 6 June 2022

The directors of the Company 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