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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 2011

The board of directors (the “Board”) of S E A Holdings Limited (the “Company”) announces that the audited consolidated financial results of the Company and its subsidiaries (together, the “Group”) for the financial year ended 31 December 2011 together with the comparative figures of 2010 are as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2011

	<i>Notes</i>	2011 HK\$'000	2010 HK\$'000 (restated)
Revenue	3	701,279	722,294
Interest income		16,140	14,414
Other income		48,112	27,453
Costs:			
Property and related costs	4	(209,248)	(213,130)
Staff costs		(169,171)	(146,183)
Depreciation and amortisation		(76,876)	(69,743)
Other expenses		(138,070)	(140,230)
		(593,365)	(569,286)
Profit from operations before fair value changes on properties		172,166	194,875
Fair value changes on investment properties		1,083,584	884,133
Profit from operations after fair value changes on properties		1,255,750	1,079,008
Share of results of associates		1,530	(616)
Share of results of jointly controlled entities		(1,314)	(1,872)
Finance costs	5	(101,237)	(99,473)
Profit before taxation		1,154,729	977,047
Income tax expense	6	(68,403)	(113,092)
Profit for the year		1,086,326	863,955

* For identification purpose only

CONSOLIDATED INCOME STATEMENT *(Continued)*
For the year ended 31 December 2011

	<i>Notes</i>	2011 HK\$'000	2010 HK\$'000 (restated)
Attributable to:			
Company's shareholders		1,061,292	841,166
Non-controlling interests		25,034	22,789
		<u>1,086,326</u>	<u>863,955</u>
		HK cents	HK cents
Earnings per share for profit attributable to the Company's shareholders			
	8		
Basic		<u>158.4</u>	<u>127.1</u>
Diluted		<u>158.0</u>	<u>125.4</u>
<i>Earnings per share excluding fair value changes on properties net of deferred tax</i>			
	8		
<i>Basic</i>		<u>8.0</u>	<u>1.2</u>
<i>Diluted</i>		<u>8.0</u>	<u>1.2</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2011

	2011 HK\$'000	2010 HK\$'000 (restated)
Profit for the year	1,086,326	863,955
Other comprehensive income		
Exchange differences arising on translation of foreign operations	140,598	76,663
Revaluation increase upon reclassification of property, plant and equipment to investment properties	1,428	-
Share of translation differences of jointly controlled entities	1,997	734
Share of translation differences of associates	(86)	(786)
Total comprehensive income for the year	<u>1,230,263</u>	<u>940,566</u>
Total comprehensive income attributable to:		
Company's shareholders	1,196,760	918,966
Non-controlling interests	33,503	21,600
	<u>1,230,263</u>	<u>940,566</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2011

	At 31 December 2011 Notes	At 31 December 2010 HK\$'000 (restated)	At 1 January 2010 HK\$'000 (restated)
Non-current Assets			
Investment properties	8,298,288	7,144,376	6,462,103
Property, plant and equipment	1,140,060	1,213,390	984,907
Properties for development	1,288,272	783,163	48,956
Club memberships	8,574	8,574	8,574
Interests in associates	10,046	8,602	12,806
Interests in jointly controlled entities	44,574	40,499	40,613
Loans receivable	16,911	34,392	63,209
Other receivable	381,183	350,726	145,235
Derivative financial instrument	80	-	-
	11,187,988	9,583,722	7,766,403
Current Assets			
Properties held for sale			
Completed properties	330,713	414,400	566,529
Properties under development	660,638	719,663	714,089
Other inventories	1,019	1,245	1,339
Other receivable	-	-	192,330
Held for trading investments	-	143	154
Loans receivable	978	1,755	3,073
Receivables, deposits and prepayments	9 137,206	130,549	256,647
Tax recoverable	2,477	453	35,754
Amounts due from non-controlling shareholders	1,384	1,578	2,397
Pledged bank deposits	785	264,103	330,616
Bank balances and cash	2,485,688	2,355,639	2,332,975
	3,620,888	3,889,528	4,435,903
Investment properties held for sale	-	-	245,000
	3,620,888	3,889,528	4,680,903
Current Liabilities			
Payables, rental deposits and accrued charges	10 311,406	328,828	424,449
Sales deposits	601	5,682	1,180
Provisions	5,107	4,865	6,047
Tax liabilities	103,074	136,634	95,054
Amounts due to non-controlling shareholders	195,966	177,238	134,966
Bank borrowings – due within one year	1,054,331	1,647,761	1,019,994
Derivative financial instrument	-	1,828	-
	1,670,485	2,302,836	1,681,690
Liabilities associated with investment properties held for sale	-	-	27,200
	1,670,485	2,302,836	1,708,890
Net current assets	1,950,403	1,586,692	2,972,013
Total assets less current liabilities	13,138,391	11,170,414	10,738,416

