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 31 DECEMBER 2010

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 31 December 2010 together with the comparative figures of 2009 are as follows:

1. CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2010

	Notes	**2010 HK$'000**	2009 HK$'000
Revenue	(iii)	**722,294**	530,652
Interest income		**14,414**	10,214
Other income		**27,453**	53,920
Costs:			
Property and related costs	(iv)	**(213,130)**	(210,510)
Staff costs		**(146,183)**	(126,997)
Depreciation and amortisation		**(69,743)**	(13,169)
Other expenses		**(140,230)**	(78,566)
		(569,286)	(429,242)
Profit from operations before fair value changes on properties		**194,875**	165,544
Fair value changes on investment properties		**884,133**	1,310,802
Profit from operations after fair value changes on properties		**1,079,008**	1,476,346
Share of results of associates		**(616)**	(1,555)
Share of results of jointly controlled entities		**(1,872)**	(2,557)
Finance costs	(v)	**(99,473)**	(79,311)
Profit before taxation		**977,047**	1,392,923
Income tax expense	(vi)	**(242,617)**	(239,977)
Profit for the year		**734,430**	1,152,946

* *For identification purpose only*

1. CONSOLIDATED INCOME STATEMENT (*Continued*)
For the year ended 31 December 2010

	Notes	**2010 HK$'000**	2009 HK$'000
Attributable to:			
Company's shareholders		**715,517**	1,122,649
Non-controlling interests		**18,913**	30,297
		734,430	1,152,946
Earnings per share for profit attributable to the Company's shareholders	(viii)		
Basic		**HK$1.08**	HK$1.74
Diluted		**HK$1.07**	HK$1.71
Earnings per share excluding fair value changes on properties net of deferred tax	(viii)		
Basic		***HK$0.01***	*HK$0.06*
Diluted		***HK$0.01***	*HK$0.06*

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2010

	2010 HK$'000	2009 HK$'000
Profit for the year	**734,430**	1,152,946
Other comprehensive income		
Exchange differences arising on translation of foreign operations	**76,663**	(1,625)
Share of translation differences of jointly controlled entities	**734**	-
Share of translation differences of associates	**(786)**	6,327
Total comprehensive income for the year	**811,041**	1,157,648
Total comprehensive income attributable to:		
Company's shareholders	**793,317**	1,130,505
Non-controlling interests	**17,724**	27,143
	811,041	1,157,648

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2010

	Notes	**31 December 2010 HK$'000**	31 December 2009 HK$'000 (restated)	1 January 2009 HK$'000 (restated)
Non-current Assets				
Investment properties		**7,144,376**	6,462,103	5,712,333
Property, plant and equipment		**1,213,390**	984,907	707,140
Properties for development		**783,163**	48,956	49,995
Club memberships		**8,574**	8,574	8,574
Interests in associates		**8,602**	12,806	10,512
Interests in jointly controlled entities		**40,499**	40,613	-
Loans receivable		**34,392**	63,209	86,463
Other receivable		**350,726**	145,235	-
		9,583,722	7,766,403	6,575,017
Current Assets				
Properties held for sale				
Completed properties		**414,400**	566,529	744,933
Properties under development		**719,663**	714,089	638,497
Other inventories		**1,245**	1,339	-
Other receivable		**-**	192,330	-
Held for trading investments		**143**	154	51
Loans receivable		**1,755**	3,073	11,222
Receivables, deposits and prepayments	(ix)	**130,549**	256,647	169,366
Tax recoverable		**453**	35,754	79
Amounts due from non-controlling shareholders		**1,578**	2,397	19,650
Pledged bank deposits		**264,103**	330,616	202,644
Restricted bank deposits		**-**	-	147,322
Bank balances and cash		**2,355,639**	2,332,975	2,166,157
		3,889,528	4,435,903	4,099,921
Investment properties held for sale		**-**	245,000	-
		3,889,528	4,680,903	4,099,921
Current Liabilities				
Payables, rental deposits and accrued charges	(x)	**328,828**	424,449	278,874
Sales deposits		**5,682**	1,180	9,580
Provisions		**4,865**	6,047	6,807
Tax liabilities		**136,634**	95,054	138,079
Amounts due to non-controlling shareholders		**177,238**	134,966	80,602
Bank borrowings – due within one year		**1,647,761**	1,019,994	1,651,241
Derivative financial liability		**1,828**	-	-
		2,302,836	1,681,690	2,165,183
Liabilities associated with investment properties held for sale		**-**	27,200	-
		2,302,836	1,708,890	2,165,183
Net Current Assets		**1,586,692**	2,972,013	1,934,738
Total Assets Less Current Liabilities		**11,170,414**	10,738,416	8,509,755

