



**S E A HOLDINGS LIMITED**  
**爪哇控股有限公司\***

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

**ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR**  
**ENDED 31<sup>ST</sup> DECEMBER, 2007**

The board of directors (the “Board”) of S E A Holdings Limited (the “Company”) announces that the consolidated results of the Company and its subsidiaries (together the “Group”) for the financial year ended 31<sup>st</sup> December, 2007 together with the comparative figures of 2006 are as follows :

**1. CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2007**

	<i>Notes</i>	<b>2007</b> <b>HK\$'000</b>	2006 HK\$'000
Revenue	(iii)	<b>2,198,842</b>	1,060,215
Interest income		<b>64,605</b>	57,379
Other income		<b>27,740</b>	21,991
Costs:			
Property and related costs	(iv)	<b>(1,469,811)</b>	(561,449)
Staff costs		<b>(119,745)</b>	(100,562)
Depreciation		<b>(4,568)</b>	(4,098)
Other expenses		<b>(68,489)</b>	(106,917)
		<b>(1,662,613)</b>	(773,026)
Net gain on investments		<b>69,172</b>	11,159
Profit from operations before fair value changes on investment properties		<b>697,746</b>	377,718
Fair value changes on investment properties		<b>834,662</b>	708,911
Profit from operations after fair value changes on investment properties		<b>1,532,408</b>	1,086,629
Loss on disposal of a subsidiary		<b>(1,089)</b>	—
Gain on disposal of associates		—	66,361
Recognition of discount on acquisition/gain on deemed acquisition		<b>10,076</b>	81,975
Other loss		—	(2,223)
Share of results of associates		<b>2,041</b>	2,436
Finance costs		<b>(107,398)</b>	(101,163)
Profit before taxation	(v)	<b>1,436,038</b>	1,134,015
Income tax expense	(vi)	<b>(323,175)</b>	(207,798)
Profit for the year		<b>1,112,863</b>	926,217

\* For identification purpose only

Attributable to:			
Company's shareholders		<b>965,497</b>	791,262
Minority interests		<b>147,366</b>	134,955
		<u><b>1,112,863</b></u>	<u>926,217</u>
Dividends			
Dividends paid	(vii)	<b>71,772</b>	63,858
Dividends proposed		<b>58,925</b>	41,417
Earnings per share for profit attributable to the Company's shareholders	(viii)		
Basic		<u><b>HK\$1.62</b></u>	<u>HK\$1.39</u>
Diluted		<u><b>HK\$1.50</b></u>	<u>HK\$1.26</u>
Earnings per share excluding changes in fair value of investment properties net of deferred tax	(viii)		
Basic		<u><b>HK\$0.43</b></u>	<u>HK\$0.40</u>
Diluted		<u><b>HK\$0.40</b></u>	<u>HK\$0.36</u>

**2. CONSOLIDATED BALANCE SHEET  
AS AT 31<sup>ST</sup> DECEMBER, 2007**

	<i>Notes</i>	2007 HK\$'000	2006 HK\$'000
<b>Non-current Assets</b>			
Investment properties		5,752,782	4,820,302
Property, plant and equipment		146,375	68,591
Prepaid lease payments		358,448	367,362
Interests in associates		19,689	17,766
Interests in jointly controlled entities		—	—
Club memberships		8,574	8,574
Available-for-sale investments		—	51,312
Other loans receivable		125,235	153,717
		<u>6,411,103</u>	<u>5,487,624</u>
<b>Current Assets</b>			
Inventories		—	1,014
Properties held for sale		565,770	758,327
Properties under development held for sale		1,867,149	2,312,471
Prepaid lease payments		8,805	8,696
Held for trading investments		398	453
Other loans receivable		41,063	35,670
Receivables, deposits and prepayments	(ix)	345,141	166,589
Income tax recoverable		2,794	14,923
Amounts due from jointly controlled entities		17,100	8,700
Pledged bank deposits		420,277	200,708
Restricted bank balances and deposits		134,240	332,404
Bank balances and deposits		1,186,259	570,445
		<u>4,588,996</u>	<u>4,410,400</u>
<b>Current Liabilities</b>			
Payables, deposits received and accrued charges	(x)	416,721	439,203
Sales deposits on properties held for sale received		357,498	449,094
Provisions		15,965	15,148
Income tax payable		109,200	42,954
Bank borrowings – due within one year		1,991,549	1,538,744
Amounts due to minority shareholders		87,177	36,209
		<u>2,978,110</u>	<u>2,521,352</u>
<b>Net Current Assets</b>		<u>1,610,886</u>	<u>1,889,048</u>
<b>Total Assets Less Current Liabilities</b>		<u>8,021,989</u>	<u>7,376,672</u>
<b>Non-current Liabilities</b>			
Amounts due to minority shareholders		6,492	80,814
Bank borrowings – due after one year		864,687	1,019,675
Deferred taxation		692,574	549,968
		<u>1,563,753</u>	<u>1,650,457</u>
<b>Net Assets</b>		<u>6,458,236</u>	<u>5,726,215</u>
<b>Capital and Reserves</b>			
Share capital		60,283	58,310
Reserves		6,125,560	5,134,418
Equity attributable to the Company's shareholders		6,185,843	5,192,728
Minority interests		272,393	533,487
<b>Total Equity</b>		<u>6,458,236</u>	<u>5,726,215</u>