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
At 31 December 2011

	At 31 December 2011 HK\$'000	At 31 December 2010 HK\$'000 (restated)	At 1 January 2010 HK\$'000 (restated)
Capital and Reserves			
Share capital	66,919	66,913	64,719
Reserves	<u>9,822,750</u>	<u>8,705,352</u>	<u>7,837,901</u>
Equity attributable to the Company's shareholders	<u>9,889,669</u>	8,772,265	7,902,620
Non-controlling interests	<u>302,036</u>	<u>277,400</u>	<u>272,959</u>
Total equity	<u>10,191,705</u>	<u>9,049,665</u>	<u>8,175,579</u>
Non-current liabilities			
Bank borrowings – due after one year	2,529,036	1,769,227	2,252,324
Derivative financial instrument	-	-	3,305
Deferred taxation	<u>417,650</u>	<u>351,522</u>	<u>307,208</u>
	<u>2,946,686</u>	<u>2,120,749</u>	<u>2,562,837</u>
	<u>13,138,391</u>	<u>11,170,414</u>	<u>10,738,416</u>

Notes:

1. 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 instrument, which are measured at fair values.

2. 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 2010
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets
HKAS 24 (Revised 2009)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HK(IFRIC) – Int 14 (Amendments)	Prepayments of Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(Continued)*

Except for amendments to HKAS 12 titled “*Deferred Tax: Recovery of Underlying Assets*” (“HKAS 12”) as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current or prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has applied amendments to HKAS 12 in advance of their mandatory effective date, which is annual periods beginning on or after 1 January 2012. Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 “*Investment Property*” are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

As a result, certain investment properties of the Group that are measured using the fair value model have been presumed to be recovered through sale for the purpose of measuring deferred taxes in respect of such properties. The application of the amendments has resulted in the Group’s deferred tax liabilities being decreased by HK\$541,907,000 and HK\$671,432,000 as at 1 January 2010 and 31 December 2010 respectively, with the corresponding adjustment recognised in retained profits. In addition, the application has resulted in the Group’s income tax expense for the year ended 31 December 2010 and 31 December 2011 being reduced by HK\$129,525,000 and HK\$147,675,000 respectively and the profit for the year ended 31 December 2010 and 31 December 2011 increased by the same amount.

Except for the application of amendments to HKAS 12 “*Income Taxes*” as disclosed above, the Group has not early applied the other new or revised standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new or revised standards, amendments or interpretations will have no material impact on the financial statements of the Group.

3. 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 is mainly focused on property development, property investment and hotel operation.

Property investment and development activities are in Hong Kong, the People’s Republic of China (the “PRC”), Australia and New Zealand whereas the hotel operation is in Hong Kong.

3. SEGMENT INFORMATION (Continued)

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

For the year ended 31 December 2011

	Property development HK\$'000	Property investment HK\$'000	Hotel operation HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE					
External sales	176,726	291,071	233,482	-	701,279
Inter-segment sales	-	601	-	(601)	-
Total	176,726	291,672	233,482	(601)	701,279
SEGMENT RESULTS					
Segment profit	1,721	1,295,446	56,579		1,353,746
Interest income					16,140
Corporate expenses					(114,136)
Share of results of associates					1,530
Share of results of jointly controlled entities					(1,314)
Finance costs					(101,237)
Profit before taxation					1,154,729

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

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 resource allocation and performance assessment by the chief operating decision maker.

4. PROPERTY AND RELATED COSTS

	2011	2010
	HK\$'000	HK\$'000
Changes in completed properties and properties under development held for sale	147,419	145,855
Write-down of properties held for sale	14,277	24,397
Selling and marketing expenses	4,746	9,145
Direct operating expenses on investment properties	42,806	33,733
	<u>209,248</u>	<u>213,130</u>

5. FINANCE COSTS

	2011	2010
	HK\$'000	HK\$'000
Interest on:		
Bank borrowings wholly repayable within 5 years	61,152	59,857
Bank borrowings not wholly repayable within 5 years	35,065	35,580
	96,217	95,437
Less: Amounts capitalised to property development projects	(2,292)	(2,584)
	93,925	92,853
Front end fee	3,684	4,109
Other charges	3,628	2,511
	<u>101,237</u>	<u>99,473</u>