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Continued*)
At 31 December 2010

	31 December 2010 HK$'000	31 December 2009 HK$'000 (restated)	1 January 2009 HK$'000 (restated)
Capital and Reserves			
Share capital	**66,913**	64,719	65,693
Reserves	**8,044,426**	7,302,624	6,258,226
Equity attributable to the Company's shareholders	**8,111,339**	7,367,343	6,323,919
Non-controlling interests	**266,894**	266,329	236,053
Total Equity	**8,378,233**	7,633,672	6,559,972
Non-current Liabilities			
Bank borrowings – due after one year	**1,769,227**	2,252,324	1,312,446
Derivative financial liability	**-**	3,305	7,166
Deferred taxation	**1,022,954**	849,115	630,171
	2,792,181	3,104,744	1,949,783
	11,170,414	10,738,416	8,509,755

Notes:

(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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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

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.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (revised in 2008)	Business Combinations
HKAS 27 (revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK – Int 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

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

HKFRS 3 (revised in 2008) Business Combinations and HKAS 27 (revised in 2008) Consolidated and Separate Financial Statements

The Group applied HKFRS 3 (revised in 2008) *Business Combinations* prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (revised in 2008) *Consolidated and Separate Financial Statements* in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As no business combination occurred during the current year, the application of HKFRS 3 (revised in 2008) had no effect on the consolidated financial statements of the Group for the current or prior accounting periods. Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (revised in 2008) is applicable.

In respect of the Group's acquisition of additional interest in a subsidiary during the current year, the application of HKAS 27 (revised in 2008) has resulted in recognition of the difference between the consideration received and the decrease in the carrying amount of the non-controlling interests of HK$391,000 in equity. In addition, cash consideration of HK$900,000 paid to the non-controlling shareholders is presented as cash used in financing activities.

Amendment to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendment has removed such a requirement. The amendment requires that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on information that existed at the inception of leases. Leasehold lands that qualified for finance lease classification have been reclassified from prepaid lease payment to property, plant, and equipment retrospectively. As a result of the reclassification of prepaid lease payment with previous carrying amount of HK$358,647,000 and HK$350,040,000 as at 1 January 2009 and 31 December 2009 respectively to property, plant and equipment, the carrying amount of property, plant and equipment is increased by HK$358,647,000 and HK$350,040,000 from HK$348,493,000 and HK$634,867,000 as at 1 January 2009 and 31 December 2009 to HK$707,140,000 and HK$984,907,000 respectively. The carrying amount of such leasehold land at 31 December 2010 of HK$341,269,000 has been included in property, plant and equipment. The application of the amendment to HKAS 17 has had no impact on the reported profit or loss for the current and prior years.

Hong Kong Interpretation 5 Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Hong Kong Interpretation 5 *Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* ("HK Int 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. HK Int 5 requires retrospective application. However, the application of HK Int 5 does not have any impact on the consolidated financial statements.

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

HKAS 12 (Amendments) Deferred Tax: Recovery of Underlying Assets

The amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets* mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property*. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors of the Company anticipate that the application of the amendments to HKAS 12 may have a significant impact on deferred tax recognised for investment properties that are measured using the fair value model. Had the amendments been adopted for the year ended 31 December 2010, the deferred tax liabilities for investment properties would have been decreased and the profit for the current year and prior year would have been increased.

