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爪哇集團
SEA Group

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 31ST DECEMBER, 2009

The board of directors (the "Board") of S E A Holdings Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (together the "Group") for the financial year ended 31st December, 2009 together with the comparative figures of 2008 are as follows:

1. CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2009

	Notes	**2009 HK$'000**	2008 HK$'000
Revenue	(iii)	**530,652**	1,580,992
Interest income		**10,214**	45,901
Other income		**53,920**	25,397
Costs:			
Property and related costs	(iv)	**(210,510)**	(1,037,026)
Staff costs		**(126,997)**	(77,273)
Depreciation and amortisation		**(13,169)**	(6,209)
Other expenses		**(78,566)**	(91,257)
		(429,242)	(1,211,765)
Profit from operations before fair value changes on properties		**165,544**	440,525
Fair value changes on investment properties		**1,310,802**	(620,641)
Fair value changes on properties held for sale upon transfer to investment properties		**-**	269,242
Profit from operations after fair value changes on properties		**1,476,346**	89,126
Gain on disposals of subsidiaries		**-**	104,817
Gain on liquidation of a jointly controlled entity		**-**	50,356
Share of results of associates		**(1,555)**	1,511
Share of results of jointly controlled entities		**(2,557)**	-
Finance costs	(v)	**(79,311)**	(115,495)

* *For identification purpose only*

	Notes	2009 HK$'000	2008 HK$'000
Profit before taxation		**1,392,923**	130,315
Income tax expense	(vi)	**(239,977)**	(18,325)
Profit for the year		**1,152,946**	111,990
Attributable to:			
Company's shareholders		**1,122,649**	63,297
Minority interests		**30,297**	48,693
		1,152,946	111,990
Earnings per share for profit attributable to the Company's shareholders	(viii)		
Basic		**HK$1.74**	HK$0.10
Diluted		**HK$1.71**	HK$0.10
Earnings per share excluding fair value changes on properties net of deferred tax	(viii)		
Basic		***HK$0.06***	*HK$0.52*
Diluted		***HK$0.06***	*HK$0.51*

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2009

	2009 HK$'000	2008 HK$'000
Profit for the year	**1,152,946**	111,990
Other comprehensive income		
Exchange differences arising on translation of foreign operations	**(1,625)**	69,573
Exchange differences released on disposal of subsidiaries	**-**	66,311
Share of exchange differences arising on translation of associates	**6,327**	(7,502)
Total comprehensive income for the year	**1,157,648**	240,372
Total comprehensive income attributable to:		
Company's shareholders	**1,130,505**	143,570
Minority interests	**27,143**	96,802
	1,157,648	240,372

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER, 2009

	Notes	**2009** **HK$'000**	2008 HK$'000
Non-current Assets			
Investment properties		**6,462,103**	5,712,333
Property, plant and equipment		**634,867**	348,493
Prepaid lease payments		**341,433**	350,040
Properties for development		**48,956**	49,995
Club memberships		**8,574**	8,574
Interests in associates		**12,806**	10,512
Interests in jointly controlled entities		**40,613**	-
Loans receivable		**63,209**	86,463
Other receivables		**145,235**	-
		7,757,796	6,566,410
Current Assets			
Properties held for sale			
Completed properties		**566,529**	744,933
Properties under development		**714,089**	638,497
Other inventories		**1,339**	-
Prepaid lease payments		**8,607**	8,607
Held for trading investments		**154**	51
Loans receivable		**3,073**	11,222
Receivables, deposits and prepayments	(ix)	**448,977**	169,366
Tax recoverable		**35,754**	79
Amounts due from minority shareholders		**2,397**	19,650
Pledged bank deposits		**330,616**	202,644
Restricted bank deposits		**-**	147,322
Bank balances and cash		**2,332,975**	2,166,157
		4,444,510	4,108,528
Investment properties held for sale		**245,000**	-
		4,689,510	4,108,528
Current Liabilities			
Payables, deposits received and accrued charges	(x)	**424,449**	278,874
Sales deposits received		**1,180**	9,580
Provisions		**6,047**	6,807
Tax liabilities		**95,054**	138,079
Amounts due to minority shareholders		**134,966**	80,602
Bank borrowings – due within one year		**1,019,994**	1,651,241
		1,681,690	2,165,183
Liabilities associated with investment properties held for sale		**27,200**	-
		1,708,890	2,165,183
Net Current Assets		**2,980,620**	1,943,345
Total Assets Less Current Liabilities		**10,738,416**	8,509,755
Capital and Reserves			
Share capital		**64,719**	65,693
Reserves		**7,302,624**	6,258,226
Equity attributable to the Company's shareholders		**7,367,343**	6,323,919
Minority interests		**266,329**	236,053

	Notes	2009 HK$'000	2008 HK$'000
Total Equity		**7,633,672**	6,559,972
Non-current Liabilities			
Bank borrowings – due after one year		**2,252,324**	1,312,446
Derivative financial liability		**3,305**	7,166
Deferred taxation		**849,115**	630,171
		3,104,744	1,949,783
		10,738,416	8,509,755

Notes to the consolidated financial statements:

(i) BASIS OF PREPARATION

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.