6. INCOME TAX EXPENSE

	2011	2010
	HK\$'000	HK\$'000 (restated)
The charge comprises:		
Current tax		
Hong Kong Profits Tax	16,901	38,475
PRC Enterprise Income Tax	5,417	31
Other jurisdictions	148	975
	<u>22,466</u>	<u>39,481</u>
(Over) underprovision in prior years		
Hong Kong Profits Tax	(5,543)	41,974
Deferred tax	51,480	31,637
	<u>68,403</u>	<u>113,092</u>

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

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

During the preceding year, the Hong Kong Inland Revenue Department ("IRD") initiated a tax audit on two group entities for the years of assessments 2002/2003 to 2008/2009. Estimated assessments for the years of assessment 2003/2004 and 2004/2005 were issued to the entities and against which tax reserve certificates totaling HK\$8,995,000 were purchased. During the year, a settlement proposal was agreed with the IRD for giving up the tax losses, arising from provision for loss on certain previously owned properties held as trading assets by the relevant entity, available for offset against future assessable profits. Additional tax liability of HK\$36,793,000 was payable on the agreed additional assessable profits for the years of assessments 2003/2004 up to 2009/2010. Tax of HK\$5,501,000 overprovided up to the year of assessment 2010/2011 and estimated penalty of HK\$17,000,000 provided in the preceding year are reversed in the current year's financial statements.

7. DIVIDENDS

	2011	2010
	HK\$'000	HK\$'000
Dividend recognised as distribution during the year:		
2011 Interim dividend – HK5 cents (2010: HK5 cents) per share	33,459	33,450
2010 Final dividend – HK6 cents (2009: HK6 cents) per share	40,256	40,426
	<u>73,715</u>	<u>73,876</u>
2011 Final dividend proposed:		
HK6 cents (2010: HK6 cents) per share	40,151	40,253

A final dividend of HK6 cents (2010: 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 ("2012 AGM").

8. 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:

	2011	2010
	HK\$'000	HK\$'000 (restated)
Earnings for the purpose of basic and diluted earnings per share	<u>1,061,292</u>	<u>841,166</u>
	Number of shares	
	2011	2010
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>670,016,989</u>	661,613,904
Effect of dilutive potential ordinary shares options	<u>1,674,846</u>	<u>9,387,126</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>671,691,835</u>	<u>671,001,030</u>

For the purpose of assessing the performance of the Group, the directors are 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:

	2011	2010
	HK\$'000	HK\$'000 (restated)
Profit attributable to the Company's shareholders as shown in the consolidated income statement	<u>1,061,292</u>	841,166
Fair value changes on investment properties	<u>(1,083,584)</u>	(884,133)
Deferred tax thereon	<u>44,983</u>	25,368
Attributable to non-controlling interests	<u>30,945</u>	<u>25,700</u>
Adjusted profit attributable to the Company's shareholders	<u>53,636</u>	<u>8,101</u>
Earnings per share excluding fair value changes on properties net of deferred tax		
Basic	<u>HK8.0 cents</u>	<u>HK1.2 cents</u>
Diluted	<u>HK8.0 cents</u>	<u>HK1.2 cents</u>

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

9. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2011	2010
	HK\$'000	HK\$'000
Trade receivables	9,368	10,170
Accrued income, deposits and prepayments	128,168	120,867
Less: Allowance for impairment loss	<u>(330)</u>	<u>(488)</u>
	<u>137,206</u>	<u>130,549</u>

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.

	2011	2010
	HK\$'000	HK\$'000
0 to 30 days	8,294	9,432
31 to 60 days	782	552
61 to 90 days	153	55
91 to 365 days	129	10
Over 365 days	<u>10</u>	<u>121</u>
	<u>9,368</u>	<u>10,170</u>

10. PAYABLES, RENTAL DEPOSITS AND ACCRUED CHARGES

	2011	2010
	HK\$'000	HK\$'000
Trade payables	2,022	2,294
Rental deposits	83,930	73,429
Other payables, other deposits and accrued charges	225,454	253,105
	311,406	328,828

Included in other payables, other deposits and accrued charges is an aggregate amount of HK\$85,986,000 (2010: HK\$94,743,000) 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\$60,701,000 (2010: HK\$50,934,000).

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

11. EVENT AFTER THE REPORTING PERIOD

On 7 March 2012, the Group entered into an agreement to dispose of its entire equity interest in, together with the assignment of the loans to, the jointly controlled entities to the joint venture partner for a total cash consideration of HK\$61,250,000. The disposal will be completed in December 2012.