*Notes to the consolidated financial statements:*

**(i) BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

**(ii) APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

In the current year, the Group has applied, for the first time, the following new standard, amendment to Hong Kong Accounting Standard (“HKAS”) and interpretations (“HK(IFRIC)-Int”) (“new HKFRSs”) issued by the HKICPA, which are effective for Group’s financial year beginning on 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under requirements of HKAS 32 has been removed and relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early adopted the following new and revised standards, amendment or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>2</sup>
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations <sup>1</sup>
HKFRS 3 (Revised)	Business Combinations <sup>2</sup>
HKFRS 8	Operating Segments <sup>1</sup>
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions <sup>3</sup>
HK(IFRIC)-Int 12	Service Concession Arrangements <sup>4</sup>
HK(IFRIC)-Int 13	Customer Loyalty Programmes <sup>5</sup>
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction <sup>4</sup>

<sup>1</sup>Effective for annual periods beginning on or after 1<sup>st</sup> January, 2009

<sup>2</sup>Effective for annual periods beginning on or after 1<sup>st</sup> July, 2009

<sup>3</sup>Effective for annual periods beginning on or after 1<sup>st</sup> March, 2007

<sup>4</sup>Effective for annual periods beginning on or after 1<sup>st</sup> January, 2008

<sup>5</sup>Effective for annual periods beginning on or after 1<sup>st</sup> July, 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new and revised standards, amendment and interpretations will have no material impact on the results and the financial position of the Group.

**(iii) REVENUE**

**Geographical segments**

**Year ended 31<sup>st</sup> December, 2007**

	New Zealand HK\$'000	Australia HK\$'000	Hong Kong HK\$'000	The other regions of the Peoples' Republic of China ("PRC") HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>							
External sales	439,757	64,942	1,241,085	453,058	—	—	2,198,842
Inter-segment sales*	306	—	115,064	—	—	(115,370)	—
<b>Total revenue</b>	<b>440,063</b>	<b>64,942</b>	<b>1,356,149</b>	<b>453,058</b>	<b>—</b>	<b>(115,370)</b>	<b>2,198,842</b>
* Inter-segment sales are charged at prevailing market rates.							
<b>RESULTS</b>							
Segment (loss) profit	(55,557)	21,924	1,132,626	436,719	(1,706)	—	1,534,006
Interest income							64,605
Recognition of discount on acquisition/gain on deemed acquisition							10,076
Unallocated corporate expenses							(67,292)
Share of results of associates	2,041	—	—	—	—	—	2,041
Finance costs							(107,398)
Profit before taxation							1,436,038
Income tax expense							(323,175)
<b>PROFIT FOR THE YEAR</b>							<b>1,112,863</b>

**Year ended 31<sup>st</sup> December, 2006**

	New Zealand HK\$'000	Australia HK\$'000	Hong Kong HK\$'000	PRC HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>							
External sales	163,603	72,436	809,406	14,770	—	—	1,060,215
Inter-segment sales*	—	—	70,456	—	—	(70,456)	—
Total revenue	<u>163,603</u>	<u>72,436</u>	<u>879,862</u>	<u>14,770</u>	<u>—</u>	<u>(70,456)</u>	<u>1,060,215</u>

\* Inter-segment sales are charged at prevailing market rates.