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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

(ii) APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) - Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as disclosed below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments and changes in the basis of measurement of segment profit or loss.

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the consolidated financial statements, and changes in the format and content of the consolidated financial statements.

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided fair value measurement in hierarchy in respect of held for trading investments and derivative financial liability as well as maturity analysis in respect of the maximum amount of financial guarantees provided to banks in relation to their mortgage loans granted to the purchasers of the Group's properties located in the People's Republic of China ("PRC") as at 31st December, 2008 in accordance with the transitional provision set out in the amendments.

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

The adoption of HKFRS 3 (Revised) "Business Combinations" may affect the Group's accounting for business combinations for which the acquisition dates are on or after 1st January, 2010. HKAS 27 (Revised) "Consolidated and Separated Financial Statements" will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1st January, 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of "Improvements to HKFRSs" issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. The amendments will be effective from 1st January, 2010, with earlier application permitted. Before the amendments to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

(iii) SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In the past, the Group's primary reporting segment was geographical segments by location of customers with secondary reporting segment by business segment. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. The adoption of HKFRS 8 has also changed the basis of measurement of segment profit or loss. Information reported to the Group's chief operation decision maker (the executive directors of the Group) for the purposes of resource allocation and assessment of performance is focused on property development, property investment and hotel operation and these have been identified by the chief operating decision maker as three separate reportable segments.

Principal activities of each segment of the three operating divisions are as follows:

Property investment	-	renting of properties
Property development	-	development of properties
Hotel operation	-	hotel operation and management

Property investment and development activities are in Hong Kong, PRC, New Zealand and Australia whereas the hotel in Hong Kong commenced operation in November 2009.

The following is an analysis of the Group's revenue and results by reportable segment:

For the Year Ended 31st December, 2009

	Property development HK$'000	Property investment HK$'000	Hotel operation HK$'000	Eliminations HK$'000	Consolidated HK$'000
SEGMENT REVENUE					
External sales	237,243	277,350	16,059	-	530,652
Inter-segment sales	-	455	-	(455)	-
Total	237,243	277,805	16,059	(455)	530,652
SEGMENT RESULTS					
Segment profit (loss)	82,412	1,522,875	(30,236)		1,575,051
Interest income					10,214
Corporate expenses					(108,919)
Share of results of associates					(1,555)
Share of results of jointly controlled entities					(2,557)
Finance costs					(79,311)
Profit before taxation					1,392,923

For the Year Ended 31st December, 2008

	Property development HK$'000	Property investment HK$'000	Hotel operation HK$'000	Eliminations HK$'000	Consolidated HK$'000
SEGMENT REVENUE					
External sales	1,334,820	246,172	-	-	1,580,992
Inter-segment sales	-	417	-	(417)	-
Total	1,334,820	246,589	-	(417)	1,580,992
SEGMENT RESULTS					
Segment profit (loss)	603,849	(464,444)	(5,189)		134,216
Interest income					45,901
Gain on disposal of subsidiaries					104,817
Gain on liquidation of a jointly controlled entity					50,356
Corporate expenses					(90,991)
Share of results of associates					1,511
Finance costs					(115,495)
Profit before taxation					130,315

Inter-segment sales are at mutually agreed terms.

The accounting policies adopted in preparing the reportable segment information are the same as the Group's accounting policies.

The Group does not allocate interest income, corporate expenses, finance costs, share of results of associates and jointly controlled entities and gain on disposal / liquidation of subsidiaries, associates or jointly controlled entities to individual reportable segment profit or loss for the purposes of resources allocation and performance assessment by the chief operating decision maker.

(iv) PROPERTY AND RELATED COSTS

	2009 HK$'000	2008 HK$'000
Changes in completed properties and properties under development held for sale	**74,700**	793,597
Costs incurred for development of properties held for sale	**70,825**	113,534
Write down of properties held for sale	**28,112**	94,139
Direct operating expenses on investment properties	**36,873**	35,756
	210,510	1,037,026

(v) FINANCE COSTS

	2009 HK$'000	2008 HK$'000
Interest on:		
Bank borrowings wholly repayable within 5 years	**54,887**	136,108
Bank borrowings not wholly repayable within 5 years	**26,248**	3,267
	81,135	139,375
Less: Amounts capitalised to property development projects	**(7,997)**	(28,389)
	73,138	110,986
Front end fee	**1,945**	1,870
Other charges	**4,228**	2,639
	79,311	115,495