FINAL DIVIDEND

The Board has resolved to recommend for shareholders' approval at the forthcoming 2012 AGM the payment of a final dividend of HK6 cents (2010: HK6 cents) per share for the year ended 31 December 2011 to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Monday, 11 June 2012. The relevant dividend warrants are expected to be despatched on or before Monday, 18 June 2012.

Together with the interim dividend of HK5 cents per share already paid (2010: HK5 cents), the total dividend for the year will be HK11 cents per share (2010: HK11 cents).

ANNUAL GENERAL MEETING

The 2012 AGM will be held in Hong Kong on Thursday, 31 May 2012 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 at www.hkex.com.hk and on the website of the Company at www.seagroup.com.hk under "Investor Relations/Latest News/Announcements" no later than late April 2012.

BOOK CLOSE DATES

For the purpose of ascertaining the entitlements to attend and vote at the 2012 AGM and qualify for the proposed final dividend, the register of members of the Company will be closed. Details of such closures are set out below:

For ascertaining shareholders' entitlement to attend and vote at 2012 AGM

Latest time to lodge transfers documents	4:30 pm on 28 May 2012 (Monday)
Closure of register of members	29 May 2012 (Tuesday) to 31 May 2012 (Thursday) (both days inclusive)
Record date	31 May 2012 (Thursday)

For ascertaining shareholders' entitlement to the proposed final dividend

Latest time to lodge transfers documents	4:30 pm on 6 June 2012 (Wednesday)
Closure of register of members	7 June 2012 (Thursday) to 11 June 2012 (Monday) (both days inclusive)
Record date	11 June 2012 (Monday)

During the above closure periods, no transfer of shares will be registered. To be entitled to attend and vote at the 2012 AGM and to qualify for the proposed final dividend, all duly completed and stamped transfer documents accompanied by the relevant share certificates must be lodged 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 before the above latest time.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Summary

Turnover for the year ended 31 December 2011 amounted to HK\$701.3 million (2010: HK\$722.3 million). The turnover was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and the sales of properties in New Zealand.

Profit attributable to the Company's shareholders for the year amounted to HK\$1,061.3 million (2010 (restated): HK\$841.2 million), equivalent to a basic earnings per share of HK158.4 cents (2010 (restated): HK127.1 cents). The reported profit included a revaluation surplus on investment properties net of deferred taxation of HK\$1,038.6 million (2010 (restated): HK\$858.8 million). By excluding the effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK\$53.6 million (2010: HK\$8.1 million), equivalent to HK8 cents (2010: HK1.2 cents) per share.

As at 31 December 2011, the Group's equity attributable to the Company's shareholders amounted to HK\$9,889.7 million (31 December 2010 (restated): HK\$8,772.3 million). The net asset value per share attributable to the Company's shareholders as at 31 December 2011 was HK\$14.78 as compared with HK\$13.11 (restated) as at 31 December 2010.

The Group's property assets by geographical location at the year-end were as follow:

	31 December 2011 HK\$' million	31 December 2010 HK\$' million
Hong Kong	7,814.0	6,994.3
Mainland China	3,531.1	2,735.9
Australia and New Zealand	270.8	401.8
Total	11,615.9	10,132.0

Business Review

Property Investment and Development

The Group continues in focusing on the development and investment projects in Hong Kong and Mainland China. It is the Group's approach to review the project portfolios from time to time and the Group has entered into an agreement to dispose its entire interest in the 50%-owned Leiyang project to the joint venture partner in March 2012. The Group's core projects located in Hong Kong and Mainland China are listed below.

Hong Kong

The office leasing market was strong during the year. The rental income generated from Dah Sing Financial Centre, a 39-storey commercial building, has been stable and satisfactory and its occupancy rate remains at a high level of approximately 99% as at 31 December 2011.

During the year, the Group continued to sell the remaining units of the developed properties. The sale of remaining residential units and residents' car parking spaces of The Forest Hills and residential units (which are presently leased) of The Morrison are continuing.

The proposed development project at Fo Tan envisages, among other facilities, residential units, car parks, educational facilities and a bus terminus. This project has a site area of approximately 20,092 square metres and the revised general building plan was approved by Buildings Department in October 2011. The tenancy of the existing warehouse on the site was terminated at the end of December 2011 and demolition work is targeted to commence this year.