<b>RESULTS</b>							
Segment (loss) profit	<u>(34,950)</u>	<u>24,015</u>	<u>1,041,183</u>	<u>109,437</u>	<u>(1,429)</u>	<u>—</u>	1,138,256
Interest income							57,379
Gain on disposal of associates	66,361	—	—	—	—	—	66,361
Recognition of discount on acquisition/gain on deemed acquisition							81,975
Unallocated corporate expenses							(111,229)
Share of results of associates	2,436	—	—	—	—	—	2,436
Finance costs							<u>(101,163)</u>
Profit before taxation							1,134,015
Income tax expense							<u>(207,798)</u>
<b>PROFIT FOR THE YEAR</b>							<u>926,217</u>

**Business segments**

The following table provides an analysis of the Group's sales revenue by business segments:

	Sales revenue by <u>business segment</u>	
	<b>2007</b> <b>HK\$'000</b>	2006 HK\$'000
Property investment	<b>179,989</b>	123,256
Investment	<b>277</b>	567
Property development	<b>2,006,820</b>	909,788
Garment manufacturing and trading	<b>10,695</b>	25,364
Others	<b>1,061</b>	1,240
	<u><b>2,198,842</b></u>	<u>1,060,215</u>

**(iv) PROPERTY AND RELATED COSTS**

	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
Changes in inventories of manufactured finished goods and work-in-progress	<b>(698)</b>	(1,245)
Raw materials and consumables used	<b>(6,738)</b>	(10,387)
Changes in properties held for sale/properties under development held for sales	<b>(637,879)</b>	151,548
Costs incurred on properties held for sale/properties under development held for sales	<b>(478,176)</b>	(628,266)
Write down of properties held for sale/properties under development held for sales	<b>(76,162)</b>	(1,693)
Selling and marketing expenses	<b>(240,652)</b>	(49,132)
Direct operating expense from investment properties that generate rental income	<b>(29,506)</b>	(22,274)
	<b><u>(1,469,811)</u></b>	<u>(561,449)</u>

Certain property related costs for the year 2006 classified as other expenses or disclosed separately in the consolidated income statement have been reclassified to conform with the current year's presentation and are summarised as below:

	As originally stated <u>HK\$'000</u>	Reclassifications <u>HK\$'000</u>	As restated <u>HK\$'000</u>
Property and related costs	488,350	73,099	561,449
Other expenses	178,323	(71,406)	106,917
Write down of properties held for sale	1,693	(1,693)	—
	<u>668,366</u>	<u>—</u>	<u>668,366</u>

**(v) PROFIT BEFORE TAXATION**

	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
Profit before taxation has been arrived at after charging:		
Allowance for other loans receivable	<b>11,232</b>	10,000
Allowance for trade and other receivables	<b>414</b>	—
and crediting:		
Reversal of allowance for trade and other receivables	—	298
Dividend income from equity investments	<b>277</b>	567
	<u>277</u>	<u>567</u>

**(vi) INCOME TAX EXPENSE**

	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
The charge comprises:		
Current year		
Hong Kong	<b>76,705</b>	76,368
PRC Enterprise Income Tax	<b>40,095</b>	—
PRC Land Appreciation Tax	<b>66,875</b>	—
Other jurisdictions	<b>2,296</b>	98
	<u><b>185,971</b></u>	<u>76,466</u>
Under (over) provision in prior years		
Hong Kong	<b>(106)</b>	667
PRC Enterprise Income Tax	<b>1,290</b>	(7,439)
Other jurisdictions	<b>(155)</b>	(4)
	<u><b>1,029</b></u>	<u>(6,776)</u>
Deferred tax		
Current year	<b>171,078</b>	138,108
Attributable to change in tax rate	<b>(34,903)</b>	—
	<u><b>136,175</b></u>	<u>138,108</u>
	<u><b>323,175</b></u>	<u>207,798</u>

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for both years. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

**(vii) DIVIDENDS**

	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
Dividend recognised as distribution during the year:		
Interim dividend paid – HK5 cents (2006: HK5 cents) per share	<b>30,138</b>	29,153
Additional prior year's final dividend paid on exercise of warrants subsequent to issue of financial statements	<b>217</b>	1,611
2006 final dividend paid – HK7 cents per share	<b>41,417</b>	—
2005 final dividend paid – HK5 cents per share	<b>—</b>	33,094
	<u><b>71,772</b></u>	<u>63,858</u>
2007 final dividend proposed:		
HK9 cents (2006: HK7 cents) per share	<b>58,925</b>	41,417

A final dividend of HK9 cents (2006: HK7 cents) per share has been proposed by the directors and is subject to approval by the shareholders at the forthcoming 2008 annual general meeting (“AGM”).