(vi) INCOME TAX EXPENSE

	2009	2008
	HK$'000	HK$'000
The charge (credit) comprises:		
Current tax		
Hong Kong	**16,349**	74,252
PRC Enterprise Income Tax	**8**	-
PRC Land Appreciation Tax	**11,283**	-
	27,640	74,252
Under (over) provision in prior years		
Hong Kong	**1,117**	(310)
PRC Enterprise Income Tax	**197**	15,719
PRC Land Appreciation Tax	**-**	(5,839)
Other jurisdictions	**-**	(55)
	1,314	9,515
Deferred tax		
Current year	**211,023**	(37,953)
Attributable to a change in tax rate	**-**	(27,489)
	211,023	(65,442)
	239,977	18,325

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit.

PRC Land Appreciation Tax is calculated at progressive rates on the appreciated property value, less allowable deductions in accordance with the relevant PRC tax laws and regulations.

Income tax arising in PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

(vii) DIVIDENDS

	2009	2008
	HK$'000	HK$'000
Dividend recognised as distribution during the year:		
2009 Interim dividend – HK5 cents (2008: HK5 cents) per share	**32,354**	32,771
2008 Final dividend – HK5 cents (2007: HK5 cents) per share	**32,121**	58,925
	64,475	91,696
2009 Final dividend proposed: HK6 cents (2008: HK5 cents) per share	**38,870**	32,071

A final dividend of HK6 cents (2008: HK5 cents) per share has been proposed by the directors and is subject to approval of the shareholders at the forthcoming 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:

	2009	2008
	HK$'000	HK$'000
Earnings for the purpose of basic and diluted earnings per share	**1,122,649**	63,297

	Number of shares	
	2009	2008
Weighted average number of ordinary shares for the purpose of basic earnings per share	**645,720,070**	647,975,938
Effect of dilutive potential ordinary shares		
Options	**10,697,437**	2,125,758
Warrants	**-**	6,943,563
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**656,417,507**	657,045,259

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 properties recognised in profit or loss and the related deferred taxation in arriving at the "adjusted profit attributable to the Company's shareholders". A reconciliation of the adjusted earnings is as follows:

	2009	2008
	HK$'000	HK$'000
Profit attributable to the Company's shareholders as shown in the consolidated income statement	**1,122,649**	63,297
Fair value changes on investment properties	**(1,310,802)**	620,641
Fair value changes on properties held for sale upon transfer to investment properties	**-**	(269,242)
Deferred tax thereon	**196,196**	(38,337)
Effect of change in tax rate	**-**	(27,029)
Attributable to minority interests	**30,783**	(14,949)
Adjusted profit attributable to the Company's shareholders	**38,826**	334,381

The denominators used in the calculation of adjusted earnings per share are the same as those detailed above.

(ix) RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2009	2008
	HK$'000	HK$'000
Trade receivables	**5,774**	4,354
Other receivables, deposits and prepayments	**588,926**	165,500
Less: Allowance for impairment loss	**(488)**	(488)
	594,212	169,366
Analysed for reporting purposes		
Current	**448,977**	169,366
Non-current	**145,235**	-
	594,212	169,366

Included in other receivables, deposits and prepayments are:

(a) an aggregate amount of HK$349,765,000 (2008: Nil) incurred for the excavation, relocation arrangements and infrastructure works on certain pieces of land in Nanjing of PRC undertaken by the subsidiaries, one of which was acquired during the year. Based on the latest progress of auction of the relevant land, the directors estimate that the receivable will be fully recovered by 31^{st} December, 2011. The carrying amount of receivable expected to be recovered one year after the end of the reporting period is presented under non-current assets; and

(b) deposits of HK$149,500,000 (2008: Nil) for the tendering of certain land situated in PRC.

Trade receivables mainly comprise rental receivable from tenants for the use of the Group's properties and receivable from corporate customers and travel agents. No credit is allowed to tenants. Rentals are payable upon presentation of demand notes. Average credit period of 30 days are allowed to corporate customers and travel agents.

Receivables from sale of properties are settled according to the payment terms of each individual contract and have to be fully settled before the transfer of legal title of the related properties to the customers.

The following is an aged analysis of trade receivables, presented based on the invoice date, at the end of the reporting period.

	2009	2008
	HK$'000	HK$'000
0 to 30 days	**4,962**	3,591
31 to 60 days	**297**	185
61 to 90 days	**23**	222
91 to 365 days	**443**	356
Over 365 days	**49**	-
	5,774	4,354

Before granting credit to any customer, the Group uses an internal credit assessment system to assess the potential customers' credit quality and defines credit limits by customers. Trade receivables which are past due at the end of the reporting period are minimal and are not considered impaired as these debtors have good repayment history. The Group does not hold any collateral over these balances.