Mainland China

Chengdu, Sichuan Province

During the year, the occupancy rate for the two 30-storey office towers of Plaza Central improved substantially and its 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 2011, the aggregate occupancy rate for the two office towers and the retail podium was approximately 89%. Leasing activities for the remaining areas of Plaza Central continue.

The shopping arcade of New Century Plaza with a gross floor area of about 16,300 square metres has been fully let to a furniture retailer on a medium-term lease.

The Group has acquired three pieces of land in Longquan with a total site area of about 506,000 square metres in 2010 and 2011. The Group is now preparing the master layout plan and targets to submit to the local government this year. Preliminary site works of the project will be completed and site formation works for Phase I are being planned to commence this year.

Kaifeng, Henan Province

The project in Kaifeng, to be known as “Nova City”, has a site area of 735,000 square metres and it is proposed to be developed into an integrated complex in Zheng-Kai District, a new town in Kaifeng. The proposed development has a gross floor area of approximately 3,000,000 square metres envisages shopping mall, premium offices, exhibition hall, hotel, serviced apartments and residential towers. Master layout plans are being revised to incorporate latest government’s comments for re-submission. Preliminary site works will be completed while construction works of Phase I of the project are planned to start this year.

Guangzhou, Guangdong Province

The Group still retains the ownership of the 14-storey office tower and the 3-storey shopping arcade of The Westmin Plaza Phase II. As at 31 December 2011, the occupancy rate of the office tower of about 16,100 square metres was approximately 96% with more than one-third of the total office space being leased to AIA. Leasing activities for the shopping arcade with a total gross floor area of about 26,400 square metres are in progress.

Huangshan, Anhui Province

The project in Huangshan has a site area of about 333,500 square metres comprising about 66,700 square metres of land owned by the Group and about 266,800 square metres of land leased from the local authority. An overall development plan for a hotel, serviced apartments and resort villas in the integrated resort site has been prepared and conceptual design has been completed.

Chi Shan, Nanjing, Jiangsu Province

The Group has established two 51%-owned joint venture companies to participate in the tenant relocation arrangements and excavation and infrastructure works on certain pieces of lands in Chi Shan. The Group intended to acquire such lands through land auctions and has submitted master layout plans for these lands for the government’s assessment.

Australia and New Zealand

Turnover generated from the property investment and development projects in Australia and New Zealand for the year ended 31 December 2011 was HK\$139.5 million (2010: HK\$24.3 million). During the year, the Group has made a provision for diminution in value of HK\$14.3 million (2010: HK\$24.4 million) for certain properties in New Zealand. After taking into account the above provision, a net loss attributable to the Company's shareholders of approximately HK\$16.3 million (2010: HK\$29.3 million) was incurred. During the year, the Group had disposed part of Kaikainui Block, Favona Land and whole of Man Street Carpark in New Zealand. The strategy to sell the existing properties in Australia and New Zealand at reasonable prices remains unchanged.

Hotel Operation

Crowne Plaza Hong Kong Causeway Bay is a 29-storey five-star hotel comprising 263 guest rooms with ancillary facilities and is presently managed by the InterContinental Hotels Group. It has achieved satisfactory occupancy and room rates for the year under review. In September 2011, the hotel won "Luxury City Hotel" Award 2011 conferred by World Luxury Hotel Awards.

Financial Resources and Liquidity

Working Capital and Loan Facilities

As at 31 December 2011, the Group's total cash balance was HK\$2,486.5 million (2010: HK\$2,619.7 million) and unutilised facilities were HK\$750 million (2010: HK\$1,010.4 million).

Gearing ratio as at 31 December 2011, calculated on the basis of net interest bearing debt minus cash and restricted and pledged deposits as a percentage of total property assets, was 9.4% (2010: 7.9%).

As at 31 December 2011, maturity of the Group's outstanding borrowings was as follows:

	31 December 2011 HK\$' million	31 December 2010 HK\$' million
Due		
Within 1 year	1,055.2	1,649.6
1-2 years	116.4	505.9
3-5 years	2,081.3	742.7
Over 5 years	349.3	528.8
	3,602.2	3,427.0
Less: Front-end fee	(18.8)	10.0
	3,583.4	3,417.0

Pledge of Assets

For the Company's subsidiaries operating in Hong Kong and Mainland China, the total bank loans drawn as at 31 December 2011 amounted to HK\$3,422.3 million (2010: HK\$3,108.1 million), which comprised of secured bank loans of HK\$3,162.3 million (2010: HK\$2,828.1 million) and unsecured bank loans of HK\$260.0 million (2010: HK\$280.0 million). The secured bank loans were secured by properties valued at HK\$9,103.9 million (2010: HK\$8,339.7 million) and fixed deposits of HK\$0.8 million (2010: HK\$264.1 million).