(iii) SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance are as follows:

Property development	–	development and sale of properties
Property investment	–	renting of investment properties
Hotel operation	–	hotel operation and management

Property investment and development activities are in Hong Kong, the People's Republic of China (the "PRC"), Australia and New Zealand 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 31 December 2010

	Property development HK$'000	**Property investment HK$'000**	**Hotel operation HK$'000**	**Eliminations HK$'000**	**Consolidated HK$'000**
SEGMENT REVENUE					
External sales	**271,096**	**275,065**	**176,133**	**-**	**722,294**
Inter-segment sales	**-**	**816**	**-**	**(816)**	**-**
Total	**271,096**	**275,881**	**176,133**	**(816)**	**722,294**
SEGMENT RESULTS					
Segment profit	**70,938**	**1,085,015**	**15,445**		**1,171,398**
Interest income					**14,414**
Corporate expenses					**(106,804)**
Share of results of associates					**(616)**
Share of results of jointly controlled entities					**(1,872)**
Finance costs					**(99,473)**
Profit before taxation					**977,047**

For the Year Ended 31 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

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, share of results of associates and jointly controlled entities and finance costs to individual reportable segment profit or loss for the purposes of resources allocation and performance assessment by the chief operating decision maker.

No segment assets and liabilities are presented as the information is not reportable to the chief operating decision maker in the resource allocation and assessment of performance.

(iv) PROPERTY AND RELATED COSTS

	2010	2009
	HK$'000	HK$'000
Changes in completed properties and properties under development held for sale	**122,158**	74,700
Costs incurred for development of properties held for sale	**32,842**	70,825
Write down of properties held for sale	**24,397**	28,112
Direct operating expenses on investment properties	**33,733**	36,873
	213,130	210,510

(v) FINANCE COSTS

	2010	2009
	HK$'000	HK$'000
Interest on:		
Bank borrowings wholly repayable within 5 years	**59,857**	54,887
Bank borrowings not wholly repayable within 5 years	**35,580**	26,248
	95,437	81,135
Less: Amounts capitalised to property development projects	**(2,584)**	(7,997)
	92,853	73,138
Front end fee	**4,109**	1,945
Other charges	**2,511**	4,228
	99,473	79,311

(vi) INCOME TAX EXPENSE

	2010	2009
	HK$'000	HK$'000
The charge comprises:		
Current tax		
Hong Kong Profits Tax	**38,475**	16,349
PRC Enterprise Income Tax	**31**	8
PRC Land Appreciation Tax	**-**	11,283
Other jurisdiction	**975**	-
	39,481	27,640
Underprovision in prior years		
Hong Kong Profits Tax	**41,974**	1,117
PRC Enterprise Income Tax	**-**	197
	41,974	1,314
Deferred tax	**161,162**	211,023
	242,617	239,977

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

During the year, the Hong Kong Inland Revenue Department ("IRD") has initiated a tax audit on two group entities for the years of assessments 2002/2003 to 2008/2009. At the same time, estimated assessments ("Protective Assessments") for the year of assessment 2003/2004 were issued to the entities. Subsequent to the end of the reporting period, Protective Assessments were also issued for the year of assessment 2004/2005. Objections against the Protective Assessments were lodged by the entities and against which tax reserve certificates totaling of HK$8,995,000 were purchased. In order to save the time of the management and professional cost in pursuing further, a settlement proposal has been submitted to the IRD for giving up the deductibility of certain interest costs in arriving at the assessable profit of the relevant entity. Additional tax liability of HK$41,974,000 for the years of assessments 2003/2004 up to 2009/2010 and an estimated penalty of HK$17,000,000 calculated on the basis of the proposed settlement have been made in the current year's financial statements.

PRC Land Appreciation Tax was 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 jurisdiction is calculated at the rates prevailing in the relevant jurisdictions.