(x) PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	2009	2008
	HK$'000	HK$'000
Trade payables	**2,383**	12,672
Rental deposits	**69,980**	63,819
Other payables, other deposits received and accrued charges	**352,086**	202,383
	424,449	278,874

Included in other payables and accrued charges is an amount of HK$130,109,000 (2008: Nil) payable to contractors for the cost in relation to the excavation, relocation arrangements and infrastructure works on certain pieces of land.

Trade payables are aged less than 60 days at the end of the reporting period based on the invoice date.

4. FINAL DIVIDEND

The Board has resolved to recommend for shareholders' approval at the forthcoming 2010 AGM the payment of a final dividend of HK6 cents per share for the year ended 31st December, 2009 (2008: HK5 cents) on Thursday, 3rd June, 2010 to the shareholders of the Company whose names appear on the Hong Kong Branch Register of Members at the close of business on Thursday, 27th May, 2010.

Together with the interim dividend of HK5 cents per share already paid (2008: HK5 cents), the total dividend for the year will be HK11 cents per share (2008: HK10 cents). At the date of this Announcement, the total final dividend, as proposed, amounts to about HK$38.9 million (2008: HK$32.1 million). Such total amount will be increased by a maximum of HK$1.9 million if additional ordinary shares are issued upon the exercise by the relevant holders of all their outstanding share options before the commencement of the fixed period of closure of the Hong Kong Branch Register of Members mentioned in Section 6 below.

5. ANNUAL GENERAL MEETING

The 2010 AGM will be held in Hong Kong on Thursday, 27th May, 2010 and the relevant notice and documents will be dispatched to the shareholders of the Company and published on the website of Hong Kong Exchanges and Clearing Limited ("HKEx") at www.hkex.com.hk under "Latest Listed Company Information" and on the website of the Company at www.seagroup.com.hk under "Investor Relations/News/Announcements" on or before 27th April, 2010.

6. CLOSURE OF REGISTER OF MEMBERS

The Hong Kong Branch Register of Members of the Company will be closed from Thursday, 20th May, 2010 to Thursday, 27th May, 2010, both days inclusive, during which period no transfer of shares will be registered.

In order to ascertain entitlements to attend and vote at the forthcoming 2010 AGM and qualify for the proposed final dividend, those shareholders whose names are presently not on the Hong Kong Branch Register of Members must lodge all duly completed and stamped transfer documents accompanied by the relevant share certificates for registration with the Company's Branch Share Registrars in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 19th May, 2010.

7. MANAGEMENT DISCUSSION AND ANALYSIS

Financial Summary

Turnover for the year ended 31st December, 2009 amounted to HK$530.7 million (2008: HK$1,581.0 million). The turnover comprised principally the recognised sales of residential units of both The Forest Hills in Hong Kong and Westmin Plaza Phase II in Guangzhou and the increased rental contributions from Dah Sing Financial Centre in Hong Kong and Plaza Central in Chengdu owing to improved occupancy.

Profit attributable to the Company's shareholders for the year amounted to HK$1,122.6 million (2008: HK$63.3 million), equivalent to basic earnings per share of HK$1.74 (2008: HK$0.10). The reported profit included a revaluation surplus on investment properties net of deferred taxation. By excluding such net revaluation surplus, the Group's net profit attributable to the Company's shareholders was HK$38.8 million (2008: HK$334.4 million), equivalent to basic earnings per share of HK$0.06 (2008: HK$0.52).

As at 31st December, 2009, the Group's equity attributable to the Company's shareholders amounted to HK$7,367.3 million (2008: HK$6,323.9 million). The net asset value per share as at 31st December, 2009 was HK$11.38 as compared with HK$9.63 as at 31st December, 2008.

Business Review

During 2009, the Group continued to develop and manage property projects in Hong Kong and mainland China. Occupancy rates in these regions increased during the year with occupancy across all the Groups' office and commercial properties at high levels. Dah Sing Financial Centre in Hong Kong performed well with a pleasing increase in rental income. New Century Plaza in mainland China recorded 100% occupancy.

Units in residential developments continue to be marketed with steady sales results. The Group also took the opportunity in a strong market to sell two investment properties namely a shop in the Excelsior Plaza and an office floor at 9 Queen's Road Central, both in Hong Kong. The sale of the commercial podium of The Morrison has recently been completed.

The development of the Crowne Plaza Hong Kong Causeway Bay was completed during the year. The Hotel commenced operations in November 2009 and the results at its initial stage of operations are within our expectations. We expect its future positive contribution to the Group.

The Group continued the strategy to sell the remaining properties in New Zealand. During 2009, the Group successfully disposed of the investment properties in Clearwater and certain developed properties in Kaikainui.