(viii) EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the Company's shareholders is based on the following data:

	2007 HK\$'000	2006 HK\$'000
Earnings for the purposes of basic and diluted earnings per share	<u>965,497</u>	<u>791,262</u>
	<u>Number of shares</u>	
	2007	2006
Weighted average number of ordinary shares for the purposes of basic earnings per share	595,254,436	570,775,090
Effect of dilutive potential ordinary shares		
Options	2,207,628	5,802,446
Warrants	<u>46,365,796</u>	<u>53,089,835</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>643,827,860</u>	<u>629,667,371</u>

For the purpose of assessing the performance of the Group, management is of the view that the profit for the year should be adjusted for fair value changes on investment properties and related deferred taxation in arriving at "Profit attributable to the Company's shareholders". A reconciliation of profits is as follows:

	2007 HK\$'000	2006 HK\$'000
Profit attributable to the Company's shareholders as shown in the consolidated income statement	965,497	791,262
Increase in fair value of investment properties	(834,662)	(708,911)
Deferred tax on changes in fair value of investment properties	162,877	143,793
Effect of change in tax rate	<u>(34,903)</u>	<u>—</u>
Profit attributable to the Company's shareholders excluding changes in fair value of investment properties net of deferred tax	<u>258,809</u>	<u>226,144</u>

**(ix) RECEIVABLES, DEPOSITS AND PREPAYMENTS**

The Group has a policy of allowing an average credit period of 1 to 3 months to its trade customers.

An aged analysis of trade receivables at the balance sheet date is as follows:

	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
0 to 60 days	<b>2,605</b>	22,220
61 to 90 days	<b>214</b>	234
91 to 365 days	<b>89</b>	846
Over 365 days	<b>101</b>	—
	<b><u>3,009</u></b>	<u>23,300</u>

**(x) PAYMENTS, DEPOSITS RECEIVED AND ACCRUED CHARGES**

An aged analysis of trade payables at the balance sheet date is as follows:

	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
0 to 60 days	<b>70,855</b>	17,452
61 to 90 days	<b>6</b>	98,110
91 to 365 days	<b>16</b>	212
	<b><u>70,877</u></b>	<u>115,774</u>

**3. TRANSFER FROM RESERVES TO CONSOLIDATED INCOME STATEMENT**

	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
Investments revaluation reserve released upon disposal of available-for-sale investments	<b><u>66,460</u></b>	<u>9,130</u>

**4. FINAL DIVIDEND**

The Board has resolved to recommend for shareholders' approval at the forthcoming 2008 AGM the payment of a final dividend of HK9 cents per share for the year ended 31<sup>st</sup> December, 2007 (2006: HK7 cents) on Thursday, 5<sup>th</sup> June, 2008 to the shareholders of the Company whose names appear on the Register of Members at the close of business on Friday, 30<sup>th</sup> May, 2008. Together with the interim dividend of HK5 cents per share already paid (2006: HK5 cents), the total dividend for the year will be HK14 cents per share (2006: HK12 cents). Total final dividends payable at the date of this Announcement are HK\$58.9 million which will be increased by a maximum of HK\$0.5 million if additional ordinary shares are issued upon the exercise by the respective holders of the subscription rights attached to all the outstanding warrants and share options before the commencement of the fixed period of closure of the Register of Members mentioned in Section 6 below.

**5. ANNUAL GENERAL MEETING**

The 2008 AGM will be held in Hong Kong on Friday, 30<sup>th</sup> May, 2008 and the relevant notice will be published on the website of Hong Kong Exchanges and Clearing Limited ("HKEx") at [www.hkex.com.hk](http://www.hkex.com.hk) under "Latest Listed Company Information" and on the website of the Company at [www.seagroup.com.hk](http://www.seagroup.com.hk) under "Investor Relations/News/Announcements" on or before 30<sup>th</sup> April, 2008.

## **6. CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Friday, 23<sup>rd</sup> May, 2008 to Friday, 30<sup>th</sup> May, 2008, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the attendance and voting at the forthcoming 2008 AGM and proposed final dividend, those shareholders whose names are not on the Register of Members must lodge all duly completed transfer documents accompanied by the relevant share certificates with the Company's Branch Share Registrars in Hong Kong, Tricor Standard Limited ("TSL") of 26<sup>th</sup> Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Thursday, 22<sup>nd</sup> May, 2008.