(vii) DIVIDENDS

	2010	2009
	HK$'000	HK$'000
Dividend recognised as distribution during the year:		
2010 Interim dividend – HK5 cents (2009: HK5 cents) per share	**33,450**	32,354
2009 Final dividend – HK6 cents (2008: HK5 cents) per share	**40,426**	32,121
	73,876	64,475
2010 Final dividend proposed: HK6 cents (2009: HK6 cents) per share	**40,253**	38,870

A final dividend of HK6 cents (2009: HK6 cents) per share has been proposed by the directors of the Company 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:

	2010	2009
	HK$'000	HK$'000
Earnings for the purpose of basic and diluted earnings per share	**715,517**	1,122,649

	Number of shares	
	2010	2009
Weighted average number of ordinary shares for the purpose of basic earnings per share	**661,613,904**	645,720,070
Effect of dilutive potential ordinary shares options	**9,387,126**	10,697,437
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**671,001,030**	656,417,507

For the purpose of assessing the performance of the Group, the management is of the view that the profit for the year should be adjusted for the 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:

	2010	2009
	HK$'000	HK$'000
Profit attributable to the Company's shareholders as shown in the consolidated income statement	**715,517**	1,122,649
Fair value changes on investment properties	**(884,133)**	(1,310,802)
Deferred tax thereon	**154,893**	196,196
Attributable to non-controlling interests	**21,824**	30,783
Adjusted profit attributable to the Company's shareholders	**8,101**	38,826

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

(ix) RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2010 HK$'000	2009 HK$'000
Trade receivables	**10,170**	5,774
Accrued income, deposits and prepayments	**120,867**	251,361
Less: Allowance for impairment loss	**(488)**	(488)
	130,549	256,647

Included in accrued income, deposits and prepayments at 31 December 2009 are deposits of HK$149,500,000 paid for the tendering of certain pieces of lands situated in the PRC. The deposits were refunded to the Group during the current year on successful tendering of the lands.

Trade receivables mainly comprise of 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 is allowed to corporate customers and travel agents.

Receivables from sale of properties are payable 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 the trade receivables, presented based on the invoice date, at the end of the reporting period.

	2010 HK$'000	2009 HK$'000
0 to 30 days	**9,432**	4,962
31 to 60 days	**552**	297
61 to 90 days	**55**	23
91 to 365 days	**10**	443
Over 365 days	**121**	49
	10,170	5,774

(x) PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES

	2010 HK$'000	2009 HK$'000
Trade payables	**2,294**	2,383
Rental deposits	**73,429**	69,980
Other payables, other deposits and accrued charges	**253,105**	352,086
	328,828	424,449

Included in other payables, other deposits and accrued charges is an amount of HK$94,743,000 (2009: HK$130,109,000) payable to contractors for the cost in relation to the excavation, relocation arrangements and infrastructure works on certain pieces of lands.

The rental deposits to be settled after twelve months from the end of the reporting period based on the respective lease terms amount to HK$50,934,000 (2009: HK$53,010,000).

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 2011 AGM the payment of a final dividend of HK6 cents per share for the year ended 31 December 2010 (2009: HK6 cents) on Friday, 3 June 2011 to the shareholders of the Company whose names appear on the Hong Kong Branch Register of Members at the close of business on Friday, 27 May 2011.

Together with the interim dividend of HK5 cents per share already paid (2009: HK5 cents), the total dividend for the year will be HK11 cents per share (2009: HK11 cents). At the date of this Announcement, the total final dividend, as proposed, amounts to about HK$40.3 million (2009: HK$40.4 million). Such total amount will be increased by a maximum of HK$0.1 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 2011 AGM will be held in Hong Kong on Friday, 27 May 2011 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 and on the website of the Company at www.seagroup.com.hk under "Investor Relations/News/Announcements" no later than late April 2011.

6. CLOSURE OF REGISTER OF MEMBERS

The Hong Kong Branch Register of Members of the Company will be closed from Tuesday, 24 May 2011 to Friday, 27 May 2011, 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 2011 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 4:30 p.m. on Monday, 23 May 2011.