Property Investment and Development

The Company through Asian Growth Properties Limited, its 97.17% owned subsidiary with issued shares being admitted for trading on the AIM Market of London Stock Exchange Plc., holds the following property developments and investment projects in Hong Kong and mainland China:

Hong Kong

1. Dah Sing Financial Centre, Gloucester Road, Wanchai

   The 39-storey commercial building includes offices and shops (total gross floor area of about 37,000 square metres) and with ancillary car-parking facilities for 137 covered and 27 open car-parking spaces. A satisfactory increase in gross rental income from the Dah Sing Financial Centre was recorded in 2009. During the year, the occupancy rate stayed at a high level and it was 98.7% at 31st December, 2009 with the average monthly rental rate increasing by about 4% owing to higher reversionary rental rate.

   This Centre was presented the Best Commercial Building Award 2008 by the Hong Kong Property Management Division of Jones Lang LaSalle in recognition of its outstanding performance.

2. The Forest Hills, Diamond Hill

   The property is a 48-storey residential and commercial composite building, with a total gross floor area of approximately 19,000 square metres, comprising 304 residential units above a 7-level retail podium, a clubhouse and car parks. The development was completed in April 2008 and delivery of the residential units to buyers commenced in May 2008. To date, about 84% of the residential units and 55 out of 76 residents' car-parking spaces have been sold while all the non-residents' car-parking spaces have been leased to a car-park operator at satisfactory rentals until end of February 2012.

   Marketing for the remaining residential units and residents' car-parking spaces and the leasing activities for the retail podium are continuing.

This property has recently been presented the Best Residential Building Award 2009 by the Hong Kong Property Management Division of Jones Lang LaSalle in recognition of its outstanding performance.

3. The Morrison, Wanchai

The property is a 30-storey residential and commercial composite building, with a total gross floor area of approximately 5,800 square metres, comprising 104 residential units above a club-house floor and a 3-storey commercial podium. During the year, two residential units were sold and marketing for the remaining 5 units is continuing. The development was completed in October 2007 and has won the Best Interior Design Award of the CNBC Asia Pacific Property Awards 2008 organised by the International Homes Magazine and the Best Environmental Design Award 2008 organised by The Hong Kong Institute of Surveyors.

In December 2009, the Group entered into an agreement for sale and purchase with an independent party for the disposal of the entire leased commercial podium of The Morrison for HK$245 million. The transaction was completed on 25th March, 2010.

4. Royal Green, Sheung Shui

The Group has a 53.4% interest in this private residential development comprising 922 residential units contained in three 40-storey residential towers with ancillary recreational and car-parking facilities. The marketing campaign for the remaining 2 duplex residential units (1 of which is furnished) in Tower 3 known as Green Palace and 5 car-parking spaces reserved for the buyers for such units is continuing.

5. Fo Tan, Sha Tin

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. The Town Planning Board rejected the Group’s town planning application in July 2008 due to a number of outstanding environmental, traffic and urban design issues and the hearing of the Group’s appeal which commenced in mid October 2009 ended in early January 2010 and the Group is awaiting the outcome.

Mainland China

6. 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 with a total construction floor area of approximately 91,000 square metres. During the year, the aggregate occupancy rate for the two office towers improved considerably and leasing activities for the remaining areas are continuing. The retail podium with a construction floor area of about 29,000 square metres has been fully let principally to Chengdu New World Department Store on a long term lease. As at 31st December, 2009, the aggregate occupancy rate for the two office towers and the retail podium was 73% (2008: 67%). Rental return from this property will benefit from the improved occupancy.

7. New Century Plaza, Chengdu

The Group’s property is a shopping arcade with a gross floor area of about 16,300 square metres and 50 car-parking spaces in a commercial development known as New Century Plaza in Chengdu, Sichuan Province. The arcade was fully let to a furniture retailer and the tenancy commencing from 1st September, 2009 has been renewed for a further term of five years at a rental commensurate with the economic conditions then.

8. Westmin Plaza Phase II, Guangzhou

The Westmin Plaza Phase II project, which has a total construction floor area of about 119,000 square metres, comprises four residential blocks of 646 units and one office block erected on a 5-storey commercial/car-parking podium. The development has won the Best Mixed Use Development – China Award of the CNBC Asia Pacific Commercial Property Awards 2009.

All the remaining residential units were sold in February 2009. The 14-storey office tower has a total gross floor area of about 16,100 square metres. As at 31 December, 2009, 86% of the tower was leased with more than one-third of the total office space being leased with naming rights to AIA for a term of six years from April 2008. Leasing activities for the remaining office space and the 3-storey shopping arcade with a total gross floor area of about 26,000 square metres are in progress.