Holders of 2008 warrants who wish to attend the 2008 AGM and be entitled to the above final dividend must exercise their rights to subscribe for shares in the Company and lodge the duly completed subscription forms together with the relevant warrant certificates and subscription moneys with TSL not later than 4:00 p.m. on Thursday, 22<sup>nd</sup> May, 2008.

## **7. MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL SUMMARY**

Turnover for the year ended 31<sup>st</sup> December, 2007 amounted to HK\$2,198.8 million (2006: HK\$1,060.2 million). The turnover was principally attributable to the recognition of the sales of residential units in Royal Green and The Morrison in Hong Kong and the Westmin Plaza Phase II in mainland China, the sales of various properties in both Australia and New Zealand and the rental contribution from Dah Sing Financial Centre in Hong Kong.

Profit attributable to the Company's shareholders for the year amounted to HK\$965.5 million (2006: HK\$791.3 million). The reported profit included a revaluation surplus on investment properties net of deferred taxation. By excluding the effect of such surplus, the Group would report a profit attributable to the Company's shareholders of HK\$258.8 million (2006: HK\$226.1 million).

As at 31<sup>st</sup> December, 2007, the Group's equity attributable to the Company's shareholders amounted to HK\$6,185.8 million, an increase of HK\$993.1 million over the comparable figure as at 31<sup>st</sup> December, 2006 of HK\$5,192.7 million. The net asset value per share attributable to the Company's shareholders as at 31<sup>st</sup> December, 2007 was HK\$10.26 (2006: HK\$8.91) and taking into consideration the potential dilutive effect of outstanding warrants and share options, the net asset value per share attributable to the Company's shareholders would become HK\$9.37.

### **BUSINESS REVIEW**

During the year, the Group has continued its development and investment activities in the Asia Pacific Region. In Hong Kong, most of the residential units of both The Morrison and the Royal Green projects have been sold. Pre-sales of The Forest Hills development were launched in September 2007 with satisfactory responses from the buyers. The Group's rental income from Dah Sing Financial Centre benefited from the increased demand resulting in higher occupancy and rental rates. In mainland China, the residential units of the Westmin Plaza Phase II project were delivered to the purchasers in December 2007 and the leasing activities for the office space in Plaza Central and commercial space in Westmin Plaza Phase II continued. In Australia and New Zealand, the Group successfully privatized a subsidiary listed on New Zealand Exchange Limited and continued the strategy to sell properties in that region.

#### **Property Investment and Development**

The Company through its existing 97.2%-owned subsidiary Asian Growth Properties Limited ("AGP"), whose shares are listed on the AIM market of London Stock Exchange plc., holds the following property development and investment projects in Hong Kong and mainland China:

## Hong Kong

### 1. *Dah Sing Financial Centre, Gloucester Road, Wanchai*

Demand for office space in Dah Sing Financial Centre was strong during the year. Gross rental income generated for the year was HK\$110.7 million compared with HK\$78.6 million for 2006. During the year, occupancy rate increased from 88.1% to 90.7% at 31<sup>st</sup> December, 2007 with the average monthly rent increasing from HK\$21.2 per square foot to HK\$32.5 per square foot.

### 2. *Royal Green, Sheung Shui*

The Group has a 53.4% interest in this private residential development comprising 922 residential units with ancillary recreational and car-parking facilities. Turnover for the year, representing completion of the sales of 323 residential units and 91 car-parking spaces, was HK\$900.2 million which contributed a net profit of HK\$303.6 million. During the year, a total of 325 residential units and 84 car-parking spaces were sold. The marketing campaign for the remaining 8 residential units and 20 car-parking spaces is continuing. Subsequent to 31<sup>st</sup> December, 2007, 6 further residential units have been sold.

### 3. *The Morrison, Wanchai*

The property is a 30-storey residential and commercial composite building comprising 104 residential units above a club-house floor and a 3-storey commercial podium. The development was completed in the fourth quarter of 2007. Turnover for the year, representing completion of the sales of 49 residential units, was HK\$212.6 million generating a net profit of HK\$33.2 million after taking into account the expenses directly related to the project.

During the year, a total of 96 residential units were sold and marketing for the remaining 8 units is continuing. Since mid February 2008, the entire commercial podium of The Morrison has been successfully leased at a satisfactory rental yield to an international car manufacturer for showroom purpose for a term of six years.

### 4. *The Forest Hills, Diamond Hill*

The property is being developed into a 48-storey residential and commercial composite building comprising 304 residential units above a 7-level retail podium, a clubhouse and car parks. The relevant occupation permit has recently been obtained.