7. MANAGEMENT DISCUSSION AND ANALYSIS

Financial Summary

Turnover for the year ended 31 December 2010 amounted to HK$722.3 million (2009: HK$530.7 million). The turnover was principally attributable to the recognition of the sales of residential units in The Forest Hills, rental incomes from investment properties and revenue from the hotel operation.

Profit attributable to the Company's shareholders for the year amounted to HK$715.5 million (2009: HK$1,122.6 million), equivalent to basic earnings per share of HK$1.08 (2009: HK$1.74). The reported profit included a revaluation surplus on investment properties net of deferred taxation. By excluding the effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK$8.1 million (2009: HK$38.8 million), equivalent to basic earnings per share of HK$0.01 (2009: HK$0.06).

As at 31 December 2010, the Group's equity attributable to the Company's shareholders amounted to HK$8,111.3 million (31 December 2009: HK$7,367.3 million). The net asset value per share attributable to the Company's shareholders as at 31 December 2010 was HK$12.12 as compared with HK$11.38 as at 31 December 2009.

Geographical location of the Group's property assets were as follow:

	31 December 2010 **HK$' million**	31 December 2009 HK$' million
Hong Kong	**6,994.3**	6,619.5
Mainland China	**2,735.9**	1,841.5
Australia and New Zealand	**401.8**	388.7
Total	**10,132.0**	8,849.7

Business Review

During 2010, the Group has continued the development of various property projects in Hong Kong and Mainland China.

The rental income from the investment properties situated in both Hong Kong and Mainland China continued to provide stable returns to the Group. For developed properties, units in residential developments continue to be marketed with steady sales results. Turnover for the year mainly represented the sale of certain remaining units of The Forest Hills and Royal Green.

The Crowne Plaza Hong Kong Causeway Bay commenced operations in November 2009 and its performance improved during the year with positive cash flow generated from its operation.

The Group has eventually won the planning appeal of the large mixed use retail and residential development in Fo Tan, Hong Kong in 2010 and the necessary building plan approvals and the land exchange application are now being sought.

Property Investment and Development

The Company through Asian Growth Properties Limited ("AGP", together with its subsidiaries, the "AGP Group"), its 97.2% owned subsidiary whose issued shares are admitted for trading 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

(i) Dah Sing Financial Centre, Gloucester Road, Wanchai

The 39-storey commercial building includes offices and shops (total gross floor area of about 37,200 square metres) with ancillary car-parking facilities for 137 covered and 27 open car-parking spaces. Rental income generated from the Dah Sing Financial Centre has been stable and satisfactory. The occupancy rate remains at a high level and was approximately 99% as at 31 December 2010.

(ii) The Forest Hills, Diamond Hill

With a total gross floor area of approximately 18,800 square metres, the property has been developed as a 48-storey residential and commercial composite building, comprising 304 residential units above a 7-level retail podium, a club-house and car parks. The development was completed in April 2008 and delivery of the residential units to buyers commenced in May 2008. Up to 31 December 2010, about 97% of the residential units and 60 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 the 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.

(iii) 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. 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.

Marketing for the remaining 5 residential units (which are presently leased) is continuing. In December 2009, the Group entered into an agreement for sale and purchase with an independent party for the disposal of the entire commercial podium of The Morrison at a consideration of HK$245 million. The transaction was completed in late March 2010 and the profit generated was included in the fair value changes on investment properties in the consolidated financial statements of the Company for the year ended 31 December 2009.

(iv) Royal Green, Sheung Shui

The Group has a 53.5% effective interest in this private residential development comprising 922 residential units contained in three 40-storey residential towers with ancillary recreational and car-parking facilities. During the year, the 2 remaining duplex residential units and 5 car-parking spaces were sold.

(v) 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 envisages, 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. The appeals submitted by the Group were allowed by the Town Planning Appeal Board in October 2010. In December 2010, General Building Plan was submitted to the Building Department for approval. A land exchange application has been submitted for confirmation on land lease condition and land premium. The Group is awaiting the comments from the Building Department for further progress.