Certain subsidiaries of the Company operating in New Zealand and Australia pledged their properties with an aggregate carrying value of HK\$270.9 million as at 31 December 2011 (2010: HK\$400.3 million) to secure bank loans of HK\$161.1 million (2010: HK\$308.9 million).

Treasury Policies

The Group adheres to prudent treasury policies. As at 31 December 2011, 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 2011, the Group had a total of 393 employees (2010: 352 employees) in Hong Kong, Mainland China and New Zealand. Employee costs, including the emoluments of the directors of the Group, amounted to HK\$169.2 million (2010: HK\$146.2 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 global economy will remain complicated in the year ahead. Although the US has had some signals of recovery, the eurozone debt crisis, recession worries and downgrading of the credit rating of some European countries remain the market concerns. As unemployment remains high in major developed economies, the road to a global economic recovery is arduous.

The Mainland China's economy grew by 9.2 per cent last year. However, the Premier has cut the economic growth target this year to an eight-year low of 7.5 per cent which will enable the Central Government to face myriad challenges in the external environment. By lowering the growth target and coupled with its fiscal policy, it is expected that the Mainland China can sustain its continuing economic growth in the long run. As leadership transition among the top ranks of the party and government is scheduled in this year, it is expected that there will not be any significant changes in its macroeconomic policies. Tough regulatory measures on home purchases and relatively tight monetary supply will likely continue.

The liquidity in banking system has been tightened since the fourth quarter of 2011 which has led to financing activities becoming more difficult and costs of borrowing are much higher than last year. As most of the development projects of the Group are at development stage, the Group is exploring different types of long term funding to finance these projects and will manage its gearing policy carefully under the current uncertain financial market.

Hong Kong's economy is likely to show modest growth supported by robust visitor spending and healthy domestic consumption. The Group's income generating assets in Hong Kong and Mainland China continue to do well. Our prime asset, Dah Sing Financial Centre, is benefiting from the demand of office building in surrounding central business area and is almost been fully let with good quality tenants. Due to the proximity to core shopping area in Causeway Bay and shortage of hotel rooms supply, Crowne Plaza Hong Kong Causeway Bay continues to grow its income.

Demolition work of the Fo Tan project has been started and foundation work will commence this year. The development projects in Chengdu and Kaifeng, Mainland China are still at the preliminary stage and further capital injection will be required. The Group is still in a good financial position but will take a cautious and prudent approach in managing the Group's property portfolios.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2011, the Company purchased a total of 2,502,000 ordinary shares of HK\$0.10 each of the Company on the Stock Exchange at an aggregate cash consideration of HK\$11,580,540 (excluding expenses). All the purchased shares were then cancelled and the issued share capital of the Company was reduced by the total par value of these shares so cancelled. Particulars of the repurchases are as follows:

Date of repurchase	Total number of shares repurchased	Price paid per share		Aggregate consideration HK\$	Date of cancellation of the repurchased shares
		Highest HK\$	Lowest HK\$		
20 June 2011	1,216,000	4.66	4.57	5,664,940	30 June 2011
29 June 2011	<u>1,286,000</u>	4.60	4.60	<u>5,915,600</u>	14 July 2011
	<u>2,502,000</u>			<u>11,580,540</u>	

The directors of the Company considered that the aforesaid shares were repurchased 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.

Apart from the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2011.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2011, 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 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.

FORMATION OF NOMINATION COMMITTEE

A nomination committee of the Company was established on 30 March 2012 and comprises three members, namely Messrs. Lu Wing Chi, the Chairman of the Board, Walujo Santoso, Wally and Leung Hok Lim.

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 2011.

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 2011 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.

PUBLICATION OF ANNUAL REPORT

The 2011 Annual Report of the Company containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the website of the Company at www.seagroup.com.hk under “Investor Relations/Financial Reports” no later than late April 2012.

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, 30 March 2012

At the date of this announcement, the Board comprises the following members:

<i>Executive Directors:</i>	Messrs. Lu Wing Chi (<i>Chairman and Managing Director</i>), Lu Wing Yuk, Andrew, Lincoln Lu and Lambert Lu
<i>Non-executive Director:</i>	Mr. Lam Sing Tai
<i>Independent Non-executive Directors:</i>	Messrs. Walujo Santoso, Wally, Leung Hok Lim and Chung Pui Lam