Pre-sale of the residential units in The Forest Hills was launched in September 2007. As at 31<sup>st</sup> December, 2007, nearly half of the units were sold and marketing for the remaining unsold residential units and retail podium is continuing.

### 5. *Leighton Road, Causeway Bay*

The project now known as “Crowne Plaza Hong Kong Causeway Bay” is being developed into a 29-storey hotel comprising 260 guest rooms with ancillary facilities. The Group has signed a hotel management agreement with a leading international hospitality company to manage the operation of this 5-star business hotel. Superstructure construction works are in progress and the whole project is scheduled to be completed in the first half of 2009.

### 6. *Fo Tan, Sha Tin*

The property with a site area of about 20,092 square metres is currently leased out as a logistic centre. Rezoning applications with several master layout plans and design schemes have been submitted to the Town Planning Board and relevant parties for consideration. The proposed development will comprise, among other facilities, residential units, car parks, educational facilities and a bus terminus. It is expected that lengthy negotiations with relevant parties will be required to obtain the necessary approval.

7. *28/F., 9 Queen's Road Central, Central*

The property is the entire floor of a 35-storey Grade A commercial building in Central which is currently let to a tenant for a term of three years until May 2009.

8. *Excelsior Plaza Shop, Causeway Bay*

The shop is let to a retail tenant for a term of two years until June this year. Leasing activities for the shop at a higher rent after expiry of the current lease are in progress.

## **Mainland China**

9. *Westmin Plaza Phase II, Guangzhou*

The Westmin Plaza Phase II project comprises four residential blocks and one office block erected on a six-storey commercial/car-parking podium. A majority of the residential units pre-sold in 2006 were delivered to the buyers in December 2007. Turnover for the year, representing completion of the sale of 595 residential units, was HK\$412.3 million generating a net profit of HK\$124.9 million after taking into account the expenses directly related to the project.

Leasing campaign for the 14-storey office tower with a total gross floor area of about 16,092 square metres is in progress and a lease with an international insurance group for 6,195 square metres gross floor area of the office space together with a naming right has been signed recently for a term of six years. In addition, leasing campaign for the 3-storey shopping arcade with a total gross floor area of about 27,104 square metres is in progress. Stable recurrent rental income from this property is expected.

10. *Plaza Central, Chengdu*

Plaza Central comprises two 30-storey office blocks erected on a common podium of six commercial/retail floors and two car-parking floors. The office tower I was about 70% let as at 31<sup>st</sup> December, 2007 and leasing campaigns for the remaining area of office towers I and II are continuing. The retail podium with a construction floor area of about 28,758 square metres has been fully let principally to a department store. Rental return from this property will benefit from the improved occupancy.

## **Australia and New Zealand**

During the year, the Group sold further properties in Australia and New Zealand. However, the property markets in Australia and New Zealand have been severely affected by the credit crunch caused by the sub-prime mortgage crisis. Accordingly, the Group finds it prudent to make a provision for diminution in value of HK\$75.6 million for certain property projects in New Zealand. Turnover generated from the property investment and development projects in Australia and New Zealand for the year ended 31<sup>st</sup> December, 2007 was HK\$504.7 million (2006: HK\$236.0 million) which incurred a net loss of HK\$52.9 million after taking into account the above provision (2006: net profit of HK\$88.0 million).

The value of the property portfolio in Australia and New Zealand was HK\$588.5 million as at 31<sup>st</sup> December, 2007 as compared with HK\$914.3 million as at 31<sup>st</sup> December, 2006.

## **Garment Operation**

In August 2007, the Group disposed of its 60% shareholding in UniMilo's Knitwear Company Limited, which was engaged in garment manufacturing and trading business and had been considered as a non-core business of the Group, to the minority shareholder at a consideration of HK\$2.8 million and recorded a loss of HK\$1.1 million from the disposal. Turnover generated from the garment business from 1<sup>st</sup> January, 2007 up to the date of disposal was HK\$10.7 million as compared with the turnover for the year ended 31<sup>st</sup> December, 2006 of HK\$25.4 million. The operation incurred a loss of HK\$1.1 million for the period as compared with a loss of HK\$0.8 million for 2006.