Mainland China

(vi) Plaza Central, Chengdu, Sichuan Province

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 gross floor area of approximately 91,500 square metres. During the year, the aggregate occupancy rate for the two office towers improved marginally and leasing activities for the remaining areas are continuing. The retail podium with a gross 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 31 December 2010, the aggregate occupancy rate for the two office towers and the retail podium was approximately 74%.

(vii) New Century Plaza, Chengdu, Sichuan Province

The Group’s property is a shopping arcade with a gross floor area of about 16,300 square metres and two car-parking basement floors in a commercial development known as New Century Plaza. The arcade has been fully let since the Group’s renewal of the tenancy with a furniture retailer commencing on 1 September 2009 for a further term of five years at a rental commensurate with the economic conditions then.

(viii) Westmin Plaza Phase II, Guangzhou, Guangdong Province

The Westmin Plaza Phase II project, which has a total gross 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 residential units were fully sold in February 2009 and the Group retains ownership of the office and commercial units. The development has won the Best Mixed Use Development – China Award of the CNBC Asia Pacific Commercial Property Awards 2009.

The 14-storey office tower has a total gross floor area of about 16,100 square metres. As at 31 December 2010, the tower was fully leased with more than one-third of the total office space being leased with naming rights to AIA, an international insurer, for a term of six years from April 2008. Leasing activities for the 3-storey shopping arcade with a total gross floor area of about 26,400 square metres are in progress.

(ix) Huangshan, Anhui Province

In March 2010, the AGP Group completed its acquisition from the joint venture partner of the remaining 9% equity interest not owned by it in the project company which has the right to develop tourist leisure facilities on land located in the famous scenic and most visited tourist Huangshan (Yellow Mountain) area. The project is presently 97.2% owned by the Group.

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. An overall development plan for a hotel and villas in the integrated resort site has been prepared for the Board's consideration and a renowned landscape architect in Japan has been retained to oversee the development.

(x) Chi Shan, Nanjing, Jiangsu Province

Through the establishment/acquisition of two 51%-owned joint venture companies by a 97.2% owned subsidiary since late 2008, the Group started its investment projects in Chi Shan. The joint venture companies are currently participating in the excavation, tenant relocation arrangements and infrastructure works on certain pieces of lands in that locality. Negotiations with the joint-venture partners about the size and scope of this luxury villa development are continuing.

(xi) Leiyang, Hunan Province

The 50/50 joint venture of the AGP Group was established in March 2009 for the development project known as The Redbud City in Leiyang. The superstructure work for eleven blocks of link-house, seven high-rise apartment buildings, and eight bungalows with a total gross floor area of approximately 117,000 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, 544 out of 860 residential units and 1 out of 8 bungalows have been sold. Delivery of the first batch of units has commenced in August 2010 and the remaining units are expected to be delivered to the purchasers at different completion stages up to and until the end of 2011.

Australia and New Zealand

Turnover generated from the property investment and development projects in Australia and New Zealand for the year ended 31 December 2010 was HK$24.3 million (2009: HK$22.1 million). During the year, the development property market in New Zealand showed little sign of recovery. However, there was still uncertainty in the sustainability of the economic recovery. The Group has made a provision for diminution in value of HK$24.4 million for certain properties in New Zealand. After taking into account the above provision, a net loss of approximately HK$29.3 million (2009: HK$47.6 million) was incurred. During the year, the Group had no significant acquisition or disposal in Australia and New Zealand. The strategy to sell the existing properties in Australia and New Zealand at reasonable prices remains unchanged.

New Development Projects

During the year under review, the Group was active in pursuing new development opportunities and has increased its land bank in attractive second-tier cities in Mainland China because the land prices are lower and their economies are likely to grow even when there is a slow-down in the primary cities.