9. Huangshan, Anhui Province

In December 2009, the Group entered into a contract with the joint venture partner to acquire the remaining 9% equity interest in the project company which has the right to develop tourist leisure facilities on land located in the famous scenic Huangshan area. The transaction has been completed recently.

The land to be developed by the Group has a site area of about 333,500 square metres comprising about 66,700 square metres owned by the project company and about 266,800 square metres leased from the local authority for development. A preliminary master layout plan and the design of the development are being considered by the management.

10. Chi Shan, Nanjing

Through the establishment/acquisition of two 51%-owned joint venture companies by a 97.17% owned subsidiary since late 2008, the Group started its investment projects in Chi Shan, Nanjing, Jiangsu Province. The joint venture companies are currently participating in the excavation, relocation arrangements and infrastructure works on certain pieces of lands in that locality.

11. Leiyang, Hunan Province

The 50/50 joint venture was established in March 2009 for the development project in Leiyang, Hunan Province. The superstructure work for twelve blocks of residential building with a total gross floor area of approximately 45,000 square metres and two blocks of club-house and commercial buildings has been progressing as scheduled. The pre-sale campaign for Phase I development was launched in May 2009 and so far, 275 out of 285 residential units have been sold, which are expected to be delivered to purchasers from July 2010 to October 2011 according to their respective completion stages.

Australia and New Zealand

Turnover generated from the property investment and development projects in Australia and New Zealand for the year ended 31st December, 2009 was HK$22.1 million (2008: HK$79.3 million). As a number of investment properties and developed properties were sold in 2008, both rental income and revenue from sales of developed properties decreased in the year. The investment yields in Australia and New Zealand have decreased substantially in the year. Thus, the Group has made a provision for diminution in value of HK$28.1 million for certain properties in New Zealand and a revaluation deficit of HK$14.9 million for the investment properties in Australia has also been accounted for. After taking into account the above provision, a net loss of approximately HK$47.6 million (2008: HK$116.7 million) was incurred.

Hotel Operation

Crowne Plaza Hong Kong Causeway Bay

The project has been developed into a 29-storey five-star hotel comprising 263 guest rooms (gross floor area of approximately 14,900 square metres) with ancillary facilities. A member of the InterContinental Hotels Group has been engaged to manage the operation of the Hotel under the name of "Crowne Plaza Hong Kong Causeway Bay", which commenced operations in early November 2009. So far, the room occupancy rates and room rates have been satisfactory and efforts are being made to enhance operational efficiency and further improve service. Marketing activities for up-scale business travellers for long or short stays are continuing and local promotions for the Hotel's dining facilities have been successful.

Disposal of Investment Properties

During the year, the Group disposed of two of its non-core leased investment properties in Hong Kong and obtained further funding for its existing and future property development projects.

In August 2009, the Group received an attractive offer from an independent party for the sale of the shop at Excelsior Plaza in Causeway Bay at a consideration of HK$100 million and the transaction was completed in November 2009 and generated a profit when compared with the shop's carrying value as revalued by an independent professional valuer of HK$77 million as at 30th June, 2009.

In September 2009, the Group entered into a provisional sale and purchase agreement with an independent purchaser for the disposal of its office property of 28/F., 9 Queen's Road Central for HK$252.5 million. The transaction which was completed in December 2009 generated a profit as the property's carrying value as revalued by an independent professional valuer was HK$210 million as at 30th June 2009.

Financial Resources and Liquidity

Working Capital and Loan Facilities

As at 31st December, 2009, the Group's cash balance was HK$2,333.0 million (2008: HK$2,166.2 million) and unutilised facilities were HK$937.4 million (2008: HK$1,405.6 million).

Gearing ratio as at 31st December, 2009, calculated on the basis of net interest bearing debts minus cash and restricted and pledged deposits as a percentage of total property assets, was 6.9% (2008: 5.7%).

As at 31st December, 2009, maturities of the Group's outstanding borrowings were as follows:

	31st December, 2009 HK$' million	31st December, 2008 HK$' million
Due		
Within 1 year	**1,020.0**	1,651.2
1-2 years	**946.3**	59.4
3-5 years	**1,112.9**	980.2
Over 5 years	**193.1**	272.9
	3,272.3	2,963.7

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and mainland China, the total bank loans drawn as at 31st December, 2009 amounted to HK$2,958.6 million (2008: HK$2,670.2 million), which were mainly secured by properties valued at HK$6,865.4 million (2008: HK$5,862.1 million) and fixed deposits of HK$325.3 million (2008: HK$198.4 million).

Certain subsidiaries of the Company operating in New Zealand and Australia pledged their properties with an aggregate carrying value of HK$388.7 million as at 31st December, 2009 (2008: HK$357.9 million) and fixed deposits of HK$5.3 million (2008:HK$4.2 million) to secure bank loans of HK$313.7 million (2008: HK$293.5 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 31st December, 2009, all of the Group's borrowings were raised through the Company and its wholly-owned or substantially controlled subsidiaries on a non-recourse basis.