## CORPORATE CHANGES IN TTP

As the shares of Trans Tasman Properties Limited (“TTP”) continued to be traded below their net asset value, the Group further acquired shares in TTP from the market. In March 2007, the Group made another unconditional offer at NZ\$0.60 per share to acquire all of the remaining issued shares held by the minority shareholders, being approximately 19.5% of the issued share capital, in TTP. Following the completion of the repurchase of TTP shares, TTP was de-listed from New Zealand Exchange Limited on 27<sup>th</sup> April, 2007 and became a wholly-owned subsidiary of the Company on 14<sup>th</sup> May, 2007. The consideration was approximately NZ\$18.2 million which was funded by bank borrowings and internal resources.

## CORPORATE CHANGES IN AGP

The Group acquired approximately 5.3 million shares in AGP, representing 0.6% of its issued share capital from the market during the year. The share purchase had resulted in a discount on acquisition of HK\$10.1 million, which was recognized in the consolidated income statement.

## FINANCIAL RESOURCES AND LIQUIDITY

### Working Capital and Loan Facilities

As at 31<sup>st</sup> December, 2007, the Group’s cash balance was HK\$1,186.3 million (2006: HK\$570.4 million) and unutilized facilities were HK\$1,756.7 million (2006: HK\$1,416.8 million).

Gearing ratio as at 31<sup>st</sup> December, 2007, calculated on the basis of net interest bearing debts minus cash and restricted and pledged deposits as a percentage of total property assets, was 12.9% (2006: 17.5%).

As at 31<sup>st</sup> December, 2007, maturities of the Group’s outstanding borrowings were as follows:

	<b>31<sup>st</sup> December, 2007</b>	31 <sup>st</sup> December, 2006
	<b>HK\$’ million</b>	HK\$’ million
Due		
Within 1 year	<b>1,991.5</b>	1,538.7
1-2 years	<b>64.4</b>	148.5
3-5 years	<b>733.1</b>	789.9
Over 5 years	<b>67.2</b>	81.3
	<b>2,856.2</b>	2,558.4

### Pledge of Assets

For the Company’s subsidiaries operating in Hong Kong and mainland China, the total bank loans drawn as at 31<sup>st</sup> December, 2007 amounted to HK\$2,400.8 million (2006: HK\$2,056.1 million), which were secured by properties valued at HK\$7,689.0 million (2006: HK\$6,060.0 million) and fixed deposits of HK\$370.3 million (2006: HK\$153.5 million).

Certain subsidiaries of the Company operating in New Zealand and Australia have pledged their properties with an aggregate carrying value of HK\$533.9 million (2006: HK\$489.6 million) to secure bank loans of HK\$405.3 million (2006: HK\$442.6 million).

In Indonesia, the total bank loans drawn by certain subsidiaries as at 31<sup>st</sup> December, 2007 amounted to HK\$50.1 million (2006: HK\$59.7 million), which were secured by fixed deposits of HK\$50.0 million (2006: HK\$47.2 million).

### Treasury Policies

The Group adheres to prudent treasury policies. As at 31<sup>st</sup> December, 2007, all of the Group’s borrowings were raised through its wholly-owned or substantially controlled subsidiaries on a non-recourse basis. Currently, borrowings are primarily denominated in Hong Kong dollars and mainly based on floating rate terms. There were no derivative financial instruments employed during the year.

## **MANAGEMENT AND STAFF**

The Group had 137 employees at 31<sup>st</sup> December, 2007 (2006: 179). Salary and benefits are reviewed at least annually both in response to market conditions and trends, and in conjunction with individual performance appraisals. Fringe benefits including study and training allowances and voluntary employer contributions to retirement schemes are offered to employees. The Company has adopted an employee share option scheme with options granted by the Board to the Group's employees (including directors of the Company) on a discretionary basis.

## **OUTLOOK**

2008 is set to be a challenging year for the global economy in view of the sub-prime mortgage crisis leading to a credit crunch in developed economies and recent volatility in worldwide equity markets. The mainland Chinese economy faces rising inflation and the macro-tightening measures (including regulations restricting foreign investments in property projects and directions to banks and financial institutions to control lending to the property sector) are likely to continue for most of 2008. The positive initiatives and tax concessions recently introduced by the Hong Kong Government are expected to support healthy economic growth in the territory.

In mainland China, though the property market is likely to consolidate for a longer period amid austerity measures, it is believed that the market presents future growth potential for the Group. The Group believes that the continued economic growth, rising incomes, continued capital inflow and abundant liquidity should generate continued demand for quality residential properties. The Group will adhere to its focused approach to mainland business expansion and is currently under negotiations in relation to a number of potential residential development projects. The Group will also continue its efforts to secure quality tenants for its office space in Plaza Central and commercial space in Westmin Plaza Phase II.