In late June 2010, the Group acquired eight pieces of land in Kaifeng, Henan Province with a total site area of about 675,000 square metres for residential and commercial development for RMB399.8 million. In mid August 2010, the Group made successful bids in the public tenders for acquisition of two additional pieces of land which are adjacent to the abovementioned land, with a total site area of about 60,000 square metres for residential and commercial development for RMB47.5 million. The land costs and related taxes were fully settled in June and September 2010.

During the year, the Group also acquired two pieces of land in Longquan, Chengdu, Sichuan Province with a total site area of about 288,000 square metres for residential development for RMB190 million. The negotiation for the acquisition of the third piece of adjacent land of 218,000 square metres is close to conclusion.

Research and feasibility study in respect of the above projects' market positioning are in progress. Preliminary site works is processing.

<u>Hotel Operation</u>

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 14,945 square metres) with ancillary facilities. The operation of the hotel is under the name of "Crowne Plaza Hong Kong Causeway Bay", which commenced operations in early November 2009, and is presently managed by a member of the InterContinental Hotels Group ("IHG"). So far, the room occupancy and room rates have been satisfactory and the hotel has proved popular with a wide range of guests and increasing upscale business travellers. Progress is being made in further improving its food and beverages operation and turnover.

In April 2010, the hotel won three awards of the International Property Awards in association with Bloomberg Television, namely:

(i) the Best Hotel Construction & Design Hong Kong – 5-star Award;
(ii) the Architecture (Leisure & Hospitality) Hong Kong – 5-star Award; and
(iii) the Best Interior Design Hong Kong – Highly Commended Award.

In July 2010, it won two other awards, namely:

(a) the "Best New Hotel Award" amongst the Crowne Plaza Hotels for Greater China opened in 2009 conferred by the IHG; and
(b) the "Golfers' Choice Awards 2010 – Choice New Hotel" conferred by Golf Vacations, a magazine distributed in Mainland China, Hong Kong and Macau.

Financial Resources and Liquidity

Working Capital and Loan Facilities

As at 31 December 2010, the Group's total cash balance was HK$2,619.7 million (2009: HK$2,663.6 million) and unutilised facilities were HK$1,010.4 million (2009: HK$937.4 million).

Gearing ratio as at 31 December 2010, calculated on the basis of net interest bearing debt minus cash and restricted and pledged deposits as a percentage of total property assets, was 7.9% (2009: 6.9%).

As at 31 December 2010, maturity of the Group's outstanding borrowings was as follows:

	31 December 2010 HK$' million	31 December 2009 HK$' million
Due		
Within 1 year	**1,647.8**	1,020.0
1-2 years	**503.2**	946.3
3-5 years	**737.2**	1,112.9
Over 5 years	**528.8**	193.1
	3,417.0	3,272.3

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and Mainland China, the total bank loans drawn as at 31 December 2010 amounted to HK$3,108.1 million (2009: HK$2,958.6 million), which were secured by properties valued at HK$8,339.7 million (2009: HK$6,865.4 million) and fixed deposits of HK$264.1 million (2009: HK$325.3 million).

Certain subsidiaries of the Company operating in New Zealand and Australia pledged their properties with an aggregate carrying value of HK$400.3 million as at 31 December 2010 (2009: properties with an aggregate carrying value of HK$388.7 million and fixed deposits of HK$5.3 million) to secure bank loans of HK$308.9 million (2009: HK$313.7 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 31 December 2010, all of the Group's borrowings were raised through its wholly-owned or substantially controlled subsidiaries on a non-recourse basis.

Staff and Emolument Policy

As at 31 December 2010, the Group had a total of 352 employees (2009: 254 employees) in Hong Kong, Mainland China and New Zealand. Employee costs, including the emoluments of the directors of the Group, amounted to HK$146.2 million (2009: HK$127.0 million).

The Group maintains a good working relationship with its employees and continues 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, performance and development potentials. 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, examination leave and voluntary employer contributions to retirement schemes are offered to employees. In addition, to retain and motivate management staff and good performers, the Company has adopted an employee share option scheme and a share award scheme with options to subscribe for shares in the Company and awards of shares being granted by the Board to the Group's employees (including directors of the Company) on a discretionary basis. To further enhance employee relations and communications, recreational activities for general staff with senior management's participation are arranged.