Staff and Emolument Policy

The total number of employees of the Group at 31st December, 2009 was increased to 254 (2008: 153), which was attributable to the opening of the Group's hotel Crowne Plaza Hong Kong Causeway Bay in November 2009. Employee costs, including the emoluments of the directors of the Group, amounted to HK$127.0 million (2008: HK$77.3 million).

The Group aims to recruit, retain and develop competent individuals committed for its long-term success and growth. Salary and benefits of employees are reviewed at least annually both in response to market conditions and trends, and in conjunction with individual appraisals based on qualifications, experience, skills, responsibilities and performance. Discretionary bonuses are granted in line with the Group's financial results and employees' performance. Fringe benefits including medical insurance scheme, study and training allowances and voluntary employer contributions to retirement schemes are offered to employees. In addition, 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 to subscribe for shares in the Company. To further enhance employee relations and communications, recreational activities for general staff with senior management's participation are arranged.

Outlook

In 2010, the global economy is showing signs of recovery as the worst situation of the financial crisis has passed. However, the pace of recovery is slow and the recovery foundation remains weak. The remaining adverse impacts of the financial crisis continue to appear from time to time. In addition, the decreasing influence of expansionary fiscal and monetary policies of major economies towards economic growth and the commencement of the exercise of gradual exit measures of some major economies and holding back excess liquidity from the market resulted in the "Dubai World" event which emerged in early 2010 and affected the Middle East. The credit ratings of national debts of European countries (such as Greece) and emerging markets (such as Mexico) have been downgraded as a result of their debt burden and there was unprecedented crisis for Euro. All of which implies that a second round global recession cannot be ruled out at the moment.

In mainland China, the negative impact of weak foreign demand was offset with the implementation of a series of policy measures to boost economic growth in 2009. Amongst these were an aggressive fiscal policy, "moderately loose" monetary policy, massive investment plans, and the Ten Industry Revitalization Plan, including intensive infrastructure investment, subsidizing private cars and home appliances purchasing, all of which increased domestic demand. More than RMB9 trillion was eventually injected into the economic system and the annual target of "8% up in GDP" in terms of domestic economic growth was achieved.

Hong Kong greatly benefited from China as the Mainland's policies drove the economic recovery of surrounding countries and regions well. No doubt, China had many substantial economic achievements last year. However, it did encounter increasing external tariff barriers in foreign trade and increasing pressure to revalue the RMB. It also had to battle a bubble effect in the economy as inflation pressures increased dramatically due to a substantial upsurge in housing prices. Strong movements in share prices also resulted from additional strong internal liquidity.

Against all of these challenges, 2010 looks set to be a critical year for mainland China in optimizing and adjusting its economic structure. Under the macro-economic control policy to be implemented by the Central government, the economic growth momentum will basically be sustained and domestic demand will continue to be a key driver for mainland China replacing its reliance on foreign trade.

Recently, there have been signs that the Central government is going to introduce various measures to suppress the increase in housing prices, with more focus on large-scale affordable housing projects for low-to-middle income class. In addition, support will be given to citizens who buy houses for self-residence whilst restrictive policies will be implemented to suppress speculative residential purchasing.

The real estate market will be reorganised and regulated by increasing land supply and providing more completed residential stock. The mortgage market will be more closely monitored by tightening the total amount of housing loans and the concessionary tax and credit policies in housing will gradually be withheld. These measures are all aimed at ensuring healthy economic development, reducing over-speculative activities and eliminating the danger of an economic bubble. The Group is confident about the medium-to-long-term development of the property industry of mainland China since the property sector will definitely benefit from future economic growth. In this light, the Group will continue to stick to its principles of maintaining stability and exercising caution, in seeking development and investment opportunities in the mainland property market and keep a close watch on market changes.

The Company will continue to exert its efforts to secure quality tenants for its office space in Plaza Central in Chengdu and the office and commercial space in Westmin Plaza Phase II in Guangzhou, and proceed with development of the property projects in Huangshan, Nanjing and Leiyang. The Group is actively involved in negotiations, which are at an advanced stage, to acquire a number of development projects in mainland China. We believe that these could present significant opportunities over the medium to long term.

Hong Kong is expected to continue to benefit from the economic development of mainland China and achieve considerable growth on the back of the increasingly closer economic and trade relationship between Hong Kong and mainland China. The Hong Kong property market grew rapidly in 2009. Real estate values increased due to the rapid credit expansion in mainland China and an extremely low interest rate environment. Such environment will continue to carry forward to 2010 although any credit tightening measures adopted by the US and Chinese governments may affect the performance of the Hong Kong real estate market in 2010.