In Hong Kong, the Group expects that the rental income from Dah Sing Financial Centre will continue to increase due to tenancy renewals and new leases. It is expected that the residential property market in Hong Kong will continue to perform well. Rising incomes, stronger affordability for homebuyers and negative real interest rates should continue to underpin demand for residential properties in spite of uncertainty about external economies and volatility in international equity markets.

In Australia and New Zealand, it is still the strategy of the Group to sell further properties but the intended disposal might be affected by the severe downturn of the markets in that region.

The Group will focus on the planned completion of The Forest Hills and the commercial portion of Westmin Plaza Phase II during 2008. The Group will continue its marketing campaign for the sale of about half of the residential units of The Forest Hills as well as the remaining unsold residential units in Royal Green, The Morrison and Westmin Plaza Phase II. Construction of the Causeway Bay hotel is in progress with a grand-opening date targeted in mid 2009.

Going forward, the Group will continue to target development and investment opportunities in mainland China and Hong Kong and other Asia Pacific cities.

## **8. DEALINGS IN THE COMPANY'S LISTED SECURITIES**

During the year ended 31<sup>st</sup> December, 2007, the Company did not redeem any of its listed shares or warrants nor did the Company and its subsidiaries purchase or sell any such shares or warrants.

## **9. REVIEW BY AUDIT COMMITTEE**

The audit committee comprises three members, namely Messrs. Leung Hok Lim, Walujo Santoso, Wally and Chung Pui Lam, all being independent non-executive directors of the Company. In the presence of the representatives of Messrs. Deloitte Touche Tohmatsu ("DTT"), the audit committee met on 15<sup>th</sup> April, 2008 and reviewed with the management the consolidated financial statements of the Company for the year ended 31<sup>st</sup> December, 2007.

## **10. SCOPE OF WORK OF DTT**

The figures in respect of this Announcement of the Group's results for the year ended 31<sup>st</sup> December, 2007 have been agreed by DTT to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by DTT in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by DTT on the announcement.

## **11. CORPORATE GOVERNANCE**

Throughout the year ended 31<sup>st</sup> December, 2007, the Company has applied the principles and complied with all the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited except for code provision A.2.1, which states that the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual.

As mentioned under the section headed "Corporate Governance Practices" in the Corporate Governance Report of the 2006 Annual Report and the section headed "Corporate Governance and Other Information" of the 2007 Interim Report, the Board believes that the underlying rationale for the deviation from code provision A.2.1 still holds.

The Company does not propose to comply with code provision A.2.1 for the time being. The Chairman currently oversees the management and the Group's business. The Board considers that the present management structure has been effective in facilitating the operation and development of the Group for a considerable period of time and no benefit will be derived from changing it. The current structure allows flexibility and enhances the efficiency of decision-making process in response to the constantly changing environment while the market sentiment may vary quite significantly in different areas of the Asia Pacific region in which the Group operates.

The Board will continue to review and recommend such proposals as appropriate in the circumstances of such non-compliance.

## **12. PUBLICATION OF ANNUAL REPORT**

The 2007 Annual Report of the Company containing all the information required by the Listing Rules and the independent auditor's report to be issued by DTT will be dispatched to the shareholders and warrant-holders of the Company and published on the website of HKEx at [www.hkex.com.hk](http://www.hkex.com.hk) under "Latest Listed Company Information" and on the website of the Company at [www.seagroup.com.hk](http://www.seagroup.com.hk) under "Investor Relations/News/Announcements" not later than 30<sup>th</sup> April, 2008.

## **13. ACKNOWLEDGEMENT**

On behalf of the Board, I would like to take this opportunity to extend our deepest gratitude to the founders of the Group, our thanks to the long-standing business partners, customers and shareholders, and our appreciation to each staff member for their contributions to the Group.

By order of the Board  
**Lu Wing Chi**  
*Chairman and Managing Director*

Hong Kong, 18<sup>th</sup> April, 2008



As at the date of this announcement, the Board comprises the following members:-

*Executive Directors:* Messrs. Lu Wing Chi (*Chairman and Managing Director*), Lu Wing Yuk, Andrew, David Hsu, Lincoln Lu and Lambert Lu

*Non-executive Directors:* Messrs. Lam Sing Tai and Tse Man Bun

*Independent Non-executive Directors:* Messrs. Walujo Santoso, Wally, Leung Hok Lim and Chung Pui Lam