Outlook

The economic recovery that started to manifest itself in 2010 appears to be gathering some forward momentum particularly in the US where first quarter results have been encouraging. However there is still much to be concerned about with huge government deficits in the more mature economies having to be addressed by slashing public expenditure and with the knock on effect on employment yet to be felt. The recovery is still fragile and interest rates are likely to remain at relatively low levels for some time.

The nuclear plant crisis in quake-hit Japan may continue to deteriorate and may have unseen repercussions. The ongoing political developments in North Africa and the Middle East also raise the concern of the world. The people power revolutions in Tunisia and Egypt are spreading. If this results in more radical anti western governments coming to power, the consequences for the world economy could be significant.

In Mainland China, the property market has continued to boom against a background of increasing loan growth. With few investment alternatives, this loan growth may not be continued. In order to address rampant inflation, the Chinese government may further increase interest rates. With the intention on getting inflation under control, it is expected that the Chinese government may implement further measures such as increasing taxation and restricting the lending to control pricing appreciation in the real estate markets. These measures may result in a slowdown and possible decrease in prices of properties in 2011.

The Group however is well balanced with a mixture of income generating assets as well as high potential development projects. The development projects in Mainland China, which were acquired over the past two years, are all progressing with planning at advanced stages and we anticipate breaking ground on projects located in Chengdu, Sichuan and Kaifeng, Henan during the year. These two projects were located in second tier cities of Mainland China and were bought at attractive terms. Even with a slowdown in end sale prices, it is believed that the projects will generate reasonably good returns for the shareholders of the Company. However, these two projects require significant investments in early years for commercial development and the returns will not be apparent until stabilised rental income and occupancy are achieved some time in future.

With strong demand for office spaces in Hong Kong, Dah Sing Financial Centre will continue to generate more rental income with several leases coming up for renewal at increased market rates. Our hotel in Causeway Bay is now well established and is projected to have higher revenue for the coming year.

The Group has eventually won the planning appeal of our large mixed use retail and residential development in Fo Tan, Hong Kong and the necessary building plan approvals are now being sought. It is anticipated that there will be further developments in this respect in the coming financial year.

As in previous years, the Group will continue to explore new investment and development opportunities which have potential for long term growth. Meanwhile, the Group's top priority is to consolidate the existing development strategy and monitor their progress carefully.

8. DEALINGS IN THE COMPANY'S LISTED SHARES

During the year ended 31 December 2010, the Company purchased a total of 10,040,000 ordinary shares of HK$0.10 each of the Company on the Stock Exchange at an aggregate cash consideration of HK$45,434,380 (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 the general mandates given by the shareholders at the annual general meetings held on 10 June 2009 and 27 May 2010 respectively. The relevant particulars are as follows:

Period of the purchase	**Total number of the shares Purchased**	**Price paid per share**		**Aggregate consideration**
		Highest	**Lowest**	
		HK$	HK$	HK$
May 2010	3,578,000	4.00	3.70	14,251,240
June 2010	710,000	4.10	3.98	2,869,080
September 2010	1,306,000	4.60	4.05	5,733,560
October 2010	3,786,000	5.13	4.80	18,952,300
November 2010	660,000	5.55	5.18	3,628,200
	10,040,000			45,434,380

The directors of the Company 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 of every remaining 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. The audit committee has reviewed with the management the audited consolidated financial statements of the Company for the year ended 31 December 2010.

10. SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU ("DTT")

The figures in respect of this Announcement of the Group's results for the year ended 31 December 2010 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 31 December 2010, the Company has applied the principles and complied with all the code provisions and adopted certain recommended best practices set out in the Code on Corporate Governance Practices (as amended) 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 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 2010 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 and on the website of the Company at www.seagroup.com.hk under "Investor Relations/Financial Reports" not later than late April 2011.

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, 28 March 2011

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