For 2010, the rental income from Dah Sing Financial Centre is expected to remain stable and the hotel Crowne Plaza Hong Kong Causeway Bay, which was opened in November 2009, is expected to generate additional income for the Group. However, while it is expected that inflation and a low interest environment will remain in 2010, which will support maintenance of values in the Hong Kong property market, the growth momentum may lag behind that of last year. The Group will continue to actively manage the investment properties and continue its marketing campaign for the sale of the remaining unsold residential units of The Forest Hills, Royal Green and The Morrison.

The outcome of the Appeal Board's planning hearing in respect of the Fo Tan project is anticipated in the first half of this year and the Company will also continue to pursue appropriate development opportunities in mainland China.

In Australia and New Zealand, the Group continues its strategy to sell the existing properties in the region but the pace might be affected by the cautious sentiment in the market.

8. DEALINGS IN THE COMPANY'S LISTED SECURITIES

During the year ended 31st December, 2009, the Company purchased a total of 18,502,000 ordinary shares of HK$0.10 each of the Company on the Stock Exchange at an aggregate cash consideration of HK$43,502,221 (excluding expenses). All the purchased shares were cancelled during the year and the issued share capital of the Company was reduced by the total par value of these shares so cancelled. The purchases were effected by the directors of the Company pursuant to a general mandate given by the shareholders at the AGM held on 30th May, 2008 and the relevant particulars are as follows:

Period of the purchase	Total number of the shares purchased	Price paid per share Highest HK$	Price paid per share Lowest HK$	Aggregate consideration HK$
January 2009	6,832,000	2.30	2.26	15,713,200
February 2009	4,094,000	2.35	2.30	9,475,330
March 2009	7,576,000	2.60	2.30	18,313,691
	18,502,000			43,502,221

The directors considered that the aforesaid shares were purchased at a substantial discount to the net asset value per share and such purchases resulted in an increase in the net asset value and earnings per share of the Company.

Save as disclosed herein, the Company did not redeem any of its listed shares nor did the Company and its subsidiaries purchase or sell any of the Company's shares during the year.

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"), Certified Public Accountants, the Company's independent external auditor, the audit committee met on 25th March, 2010 and reviewed with the management the draft audited consolidated financial statements of the Company for the year ended 31st December, 2009. It expressed no disagreement over the same (including the accounting policies adopted by the Group).

10. SCOPE OF WORK OF DTT

The figures in respect of the Group's results for the year ended 31st December, 2009 as set out in this Announcement 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 this Announcement.

11. CORPORATE GOVERNANCE

Throughout the year ended 31st December, 2009, the Company has applied the principles and complied with all the code provisions and adopted certain recommended best practices of the Code on Corporate Governance Practices (the "CGP Code") (as amended and came into effect on 1st January, 2009) contained in Appendix 14 to the Listing Rules except for the following deviations:

- *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.* The Company does not propose to comply with this code provision for the time being. The Chairman who is holding the office of Managing Director of the Company 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 considerably long period and has withstood the test of time and that 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. In addition, the Board believes that a balance of power and authority is adequately ensured by the operations of the Board which comprises conscientious, experienced and high calibre individuals including three Independent Non-executive Directors.

- *Code provision A.4.1 which stipulates that non-executive directors should be appointed for a specific term.* Each of the existing Non-executive Directors (including the Independent Non-executive Directors) of the Company does not have a specific term of appointment but is subject to retirement by rotation and re-election at the annual general meetings pursuant to the Bye-laws of the Company. The Bye-laws require that every director will retire from office no later than the third annual general meeting of the Company after he was last elected or re-elected. In addition, any person appointed by the Board to fill a casual vacancy or as an additional Director (including Non-executive Director) will hold office only until the next annual general meeting and will then be eligible for re-election. As such, the Board considers that such requirements are sufficient to meet the underlying objectives of the relevant code provision and therefore does not intend to take any remedial steps in this regard.

However, the Board will continually review and recommend such proposals as appropriate in the circumstances of such deviations.

12. PUBLICATION OF ANNUAL REPORT

The 2009 Annual Report of the Company containing all the applicable information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the website of the HKEx at www.hkex.com.hk under "Latest Listed Company Information" and on the website of the Company at www.seagroup.com.hk under "Investor Relations/News/Announcements" not later than 27th April, 2010.

13. ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express our heartfelt gratitude to the founders of the Group, our sincere thanks to the long-standing business partners, customers and shareholders, and our appreciation to all staff members for their dedication and hard work for the Group during the year.

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

Hong Kong, 29th March, 2010

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, Lincoln Lu and Lambert Lu

Non-executive Director:	Mr. Lam Sing Tai
Independent Non-executive Directors:	Messrs. Walujo Santoso, Wally, Leung Hok Lim and Chung Pui Lam